

Percentages of Wages and Salaries to Value of Products.—Table 25 shows the relation between wages and salaries paid by manufacturers and the total net value of production. Figures of gross production are often used in such calculations, but the values out of which the wages of employees must in the long run come are the values added to the raw materials while they are in the factory. Such added values constitute the real production of the manufacturing plant and are alone available for payment of wages and salaries, of interest, rent and taxes, charges for fuel, power, lighting, repairs, and all other overhead charges. The percentage of salaries was highest in the years 1921, 1922 and 1924. These were years in which manufacturing production was curtailed and it is probable that, salaried employees being a part of the organization of an industry rather than of its productive force, salaries were an abnormally high percentage of the lower levels of production then prevailing. The percentage has declined with the increasing manufacturing production since 1922, but in 1929 was still much higher than in 1917. It should be borne in mind, however, that salaried employees increased by 40·5 p.c. in the period, while wage-earners increased only 7·5 p.c. (Table 18). The percentage of wages has fluctuated much less than that of salaries. The number of wage-earning employees may be more readily adjusted to the activity of the industry and wage levels likewise more readily adjusted to the price levels of the products. The percentage of wages to the values added in manufacture was thus almost the same in 1929 as in 1917. The percentage was highest in 1920, when, in the post-war inflation, average wages were highest (Table 24) and the efficiency of production lowest (Table 18).

25.—Percentages of Wages and Salaries Paid to Total Net Value of Manufacturing Production, 1917-29.

Year.	Value added by Process of Manufacture.	Salaries Paid.	Wages Paid.	Percentage—		
				of Salaries to Values Added.	of Wages to Values Added.	of Total Salaries and Wages to Values Added.
	\$	\$	\$	p.c.	p.c.	p.c.
1917.....	1,332,180,767	89,267,158	420,094,869	6·7	31·5	39·2
1918.....	1,460,723,777	101,507,889	480,949,599	6·9	32·9	39·8
1919.....	1,509,870,745	121,892,144	496,370,995	8·1	32·9	41·0
1920.....	1,686,978,408	148,267,360	583,853,225	8·8	34·6	43·4
1921.....	1,209,143,344	136,874,992	381,910,145	11·3	31·6	42·9
1922.....	1,198,434,407	136,219,171	374,212,141	11·4	31·2	42·6
1923.....	1,311,025,375	142,738,681	428,731,347	10·9	32·7	43·6
1924.....	1,256,643,901	139,614,639	420,269,406	11·1	33·4	44·5
1925.....	1,360,879,907	143,056,516	452,958,655	10·5	33·3	43·8
1926.....	1,492,645,039	152,705,944	501,144,989	10·2	33·6	43·8
1927.....	1,635,923,936	162,348,978	531,583,250	9·9	32·5	42·4
1928.....	1,619,046,025	174,770,879	580,428,493	9·7	31·9	41·5
1929.....	1,997,350,365	188,747,672	624,302,170	9·5	31·3	40·7