26.—Average Yearly Earnings and Real Wages of Wage-Earners in Manufacturing Industries, 1917-30.

Year.	Amount of Wages Paid.	Average Number of Wage-Earners.	Average Yearly Earnings.	Index Numbers.		
				Average Yearly Earnings.	Cost of Living.	Real Value of Average Yearly Earnings.
	$	No.	$			
1917	420,094,869	552,968	760	100·0	100·0	100·0
1918	480,949,599	547,599	878	115·5	113·8	101·5
1919	496,570,995	529,327	938	123·4	125·3	98·5
1920	583,853,225	526,571	1,109	145·9	145·2	100·4
1921	381,910,145	381,203	1,002	131·8	127·6	103·2
1922	374,212,141	398,350	939	123·6	116·8	105·8
1923	428,731,347	446,994	959	126·1	116·8	107·9
1924	420,269,406	432,273	972	127·9	114·5	111·7
1925	452,958,655	466,602	971	137·8	116·0	110·2
1926	501,144,989	499,745	1,003	132·0	116·8	113·0
1927	531,583,250	533,450	997	131·3	115·1	114·1
1928	580,428,493	566,780	1,024	134·8	115·6	116·5
1929	624,302,170	597,827	1,045	137·5	116·8	117·7
1930	551,853,649	551,496	1,001	131·7	115·9	113·6

Percentages of Salaries and Wages to Value of Products.—Table 27 shows the relation between salaries and wages 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, while in 1930, due to decreased industrial activity, the percentage of salaries to value added rose to 10·5, an increase of 1 p.c. over the previous year. It should be borne in mind, however, that salaried employees increased by 35·2 p.c. in the period, while wage-earners decreased 1·2 p.c. (Table 21). 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 1930 as in 1917. The percentage was highest in 1920, when, in the post-war inflation, average wages were highest (Table 26) and the efficiency of production lowest (Table 21).