OTTAWA ... The good news of today's job numbers from Statistics Canada's Labour Force Survey raises concerns among working Canadians and their families that the Bank of Canada may take them, once more, as a reason to raise interest rates.

-It is time for ordinary workers to share in the prosperity after almost two decades of stagnation of real wages for everyone except the greedy few at the highest end of the corporate ladder," says Ken Georgetti, president of the Canadian Labour Congress. -Because the economy seems to be performing well, it's time for families and the country to invest and prepare for tomorrow. Hence our message to the Bank of Canada: don't slam the brakes when the economy is finally delivering for working people."

-Governments should jump on the opportunity provided by this good news to make the necessary investments in the skills of workers to sustain our quality of life, to raise productivity and remain competitive. With an emphasis on the manufacturing sector. There's no magic to it. Working families expect the federal government to take the lead to make it happen with a co-ordinated response that involves all levels of government, labour and employers," explains Georgetti.

The unemployment numbers ... Statistics Canada's Labour Force Survey reports that in May 2006 the unemployment rate fell to 6.1% from 6.4% the previous month. The lowest rate since December 1974. Except for losses in the manufacturing sector, every single sector in the economy has posted employment gains in May. Mostly full-time jobs. Still, the good news don't hide that, last month, in seasonally-adjusted numbers, there were still 1,073,200 Canadians who wanted to work but did not have a job.

Chief Economist Andrew Jackson's Analysis

â€¢ I expect Bay Street economists will sound the alarm that unemployment is too low, and call on the Bank of Canada to sharply raise interest rates before workers start to demand higher wages. That would be a mistake.

â€¢ The Bank of Canada has recognized that wages are not increasing excessively across the board, and that higher wages in specific regions and sectors send an important signal to all workers on where better jobs are to be found.

â€¢ The fact that average real hourly wages are up by 1.4% from last year (a wage increase of 3.8% minus the inflation increase of 2.4%) is in line with much stronger productivity growth, and is good news for working families.

â€¢ It is important to underline the gains to working families which come from a low unemployment rate. Not only is there a huge impact on poverty as people move from unemployment and under-employment to better jobs, equality increases when wages do rise in lower-paid jobs, most of which are held by youth, women and recent immigrants.

â€¢ We also need to remind ourselves of the risks ahead. Our manufacturing sector continues to shed jobs due
to the high dollar, and the US economy is slowing down.

Meanwhile, the numbers are clearly great news for Canadian workers. Record high full-time job creation last month (up 151,000), and a drop in the national unemployment rate from 6.4% to 6.1%. More significantly, there is a shift from part-time and self-employment to full-time jobs. Youth unemployment rate fell sharply from 11.5% to 11.1%.

The Canadian Labour Congress, the national voice of the labour movement, represents 3 million Canadian workers. The CLC brings together Canada's national and international unions along with the provincial and territorial federations of labour and 135 district labour councils.

Type:  
Media Release  
Topic:  
Issues, Campaigns and Government Relations  
• Print  
• PDF