

298. On the face of it this analysis shows that the reward of capital was less in 1891 than in 1881, and no doubt this is correct, as it corresponds with the experience of other countries. Here, as in other countries, capital is constantly getting less and less and labour more and more of the surplus, after all expenditures are deducted. Of course capital makes up a little of its decrease by reason of the decreased cost of transportation. But the chief reason why capital is receiving a lessening reward is that the articles produced are sold at lower rates.

Possibly during the ten-year period a much larger amount was invested in machinery than was absolutely required for immediate necessities; regard being had to probable future expansion of business. This cannot be submitted to the test of statistics, since, in 1881, the only question asked by the enumerators was the amount of capital invested, whereas, in 1891, the question asked enabled the compilers to separate capital under four heads, "Capital invested in lands," "in machinery and tools," "in buildings," and "working capital."

299. The grouping process throws light upon the question of small establishments. The census of 1891 has been severely criticised because, as alleged, an abnormally large number of small establishments were included, thus swelling the output in comparison with the figures of 1881, unfairly.

The following table shows the position :—

Group 1. Establishments with an output under \$2,000.
 " 2. " " " *from \$2,000 to \$12,000.*
 " 3. " " " *from \$12,000 to \$25,000.*
 " 4. " " " *from \$25,000 to \$50,000.*
 " 5. " " " *of \$50,000 and over.*

GROUP.	1881 Output.	Per cent of whole	1891 Output.	Per cent of whole	Variation 1891 with 1881.	Per cent of var.
1	\$ 20,734,080	6·7	\$ 32,255,192	6·7	\$ 11,521,112	55·6
2	64,939,604	20·9	93,260,957	19·6	28,321,353	43·6
3	36,808,242	11·9	47,709,005	10·1	10,900,763	29·6
4	33,482,170	10·9	42,238,542	8·8	8,756,372	26·1
5	153,767,771	49·6	260,735,190	54·8	106,967,419	69·6
	\$309,731,867	100·0	\$476,198,886	100·0	\$166,467,019	53·8

300. These figures show that while group 1, which includes all the small industries, increased, in 1891, by nearly 56 per cent over the similar group 1 in 1881, yet it represents precisely the same proportion of the whole output of 1891 as it did in 1881, viz., 6·7 per cent. If group 1 had been abnormally distended in 1891 by the inclusion of a greater proportion of minor industries than was included in 1881, it would have been a greater proportion of the whole in 1891 than it was in 1881. But it is exactly the same proportion. The inference is irresistible, viz., that the enumerators in 1891 followed the same lines that those of 1881 did in respect to the very small industries, and that the compilers held to the same rule in 1891 as in 1881, in compiling the returns.

The adverse criticisms are without point in the light of this fact, which is brought out by resolving the census of mechanical manufacturing industries into groups.