Subsection 2.—Employment in Manufactures.

The total number of persons engaged in those manufacturing industries of Canada for which statistics were obtained in 1926 was in that year 581,539, as compared with 544,225 in the same industries in 1925 and 508,503 in 1924[1]. The 1926 employees included 81,794 salaried employees, this figure being obtained from the manufacturers at the end of each year, and 499,745 wage-earners, the average number employed, as derived from the manufacturers' records of the numbers on the pay-rolls on the 15th of each of the twelve months. Prior to 1925, the number of wage-earners was computed as the sum of the number recorded each month divided by 12 whether the establishment was operating the 12 months or not. Beginning with the statistics for 1925, in seasonal industries which are in operation only a limited number of months in each year, such as sawmilling, fruit and vegetable canning, etc., the average was computed by dividing the sum of the wage-earners reported on the 15th of each month by the number of months in operation. This change of method increased the apparent number of employees, especially in seasonal industries, but also in the groups containing such seasonal industries and in provincial and Dominion totals. Similarly, the change of method exerted a reducing influence on apparent average wages and on all other averages per wage-earner and per employee.

The number of salaried employees and of wage-earners, as thus ascertained, is given for each of the years since 1917, the year of the first annual census of manufacturing production, in Table 18. Then, taking the percentage of those employed in each year to those employed in 1917, and dividing it into the volume of manufacturing production in each year (see Table 4 of this chapter for method used in obtaining this figure), the quotient gives a tentative conclusion regarding the efficiency of production per person employed in years subsequent to 1917, as compared with that year. This index of the efficiency of production per employee is, of course, affected by the change explained above in the method of computing the number of employees in 1925 and subsequent years as compared with 1924 and previous years. Inasmuch as the change increased the apparent number of employees in 1925 and 1926, it proportionately decreased the index of the efficiency of production. How far the increased efficiency of recent years may be due to the use of improved appliances of production (the horse-power used per wage-earner employed increased from 3·04 in 1917 to 6·37 in 1926), how far to increased efficiency in the employees and how far to improvements in methods of organization, is a problem which cannot be solved for the country as a whole with our present information. It may, however, be possible for those having intimate knowledge of the business of individual firms to solve this problem with approximate accuracy for their own particular plants. The table here published may be considered as supplying satisfactory evidence of a general gain in volume of production per person employed. In this connection it should be remembered, however, that in 1917, owing to the large numbers overseas, many persons of low efficiency were being employed, their inefficiency being at the time concealed by the prevailing inflation of prices.

[1] For statistics showing the trend of employment in manufacturing industries in 1927 and 1928, see in the index, "Employment as reported by employers".