

Wages and salaries include directors' fees, bonuses, commissions, taxable allowances and benefits. A gross concept has been adopted and wages and salaries are measured before deductions for employees' contributions to income tax, unemployment insurance, pension funds, etc. Supplementary labour income, which is defined as payments made by employers for the future benefit of employees, is composed of employers' contributions to employee welfare and pension funds including the Canada and Quebec Pension Plans, to workmen's compensation funds, and to unemployment insurance.

Estimates of labour income based on the 1948 Standard Industrial Classification (SIC) have been published for 1926-69; those based on the 1960 SIC were originally published in 1969 for the period 1951-68 and then projected to the end of 1971. The entire series 1951-71 has been revised, carried back to 1947 and projected to 1974.

8.3.3 Employer labour costs

The labour costs survey, instituted in 1967 as a joint Statistics Canada — Canada Department of Labour project, is designed to measure the content of the total pay package. The results are of value in collective bargaining, in improving estimates of labour income and in developing better productivity measures. The survey also provides cost data for the various items studied in the Canada Department of Labour's survey of working conditions. In addition, all levels of government use the data in developing labour policy. The survey is conducted each year in one or more major industry divisions. At present a particular industry is surveyed every three or four years. Consequently, sufficient data are not yet available to determine trends over a period of time. However, the results of the 1971 and 1972 surveys of the manufacturing and mining industries enable comparisons to be made between the years 1968 and 1971 and 1969 and 1972 for these industries.

In order to minimize the effects of general increases in salaries and wages, the labour cost estimates in Tables 8.22-8.25 are shown as percentages of payments made by the employer for regular work performed during normal working hours. Using the figures in Table 8.22, the actual cost of every \$100 in basic pay paid by an employer in manufacturing, on the average, for regular work, can be calculated to be \$128.14 in 1968 and \$128.60 in 1971. The corresponding figures for mining are \$134.87 in 1969 and \$134.66 in 1972.

The labour cost items studied reflect the differences in the nature of each industry and the occupations of those employed. The approximate ratios of salaried (office) employees to wage-earners (non-office) are: manufacturing 27:73; mining 30:70. However, since the occupations of salaried employees are different from those of other employees, the relative costs for each group are compared separately in Table 8.23.

The labour costs show that additional costs for time worked are more significant for wage-earners than for salaried employees and that such costs are substantial in the mining industry. These costs include overtime (straight-time and premium pay), shift work and payments made to employees for work performed under special conditions. In the mining industry, underground production bonuses for wage-earners account for some 6.5% of basic pay. Overtime costs for wage-earners are slightly higher in mining than in manufacturing. The results of the 1971 and 1972 surveys, however, show decreases in overtime costs in both industries in each three-year period.

Paid absence represents a significant additional cost to employers. The average cost for all employers expressed as a percentage of basic pay for regular work in manufacturing increased from 9.54% in 1968 to 10.58% in 1971. In mining, the cost of paid absence increased from 9.98% in 1969 to 11.17% in 1972. These increases in employer expenditure reflect the costs for additional paid holidays and for reductions in the service required for employees to qualify for longer vacations, in both industries. Table 8.24 illustrates the relative significance of the various components of paid absence for all employees, and for salaried employees and wage-earners separately. Employers usually provide sickness benefits for wage-earners through insurance plans rather than by continuing pay during illness. For salaried employees, on the other hand, the salary is usually continued. Many employers do not keep accurate records of absences for sickness and for personal leave; consequently the costs for these items are understated.

Miscellaneous payments to employees comprise termination pay, non-production bonuses, taxable benefits (such as board and lodging) and retroactive pay for a preceding year,