

There was also a change in the proportion of female workers engaged in manufacturing. During the war years, owing to the shortage of manpower, the proportion went up and by 1945 reached 27.7 p.c. but by 1949 it had dropped to 24.0 p.c. and by 1954 to 22.6 p.c.; in 1959 it rose again slightly to 22.8. In comparing annual earnings of one industry with another, the proportion of female workers employed by each must be considered since female workers as a group are paid lower wages than male workers. Industries made up of a large number of small establishments and in which the proportion of female workers is high consequently have lower average annual earnings. Cotton yarn and cloth, fruit and vegetable preparations, women's factory clothing, leather footwear and men's factory clothing are the more important industries in this category.

Interesting comparisons are obtained by comparing salary and wage payments with value added by manufacture. Value added is obtained by subtracting the cost of materials, including fuel and electricity, from the gross value of products. The difference represents the value added by labour to the materials while they are in the factory. Such added values constitute the real production of the manufacturing plant and are alone available for the payment of salaries and wages, interest, rent, taxes, repairs and all other overhead charges that ordinarily must be met, as well as profits. The value added by manufacture reported by the various industries can be added to produce a non-duplicating total for manufacturing as a whole. Being free of duplication within the manufacturing sector, value added figures are, therefore, more representative of the total value of manufacturing production than are gross value of production figures.

The following figures show that the proportion of salary and wage payments to value added is more or less constant, the average annual change during the past fifteen years was only one-fifth of one per cent, dropping from 51.8 in 1945 to 49.2 in 1959. The proportion of office payments rose from 11.7 to 14.9 while production payments dropped from 40.1 to 34.3 during this period. The ability to increase prices in proportion to increases in salaries and wages no doubt accounts for this phenomenon.

| Year      | <i>Proportion of—</i>                         |   |  |
|-----------|---|---|--|
|           | <i>Office<br/>Payments to<br/>Value Added</i> | <i>Production<br/>Payments to<br/>Value Added</i> | <i>Total<br/>Payments to<br/>Value Added</i> |
|           | p. c.   | p. c.   | p. c.  |
| 1945..... | 11.7  | 40.1  | 51.8   |
| 1949..... | 11.8  | 36.8  | 48.6   |
| 1954..... | 13.6  | 35.7  | 49.3   |
| 1959..... | 14.9  | 34.3  | 49.2   |

Average annual earnings in 1959 for all employees totalled \$3,891, an increase of 136 p.c. over the 1945 average of \$1,649. In 1959 British Columbia and Ontario, with average annual earnings of \$4,165, were the highest paying provinces, British Columbia having a slight margin over Ontario. Alberta ranked third, followed in order by Saskatchewan, Quebec, Manitoba, Newfoundland, Nova Scotia, New Brunswick and Prince Edward Island. The high figure shown for the Yukon and Northwest Territories is not representative because of the unusual conditions under which industry is carried on in those Territories.

As already mentioned, a notable feature during the past twenty years was the reduction in the disparity between average annual earnings of office and production workers. Whereas in 1939 average annual earnings of production workers were only 56 p.c. of the earnings of office employees, in 1943 the percentage rose to 76, declined to 69 in 1947 and rose again to 71 in 1959. This tendency toward equalization was caused, in part, by the controls adopted by the Federal Government during the war years which tended to stabilize earnings of office workers more than earnings of production workers. The increase in average earnings of production workers was also influenced by the fact that large numbers were employed in the highly paid iron and steel industries and by the increase in the number of hours worked, some at overtime pay. Another factor that influences annual earnings is the