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# ESTIMATES OF LABOUR INCOME

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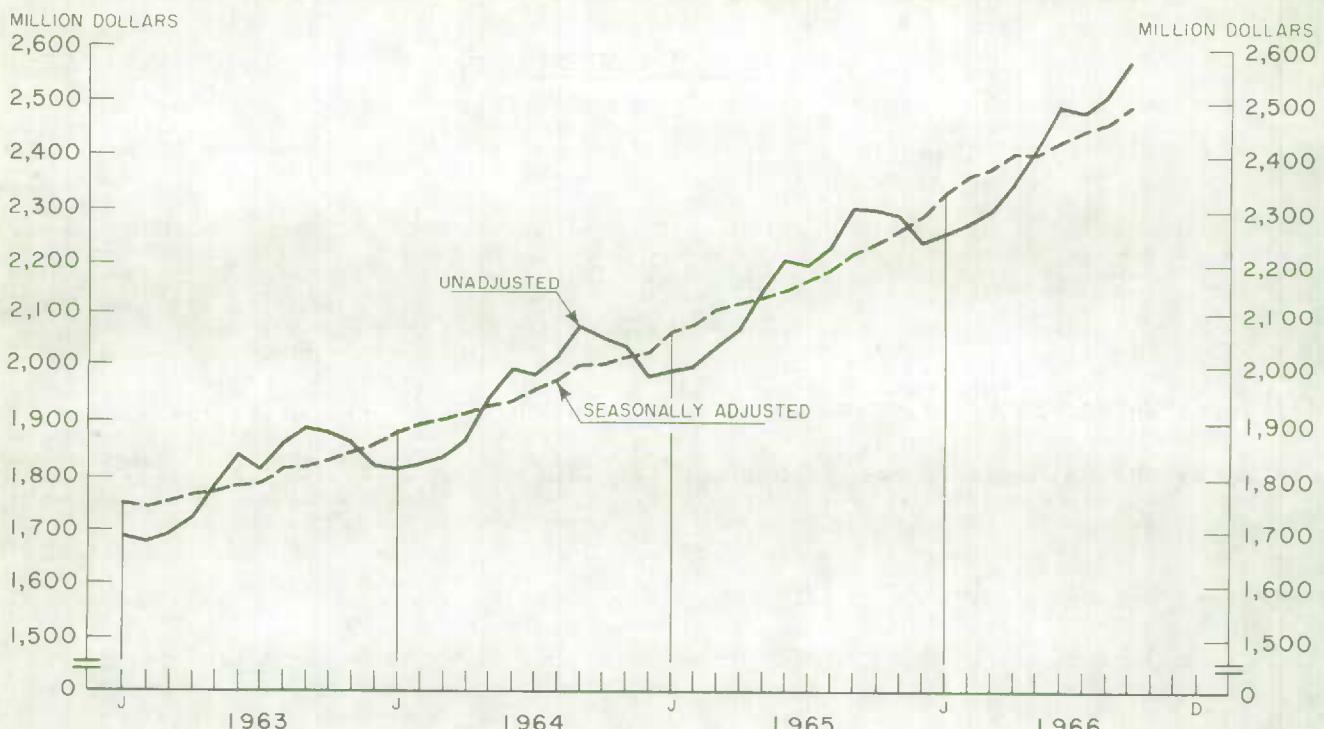
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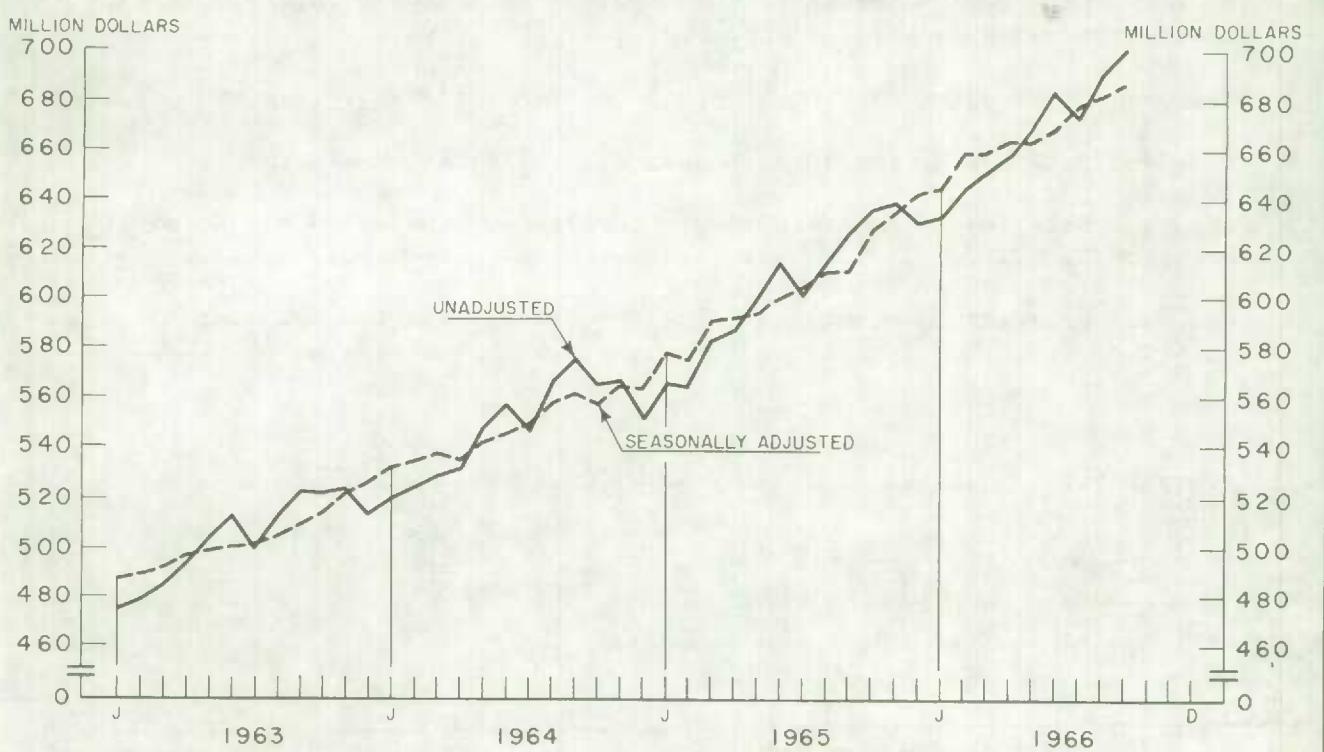
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### WAGES, SALARIES AND SUPPLEMENTARY LABOUR INCOME



