

**Percentages of Salaries and Wages to Net Value of Products.**—Table 29 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 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 salaries and wages, interest, rent, taxes, repairs and all other overhead charges that ordinarily must be met. The percentage of salaries declined steadily with the increasing manufacturing production from 1924 to 1929, while from 1931 to 1935 and again in 1938 and 1939, the percentage of salaries to value added was above normal owing to decreased industrial activity. It should be borne in mind, however, that salaried employees increased 276 p.c. during the period 1924-52 while wage-earners increased 146 p.c. The percentage of wages has fluctuated much less than that of salaries. The number of wage-earning employees may be adjusted more rapidly to the activity of the industry and wage levels likewise may be adjusted more readily to the price levels of the products. Of the increase in the net value of production since 1939, 49 p.c. was passed along in increased salaries and wages.

**29.—Percentage of Salaries and Wages Paid to the Total Net Value of Manufacturing Production, 1943-52**

Year	Value Added by Processes of Manufacture <sup>1</sup>	Salaries Paid	Wages Paid	Percentages--		
				of Salaries to Value Added	of Wages to Value Added	of Total Salaries and Wages to Value Added
				p.c.	p.c.	p.c.
	\$	\$	\$			
1943	3,816,413,541	388,857,505	1,598,434,879	10.2	42.0	52.2
1944	4,015,776,010	418,065,594	1,611,555,776	10.4	40.2	50.6
1945	3,564,315,899	417,857,619	1,427,915,830	11.7	40.1	51.8
1946	3,467,004,980	410,875,776	1,329,811,478	11.8	38.4	50.2
1947	4,292,055,802	474,693,800	1,611,232,166	11.0	37.6	48.6
1948	4,938,786,981	532,594,959	1,876,773,231	10.8	38.0	48.8
1949	5,330,566,434	628,427,937	1,963,462,720	11.8	36.8	48.6
1950	5,942,058,229	692,633,349	2,078,634,086	11.6	35.0	46.6
1951	6,940,946,783	816,714,604	2,459,566,313	11.8	35.4	47.2
1952	7,443,533,199	923,905,251	2,713,714,909	12.4	36.5	48.9

<sup>1</sup> Equivalent to "net value of products"; see footnote 1, Table 1, p. 634.

**Subsection 2.—Capital, Repair and Maintenance Expenditures**

Prior to 1944 the following information on capital investment was collected: (1) fixed capital—land, buildings, fixtures, machinery, tools and other equipment; and (2) working capital—inventory value of raw materials, stocks in process, fuel and miscellaneous supplies on hand; inventory value of finished products; cash, bills and accounts receivable, prepaid expenses, etc. This information was replaced in 1944 by the collection of expenditure statistics on fixed capital, repairs and maintenance. Although it is now impossible to calculate the total investment in the fixed and current assets in manufacturing, it is still possible to calculate the investment in fixed assets. Total investment in fixed assets can be obtained with an approximate degree of accuracy by starting with the total investment in 1943, which amounted to \$3,002,900,000, and adding the expenditures to date and then deducting on a