to 1935, due to decreased industrial activity, the percentage of salaries to value added rose to 13·4, 15·0, 14·5, 13·2, and 13·3, respectively. It should be borne in mind, however, that salaried employees increased 38·5 p.c. during the period 1924–35 while wage-earners increased but 10·4 p.c. 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 only 3·5 p.c. lower in 1935 than in 1924. 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 20).

In previous reports on manufactures the percentage of wages and salaries paid to the value added by manufacture was carried back to 1917. Under the new method of calculating the value added, whereby the cost of materials plus fuel and electricity is deducted from the gross value of the products, it is possible to go back to 1924 only. Under the old method of calculating the value added by manufacture only the cost of the materials used was deducted from the gross value of the products.

**27.—Percentages of Wages and Salaries Paid to the Total Net Values of Manufacturing Production, 1924-35.**

| 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. |
| 1924.............. | 1,180,699,241 | 139,614,639 | 420,269,406 | 11·8 | 35·6 | 47·4 |
| 1925............. | 1,280,504,159 | 143,056,516 | 452,958,655 | 11·2 | 35·4 | 46·6 |
| 1926............. | 1,406,574,164 | 152,705,944 | 501,144,989 | 10·9 | 35·6 | 46·5 |
| 1927............. | 1,544,296,557 | 162,348,978 | 531,583,250 | 10·5 | 34·4 | 44·9 |
| 1928............. | 1,725,338,540 | 174,770,879 | 580,428,493 | 10·1 | 33·6 | 43·7 |
| 1929............. | 1,894,910,456 | 188,747,672 | 624,302,170 | 10·0 | 32·9 | 42·9 |
| 1930............. | 1,665,631,770 | 184,239,117 | 551,853,649 | 11·1 | 33·1 | 44·2 |
| 1931............. | 1,390,409,237 | 186,810,794 | 437,734,767 | 13·4 | 31·5 | 44·9 |
| 1932............. | 1,097,284,291 | 164,695,605 | 341,187,718 | 15·0 | 31·1 | 46·1 |
| 1933............. | 1,048,259,450 | 151,860,323 | 313,701,767 | 14·5 | 29·9 | 44·4 |
| 1934............. | 1,222,943,899 | 160,986,876 | 372,607,759 | 13·2 | 30·5 | 43·7 |
| 1935............. | 1,302,179,099 | 173,020,195 | 417,306,709 | 13·3 | 32·1 | 45·4 |

## 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: firstly, they depend on the fluctuation of business