

dollars, perhaps eighteen billion, of our budget is spent for national defense against weapons for which there is no defense. This is tragedy. No nation can continue to exhaust its resources in war and spend 60 per cent of its budget on armaments in peace-time without ultimately impoverishing its people.

We in the labor movement believe in the ideals of the Atlantic Charter and in the creation of a world order operating on law. Stated succinctly, we insist that the enforcement of law must be taken from the hand of the litigant and placed in the hands of the court.

Ours is a program of transfer of sovereignty. We are convinced that a balance-of-power approach to history can only lead to war. Perhaps our position

can best be illustrated by the development of the British commonwealth, in contrast with the autonomy of other empire systems. In the British system, force was abandoned for cooperation based on mutual advantage.

Peace is very precious to us in the unions. We know that the "little people" bear the brunt of war. We understand the community of interest among those who toil everywhere; therefore a warless world is among our paramount goals.

In conclusion then, labor to me is the guardian of the values of our civilization. True, it is not without its faults, but yet it is the greatest driving force for good now extant. Believing this, it is my responsibility to work from within, not criticize from without!

The Measurements of the Canadian Labour Force

By R. W. JAMES and NATHAN KEYFITZ

I

THE planning of the war in Canada required statistical information of almost every conceivable kind. It was essential to know the output of aluminum and copper and other raw material as well as the needs of the civilian population for shoes, butter, and meat, among other things. Everybody became accustomed to filling out forms and applications, almost all of which were eventually used in compiling statistical information. As a result, many people became more conscious of the value of good statistics. Certainly this is true of government administrators. New methods of collecting statistics have been developed by the government in response to new demands for information. This paper is concerned with the introduction of large-scale sampling methods in the collection of labour force statistics, and with the circumstances which prompted this new development.

II

In the early 1930's, the professional economists were unable to offer any satisfactory account of the depression which was sweeping over the world. There was large-scale unemployment in most industrial countries, but no one seemed to be able to suggest any convincing or practical remedies. The public was bewildered, and took refuge in wild monetary schemes or in complete disillusionment. Even in the depths of the depression, public understanding and opinion had not crystallized sufficiently to force governments to adopt useful countermeasures. By about 1935, Lord Keynes' brilliant analysis of the problem of underemployment had begun to spread and within a few years had taken the academic world by storm. The essential novelty of the Keynesian system was that it abandoned the traditional assumption of full employment and demonstrated quite clearly that the manpower and resources of a country could remain underemployed for a long period. Lord Keynes showed that a declining birth

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rate, the falling off of new investment opportunities and the retreat of its economic frontiers could lead to the permanent stagnation of an economy and the permanent unemployment of large numbers of its citizens. This was significant, in view of the fairly prevalent attitude that depressions resulted from governmental interference with the economic system. The exponents of this latter view held that if business and industry were left alone, the economy would right itself in due course. Lord Keynes' proposals to cure a depression involved mainly the expenditure of sufficient money by governments to restore the demand for goods, services and labour. The technique is now known as "deficit financing." Fortunately, the political appeal of the Keynesian doctrine was great enough to secure acceptance rapidly, not only in the academic world but also among large masses of people who were uninterested in refinements of economic theory. To-day, even the most unsophisticated person can understand that depressions happen when people stop spending money on a sufficiently large scale.

In the United States, in the 1930's, government expenditure on a large scale was adopted to stimulate new investment and consumption expenditures. The extent to which these deficit spending policies, which were an integral part of the New Deal, were successful is a somewhat controversial matter. In Canada, deficit financing as a remedy for unemployment was not widely accepted. Indeed, in view of Canada's special dependence on export trade, government expenditure is not a particularly efficient remedy for a depression. However, any doubts about the ability of a government to achieve a high level of economic activity by large expenditures quickly disappeared with the outbreak of the war and the beginning of the major war production programmes. The impact of war expenditures on the level of employment became apparent. Mass unemployment became merely an unpleasant memory. From 1939 to 1944, civilian

employment in Canada increased from 3.5 million to 4.2 million, in the face of large drains of manpower into the armed forces, and unemployment became negligible. During the war, anyone with normal skill and ability could get a job.

