

Real Earnings of Employees in Recent Years.—When the index number representing the average yearly wages, with 1917 as a base, is divided by the index number of the cost of living, converted to the same base, it is seen that real wages advanced by 24.2 p.c. between 1917 and 1935. The details of the computation are given in Table 26. There was little change in real wages during the three years 1917 to 1920, when prices were rising rapidly. During the following two years, 1921 and 1922, when prices dropped rapidly, real wages increased by 6 p.c. From then until 1931 there was a definite and almost continuous upward trend. In 1931 real wages reached 120.2 and then declined to 113.8 in 1933 and rose again to 124.2 in 1935, the highest on record.

26.—Average Yearly Earnings, and Index Numbers of Earnings, Cost of Living and Real Wages of Wage-Earners, in Manufacturing Industries, 1917-35.

NOTE.—The figures of average numbers of wage-earners and average earnings for the years 1931 to 1935 are strictly comparable with those for the years prior to 1925 but not with those for the intervening years. The figures for the latest years—as for the earliest—represent the earnings for complete man-years of work, with no allowance for periods of unemployment. The difference amounts only to about 3 or 4 p.c. in the total figures and affects chiefly the seasonal industries. (See footnote 1 to Table 4, p. 411.)

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	114.0	101.3
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	398,390	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	127.8	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
1931.....	437,734,767	457,628	957	125.8	104.7	120.2
1932.....	341,187,718	400,328	852	112.1	95.1	117.9
1933.....	313,701,767	399,409	785	103.3	90.8	113.8
1934.....	372,607,759	445,432	837	110.1	91.9	119.8
1935.....	417,306,709	477,295	874	115.0	92.6	124.2

Percentages of Wages and Salaries to Value of Products.—Table 27 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 come in the long run 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, repairs, and all other overhead charges that must be ordinarily met. The percentage of salaries was highest in the years 1931 to 1935. 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 declined steadily with the increasing manufacturing production maintained during the period 1924 to 1929, while from 1931