### WAGES AND SALARIES IN MANUFACTURING



ESTIMATES OF LABOUR INCOME

SEPTEMBER 1966

The total labour income for September is estimated at \$2,578 million, roughly \$65 million higher than August. Seasonally adjusted the September income was \$35 million above August. Most of this increase reflected a return to operations following upon August labour disputes, particularly in the railway component but also in some service industries (e.g. Quebec hospitals).

Seasonally adjusted, the increase in labour income in September over August was slightly more than that associated with industrial disputes. Most of this increase was due to manufacturing (up \$5 million or 0.7%). Government workers had reduced incomes from August, a month with high retroactive payments, but they were up slightly from the July figure.

With the settlement of industrial disputes all provinces had higher labour incomes in September than in August. Seasonally adjusted, there was an upward trend for the quarter in both Ontario and Quebec, with little change in the totals for the other provinces.

The quarterly picture for 1966 shows labour income rising fairly steadily. Seasonally adjusted, the second quarter was 2.2% above the first and the third quarter 2.2% above the second. These compare with quarterly increases in 1965 of 2.4, and 2.9. The third quarter of 1966 had less than normal seasonal increases in construction but this was offset in the total by other labour income increases, mainly in manufacturing. These increases together with payments of retroactive wage adjustments kept total incomes rising in spite of the heavy reductions caused by labour disputes.

