

percentage of wages to the values added in manufacture was thus only 2.4 p.c. lower in 1932 than in 1917. The percentage was highest in 1920, when, in the post-war inflation, average wages were highest (Table 27) and the efficiency of production lowest (Table 20).

28.—Percentages of Wages and Salaries Paid to Total Net Values of Manufacturing Production, 1917-32.

Year.	Value Added by Processes of Manufacture.	Salaries Paid.	Wages Paid.	Percentage—		
				of Salaries to Value Added.	of Wages to Value Added.	of Total Salaries and Wages to Value Added.
	\$	\$	\$	p.c.	p.c.	p.c.
1917.....	1,332,180,767	89,287,158	420,094,869	6.7	31.5	38.2
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	496,570,995	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.....	1,819,046,025	174,770,879	580,428,493	9.7	31.9	41.6
1929.....	1,997,350,365	188,747,672	624,302,170	9.5	31.3	40.8
1930.....	1,761,986,726	184,239,117	551,853,649	10.5	31.3	41.8
1931.....	1,474,581,851	186,810,794	437,734,767	12.7	29.7	42.4
1932.....	1,170,225,872	164,695,605	341,187,718	14.1	29.1	43.2

Subsection 4.—Sizes of Manufacturing Establishments.

An essential characteristic of the recent evolution of industry has been the increase in the size of the typical manufacturing establishment. The full utilization of highly specialized machinery necessitates large-scale production, while the improvements in transportation have widened the market, and the development of more efficient methods of business administration has made it possible for the individual manufacturer to supervise effectively a larger plant. An increase in the scale of production of the typical manufacturing establishment has been experienced in all industrial countries which have been affected by the so-called "Industrial Revolution", and not least in Canada where the rise of the factory system in industry has taken place approximately since Confederation.

The size of the manufacturing establishment is generally measured either by the number of employees or by the value of product, but each of these methods has its limitations. The former takes no account of the differences in capital equipment at different times or in various industries, though obviously the increased use of machinery, as in the flour-milling industry, may lead to increased production concurrently with a decrease in the number of employees. The latter measure has to be adjusted for changes in the price level; and, as between industries, it makes those which handle expensive raw materials appear to operate on a larger scale. Both measures are subject to two limitations: first, they depend on the fluctuation of business activity and in times of depression there is an apparent shrinkage in the size of establishments as measured by either method; secondly, over any lengthy period of