

From the distributions set out in Schedules 3 and 4 above, the 1961 average earnings rate for the male age group 45-54 corresponding to the "aggregate" average earnings rate of \$3,723 was determined to be \$4,798. Average earnings rates for all relevant age groups were then obtained by applying to \$4,798 the proportions set out in Schedule 3 above.

For 1966, average earnings rates by sex and age group were determined by multiplying the average earnings rates for 1961 by the factor $(1.031)(1.035)(1.03)^3$, where 1.031 and 1.035 are the increase ratios in the D.B.S. "average weekly wages and salaries" statistic for the Industrial Composite classification from 1961 to 1962 and 1962 to 1963, respectively, and 1.03 is the assumed annual increase ratio from 1963 to 1966. For the years 1967 to 1975, average earnings rates were projected by multiplying the average earnings rates for the preceding year by 1.03 or 1.04, as applicable.

For illustrative purposes, average earnings rates, determined as explained in the above paragraphs, are shown for the years 1966, 1970 and 1975 in Schedule 5 below.

SCHEDULE 5
AVERAGE EARNINGS RATES OF CIVILIAN PAID WORKERS FOR CANADA
EXCLUDING QUEBEC

Age Group	Rate of Increase in Average Earnings					
	3% per annum			4% per annum		
	1966	1970	1975	1966	1970	1975
	\$	\$	\$	\$	\$	\$
Males						
18-19.....	2,245	2,526	2,928	2,245	2,626	3,195
20-24.....	3,368	3,790	4,394	3,368	3,941	4,795
25-34.....	5,052	5,687	6,593	5,052	5,910	9,191
35-54.....	5,614	6,318	7,324	6,614	6,569	7,992
55-59.....	5,333	6,003	6,959	5,333	6,239	7,592
60-64.....	5,052	5,687	6,593	5,052	5,910	7,191
65-69.....	4,211	4,739	5,493	4,211	4,925	5,992
Females						
18-19.....	2,245	2,526	2,928	2,245	2,626	3,195
20-24.....	2,807	3,159	3,664	2,807	3,283	3,994
25-34.....	3,088	3,475	4,028	3,088	3,613	4,396
35-54.....	3,088	3,475	4,028	3,088	3,613	4,396
55-59.....	3,088	3,475	4,028	3,088	3,613	4,396
60-64.....	2,807	3,159	3,664	2,807	3,283	3,995
65-69.....	2,245	2,526	2,928	2,245	2,626	3,195

Step 3—Modified average earnings rates

In this final step is described how the average earnings rates, determined as described in Step 2 above, were modified to take account of the effect of the contributory earnings upper limit on individual earnings and the effect of excluding the earnings of otherwise eligible workers having annual earnings less than the minimums allowable for contribution purposes.

As a starting point, from Taxation statistics for the 1958, 1959 and 1960 taxation years were derived, for the "total employees" class, proportions of the