

**Weekly earnings in industry.** Average weekly earnings at the national industrial composite level have increased substantially, rising from \$23.44 in 1939 to \$117.64 in 1969 and \$265.37 in 1978. In the recent period, gains have been 9.6% in 1977 and 6.2% in 1978. Annual index numbers of employment and average weekly earnings for 1976-78 are presented by industry, province and urban area in Table 7.14. Table 7.15 shows annual average weekly earnings by industrial division for the years 1974-78 and monthly averages for 1977 and 1978.

**Hourly wage rates.** The monthly survey of employment, payrolls and man-hours covers statistics of hours of work and paid absence of those wage-earners for whom records of hours are maintained, plus corresponding totals of gross wages paid; these wage-earners are mainly hourly-rated production workers. Information on hours is frequently not kept by employers for ancillary workers nor, in many industries and establishments, for any wage-earners. Salaried employees are excluded by definition from the series. As a result of these exclusions, data are available for fewer industries and workers than are covered in the employment and average weekly earnings statistics.

During 1971-78 average weekly hours declined while average hourly earnings rose substantially. For the most part, upward wage-rate revisions in all industries were responsible. Technological changes, which in many cases involve the employment of more highly skilled workers at the expense of those in the lower-paid occupations, also contributed to the advance of average hourly earnings. As indicated in Table 7.16, from 1971 to 1978 average hourly earnings rose by 116.6% in mining, by 116.4% in construction and by 108.5% in manufacturing. During the same period, average weekly hours rose by 0.2% in mining and declined by 0.5% in construction and 2.3% in manufacturing. Comparing 1978 to 1977 average hourly earnings increased by 5.2% in construction, by 7.2% in manufacturing and by 7.9% in mining; weekly hours decreased by 0.2% in mining and increased by 0.3% in manufacturing and by 0.8% in construction. Table 7.17 presents average weekly hours and hourly earnings in specified industries and selected urban areas for 1976-78.

### 7.5.2 Labour income and costs

Labour income, comprising wages and salaries and supplementary labour income, is defined in *Estimates of labour income* (Statistics Canada Catalogue 72-005) as all compensation paid to employees residing in Canada. By definition this includes Canadians who are employed abroad by the federal government. Not included are earnings received by self-employed persons such as independent professionals, proprietors of unincorporated businesses and farmers. Military pay and allowances which fit the definition of labour income are also excluded because they are shown as a separate item in the national income accounts.

Wages and salaries include directors fees, bonuses, commissions, gratuities, income in kind, taxable allowances and retroactive wage payments. Wages and salaries are estimated on a gross basis, before deductions for employee contributions to income tax, unemployment insurance and pension funds. Remuneration accumulating over time, for example, retroactive payments, are accounted for in the month and year in which they are paid.

Supplementary labour income, defined as payments made by employers for the future benefit of their employees, comprises employer contributions to employee welfare and pension funds, worker compensation funds and unemployment insurance.

**The labour cost survey** provides information on the composition of total employee compensation and measures significance of fringe benefits. There is an increasing awareness by employers, employees, labour unions and governments of the growing importance of fringe benefits. In a general way, the benefits comprise a wide variety of direct and indirect costs for non-wage items incurred by employers on behalf of their employees. The survey is limited to employer expenditures which comprise employee compensation — wages and salaries, additional cash payments, such as severance pay, and costs to employers of compulsory and voluntary welfare and benefit plans.

Since 1967 yearly labour cost surveys covered one or more major industry divisions. Starting in 1976 the survey covered all industries. This all-industry survey was