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 only 3·4 p.c. lower in 1933 than 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, 1917-33.

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
1933	1,117,659,273	151,860,323	313,701,767	13·6	28·1	41·7

Subsection 4.—Size of Manufacturing Establishments.

A modern characteristic of industry in all industrial countries 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.

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 and 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 the demand of the consumer; second, over any lengthy period of time there is the difficulty of comparability resulting from changes in the method of the census. Since 1932, for example, due to the difficulty of eliminating duplication in the value of production in central electric stations, as well as the difficulty of apportioning the capital investment as between different cities, it has been found necessary to exclude figures for central electric stations in showing statistics of size of establishment as well as statistics of cities and towns.

Size as Measured by Gross Value of Products.—While in 1922 the 420 establishments each producing over $1,000,000 had an aggregate value of products of $1,268,056,129 or 51 p.c. of the total production of all manufacturing industries,