For a few years during the war, labour enjoyed more security, with respect to employment, than had ever been known before, a striking contrast to the haunting fear of unemployment so characteristic of the 1930's. It became clear that unemployment could be eliminated by expenditure on weapons for the destruction of mankind, it could also be eradicated by expenditure as the construction of schools, roads, public buildings and, in general, on agencies for improving the general welfare. Apart from its political appeal, this idea seems to be very sound. In any case, the governments of the western democracies have completely accepted their responsibility for the maintenance of "full employment." In the United Kingdom... and Canada, White Papers were issued, formally acknowledging this responsibility, while in the United States the same set of ideas has been incorporated in Acts of Congress and in pronouncements of the President.

III

Recognition of the responsibility of the state to insure high levels of employment has emphasized the need for current statistics on employment and unemployment.¹

The demand for labour force statistics while evident during the 1930's, was reinforced suddenly with the outbreak of war in 1939. It became clear, as the war progressed, that the manpower resources of Canada would be severely strained by the labour requirements of war-time industry and agriculture and the drain

1. Employment and unemployment statistics of varying quality had, of course, been available for many years. However, the statistical material was not based on current activity classifications and exhaustive groupings of the whole population could not be obtained from it. Here, labour force statistics is a generic term referring to employment or unemployment and other statistics derived from current activity classifications.

of persons of working age into the armed forces.

Interest centered in the total number of persons either employed or available for employment, in other words, the aggregate labour force. The division of the overall labour force between the armed forces and non-military employment was intimately related to the military and production commitments of Canada. Although there are certain gaps in the labour force statistics available for the war-time period, there is no question that the labour force expanded very greatly as a result of the influx into the labour market of persons normally retired, going to school or keeping house.

By the end of the war, interest had again shifted from the absolute size of the labour force to its composition. It was widely believed that the economy might be upset during the period of reconversion and that unemployment might uncomfortably rise. For example, it was forecast by certain economists in Washington that unemployment in the United States would rise to 6 millions by six months after VJ-Day. Fortunately, the conditions which were foreseen when this estimate was made, did not materialize and the volume of unemployment has not, in fact, exceeded approximately 2 millions since the end of the war. In Canada, the same uncertainty existed and it became apparent that labour force statistics would be useful in gauging the state of the economy in the period of post-war readjustment.

IV

By the end of 1944, the Dominion Bureau of Statistics had begun to develop concrete plans for the introduction of a periodic sample survey of the labour force designed to yield up-to-date statistics on the current activity or status of Canadians 14 years of age and over. It was amply clear that periodic enumerations of the whole population were not practical and that sampling techniques would have to be relied on. Fortunately, considerable pioneer work in the theoret-

ical and practical aspects of labour force sampling had been done in the United States and the results of this research and experience were available. By the fall of 1945, the preliminary work on the design of the sample had been completed and the initial survey began in November. Successive surveys were carried out in February, June, August and November of 1946, and, by degrees, a comprehensive picture of the changing pattern of the Canadian labour force is being built up. In order to appreciate this statistical information, however, it is desirable to understand the sampling technique and the definitions which are employed.

V

The quarterly labour force surveys cover all but a small proportion of the civilian non-institutional population 14 years of age and over in Canada. It is estimated that approximately 8.5 million persons in this category are included in sampling scheme. Excluded are Indian reserves and certain remote areas, but the omission amounts to only about 2 per cent of the population covered.

The selection of a random sample of households in Canada is a technical and complex operation. It is essential that all households included in the sampling scheme have a known probability of selection. As might be expected in a random sample, the households designated for interview are scattered all over Canada from the small islands off Prince Rupert to the islands off the coast of Nova Scotia.

As a preliminary step in selecting the sample households, the country was divided into primary sampling units which consist of groups of adjoining townships or municipalities. Within each province the primary sampling units were classed into groups (i.e. stratified) on the basis of similarity of industrial, agricultural or population characteristics. Then, one primary sampling unit was selected to represent each stratum. For example, one primary sampling unit was

chosen to represent the fishing stratum in Nova Scotia and one the dairying stratum in Ontario. These sample areas, representing all other areas of similar characteristics, were chosen at random in such a way that the probability of their selection was proportional to their population in 1941. In addition, each city, whose population was 30,000 or more in 1941, was treated as a separate stratum and automatically included. Within each of the sample areas, of which there are about 100, some specified proportion of the households was selected for interview. In rural and open country areas, it was necessary to have enumerators' list all households in certain sections to permit the selection of a random sample. In the cities, sample blocks were chosen at random, and a random selection of households picked in each block chosen. The proportion of households to be sampled was fixed so as to yield approximately one per cent of the households in the area covered by the sample. It is important to note that the enumerators exercise no option in the selection of the households they interview; either the specific households or rules for the selection of households' established prior to the actual interviews'