Percentage Changes in Monthly Estimates

	Unadjusted		Seasonally adjusted			
	August/66 to September/66	September/65 to September/66	May/66 to June/66	June/66 to July/66	July/66 to August/66	August/66 to September/66
<u>Wages and salaries by industry, Canada:</u>						
Agriculture, fishing and trapping .....	- 15.7	4.7	1.4	1.9	0.0	1.4
Forestry .....	1.4	10.5	- 21.0	17.7	3.5	- 3.1
Mining .....	0.0	8.0	0.7	- 6.5	7.2	2.3
Manufacturing .....	1.3	11.8	0.6	1.5	0.6	0.7
Construction .....	- 1.1	18.6	2.0	- 1.0	- 1.1	- 1.0
Transportation, storage and communication	13.7	9.6	1.9	2.3	- 8.9	3.5
Public utilities .....	1.9	7.9	1.3	1.5	- 1.7	15.1
Trade .....	0.9	9.9	1.2	0.9	0.4	0.3
Finance, Insurance and real estate .....	0.7	8.6	0.7	0.7	0.7	0.7
Service .....	10.2	13.8	1.6	0.0	1.7	1.6
Government non-military .....	- 5.8	6.1	0.9	2.3	6.4	- 3.8
Total wages and salaries .....	2.6	11.4	0.8	1.0	0.5	1.5
<u>Wages and salaries by province:</u>						
Newfoundland .....	3.0	11.5	1.1	- 2.1	0.3	3.5
Prince Edward Island .....	3.0	9.7	0.0	1.6	- 3.2	1.6
Nova Scotia .....	4.4	10.8	0.8	0.0	- 0.3	4.8
New Brunswick .....	1.2	8.4	2.2	0.4	- 2.6	0.0
Quebec .....	3.4	12.3	1.1	- 0.6	1.6	1.8
Ontario .....	2.3	10.8	1.3	1.2	0.4	0.8
Manitoba .....	4.2	9.5	0.9	1.0	- 0.9	3.9
Saskatchewan .....	2.6	12.2	0.7	1.8	1.4	0.7
Alberta .....	3.4	13.6	1.9	1.2	- 0.3	3.4
British Columbia .....	1.0	11.3	- 1.9	5.2	- 0.9	0.4
Canada .....	2.6	11.4	0.8	1.0	0.5	1.5















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EXPLANATORY NOTESCONCEPTS AND METHODS

Wages and salaries is specified to include living allowances, bonuses, commissions, and "tips" and is measured prior to deductions of all kinds (income tax, employees' contributions to the Unemployment Insurance Fund and to welfare and pension funds, etc.). Both money payments and payments in kind (i.e. free board and lodging) made to, or on behalf of, residents of Canada, excluding military pay and allowances, are included in the total of wages and salaries. Retroactive wage payments are included in the month in which they are paid. Supplementary labour income comprises payments made by employers on behalf of their employees in order to provide them with future benefits, either definite or contingent. Specifically, these payments include employers' contributions to employee welfare and pension funds, to workmen's compensation and industrial vacation funds, and to the Unemployment Insurance Fund. Contributions to armed forces pension funds are also included. Labour income is defined as the total of wages and salaries and of supplementary labour income.

The annual estimates of labour income are based in most cases on survey data collected by DBS, published accounting records, or information otherwise obtained directly from business or government agencies. In a few cases information is not available for non-census years and projections from census "benchmarks" are made using the best available related indicators. Comprehensive notes on concepts and methods relating to the preparation of labour income estimates are contained in the reference paper Labour Income 1926-58. Information relating labour income estimates to the national accounts may be found in National Accounts, Income and Expenditures: 1926-56.

About four-fifths of current labour income is estimated by applying payroll indexes to the latest available annual benchmarks. These payroll indexes are obtained from a monthly survey of establishments normally employing fifteen or more persons (see the DBS monthly publication Employment and Payrolls). For industries not covered by this survey the estimates are based on indexes which are either derived from other sources of payroll information or specially constructed on the basis of related data. A constant number of working days is assumed for each month in order to avoid the effects of differences in numbers of holidays and week-ends.

STATISTICAL PRESENTATION

In order to obtain a historical record of labour income statistics, the following publications should be consulted: Estimates of Labour Income (December 1964 to November 1965) for the year 1961; (December 1963 to November 1964) for the year 1960; (December 1962 to November 1963) for the year 1959; (December 1961 to November 1962) for the year 1958 and (December 1960 to August 1961) for the year 1957. The reference paper Labour Income 1926-58 contains a record of data on labour income to the end of 1956. Monthly data on provincial wages and salaries for the months prior to January, 1961 are available upon request.

The latest monthly figures are preliminary and subject to revision in the next issue. In addition, all figures for recent years are subject to further minor revisions as new annual source materials become available.

The monthly figures in this report are presented with one digit after the decimal point, i.e. to the nearest tenth of a million dollars. This is done in order to avoid sudden changes in estimates for small provinces or industries which would occur if the figures were rounded to the nearest million, and it should not be assumed that the estimates are accurate to the nearest tenth of a million.