

productivity; thus unit labour cost will increase when average compensation grows more rapidly than productivity.

**Sources of data.** The output components of the various indexes of output per unit of labour input and unit labour cost referred to here are the indexes of real domestic product by industry. Developed within the conceptual framework of the system of national accounts, they measure in constant dollar terms the contribution of each component industry to total output.

The major sources for the employment and man-hour indexes are the monthly labour force and employment surveys and these are supplemented by data from such sources as the annual censuses of manufactures and mining and the decennial censuses of population. Since the data from these diverse sources vary considerably in their coverage, concepts and methods of compilation, care has to be exercised in selection, adaptation and combination of the data into aggregate measures of labour input which are conceptually and statistically consistent, both internally and in relation to the output data. Labour force data are used for the paid worker estimates of agriculture and of fishing and trapping while those for manufacturing and mining are based on adjusted annual census data. Estimates for most of the remaining industry divisions are derived from employment survey data. Estimates of other than paid workers (own-account workers, employers and unpaid family workers) are derived mainly from the labour force survey. Estimates of average hours worked, needed for the indexes of man-hours, are also based on labour force survey data except in the case of manufacturing where man-hours data reported in the census of manufactures were also used. Labour compensation is the sum of wages, salaries, supplementary labour income and an imputed labour income for self-employed workers. For imputed labour income the average hourly income of paid workers is attributed to self-employed persons in the same industry division. Indexes of output per person employed, output per man-hour and unit labour cost for commercial industries and the major components are presented in Table 23.14.

**Growth rates.** Between 1961 and 1979, output per person employed in the commercial industries increased at an annual average rate of 2.7%. Output per man-hour increased more rapidly, 3.5% a year, reflecting reductions in the average work week. A review of the period since 1961 shows higher growth rates in labour productivity during the first decade than for the years since 1971. Output per man-hour increased at an average rate of 4.2% a year for the years 1961-71 and at an average rate of 2.2% a year for the years 1971-79. However, there is considerable variation in the year-to-year per cent changes of output per man-hour for the 1970s, ranging from a high of 5.2% in 1971 to no change in 1975. In 1976 output per man-hour increased by 5.0%, but the rate of growth has successively declined in each year since, down to 0.5% in 1979.

Commercial goods-producing industries recorded higher rates of growth in output per man-hour than the commercial service-producing industries, with the former increasing at an average rate of 4.3% a year and the latter at 2.5% a year for the years 1961-79. Output per man-hour in manufacturing increased 3.9% a year for the period 1961-79. Unit labour cost for commercial industries increased at an average annual rate of 2.9% a year for the period 1961-71, and 8.8% for the period since 1971. In 1979 the increase in unit labour cost was 7.4%. Unit labour cost for manufacturing increased at an average annual rate of 1.9% for the period 1961-71 and 8.8% for 1971-79. The increase in unit labour cost in 1979 was 8.7%.

## Price indexes

23.3

### Retail price indexes

23.3.1

This section describes price indexes currently available for goods and services purchased by consumers at the retail level.

**Consumer price index (CPI).** The consumer price index measures the change in the retail prices of goods and services purchased by Canadian consumers living in urban centres with a population of over 30,000. In the revision of the CPI, which became