VI

The household interviews are concerned primarily with the status or activity of the sample individuals during the week which precedes the beginning of a survey. It is on the basis of the activity classifications obtained by the enumerators that estimates of the number of employed, the number of unemployed and the number of nonworkers are made. The labour force will consist of all persons 14 years of age or over who fall into any of the following groups:

- (i) those who worked, including own-account workers and unpaid family workers;
- (ii) those who had a job but did not work because of illness, holidays,

labour disputes, bad weather or temporary layoff with definite instructions to return to work within 30 days;

- (iii) those actively seeking work but not at work;
- (iv) those not at work and not actively looking for work because of a layoff lasting 30 days or longer, temporary illness or because no work or no suitable work is available in the community.

The first two of these classes constitute the employed part of the population, the last two, the unemployed and the balance, the nonworkers. The nonworkers again are classed as keeping house, going to school, retired, too old or unable to work and other (a residual category). Persons such as students or housewives who are mainly engaged in non-economic activity are classed as employed if they work at all, and conversely, as unemployed if they are actively looking for work.

Unemployment is, on the basis of these definitions, an absolute concept; an individual is either unemployed or he is not. If an individual has been looking for work for less than one week since his last job, he is not classed as unemployed. However, employment is a relative notion and information is collected to indicate the extent of under or partial employment based on the number of hours worked during the survey week.

VII

In order to put the foregoing in more concrete form, the main statistical breakdowns obtained from the labour force surveys in 1946 is presented in Table 1. Detailed classifications are released periodically by the Dominion Bureau of Statistics and special tabulations of more limited interest are circulated to government departments.

TABLE 1—Summary of the Labour Force Classifications of the Canadian Population 14 Years of Age and Over
(Thousands of Persons)

	February 23	June 1	August 31
Total non-institutional civilian population	8,538,000	8,718,000	8,792,000
Civilian labour force	4,525,000	4,828,000	4,977,000
Employed	4,312,000	4,702,000	4,860,000
At work	4,207,000	4,581,000	4,656,000
With a job but not at work	105,000	121,000	204,000
Unemployed	213,000	126,000	117,000
Not in the labour force	4,013,000	3,890,000	3,815,000

(2). Includes all persons 14 and over in Canada except those living in institutions and those in the armed services.

By the end of August, unemployment was only about two per cent of the labour force. Moreover, it was estimated that 81,000 of the 117,000 unemployed had been looking for work for less than three months. On the basis of these figures, it does not appear that the pessimistic forecasts of mass unemployment after the war have been borne out.

The collection of labour force statistics in Canada is, of course, in its infancy. Experience will undoubtedly lead to more refined methods of collection and to modifications and improvements of definitions and classifications. Apart from the technical aspects of survey operations, much remains to be done in analyzing and explaining fluctuations in

the labour force and its components. One question of major importance is the extent to which the war-time expansion of the labour force will be reversed in the next few years. Of equal importance is the extent to which the labour force fluctuates in response to seasonal and to cyclical influences. Of more vital concern are the fluctuations in the level of unemployment, its geographic and industrial distribution and its sensitivity to seasonal factors. Evidently, the intelligent application of a policy of full employment should be based on a careful study over a period of time of the Canadian labour force and its components.

Health — Labour's Concern

By LEO PRICE

PUBLIC attention was focussed upon labor unions' concern for the health of their members last spring. At that time John L. Lewis captured the newspaper headlines with his collective bargaining demands for coal miners. The United Mine Workers of America, his union, threatened to tie up all coal pro-

duction unless a health and welfare fund was established by the mine owners. The first new comments expressed surprise and indignation over a demand for the control of an estimated seventy million dollar health fund rather than over the dramatic presentation of the gross neglect of the health of workers in a hazardous trade.

As negotiations proceeded, the press began to compare coal miners' demands with health and welfare programs financed

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