

'Real' Earnings of Production Workers.—When the index number representing the average yearly earnings of production workers is divided by the consumer price index, on the same base, a measure of 'real' income is obtained. Index numbers for 1946-55 are given in Table 26.

26.—Average Yearly Earnings and Index Numbers of Earnings, Consumer Prices, and Real Earnings of Production Workers in Manufacturing Industries 1946-55

NOTE.—Figures for 1931-43 are given in the 1947 Year Book, p. 560, and those for 1944 and 1945 in the 1956 Year Book, p. 661.

| Year | Total Yearly Earnings | Production Workers | Average Yearly Earnings | Index Numbers (1949=100) | | |
|-----------|-----------------------|--------------------|-------------------------|--------------------------|----------------------|---------------------------------------|
| | | | | Average Yearly Earnings | Consumer Price Index | Real Value of Average Yearly Earnings |
| | \$ | No. | \$ | | | |
| 1946..... | 1,329,811,478 | 877,150 | 1,516 | 73.3 | 77.5 | 94.6 |
| 1947..... | 1,611,232,166 | 940,650 | 1,713 | 82.9 | 84.8 | 97.8 |
| 1948..... | 1,876,773,231 | 957,491 | 1,960 | 94.8 | 97.0 | 97.7 |
| 1949..... | 1,963,462,720 | 949,656 | 2,067 | 100.0 | 100.0 | 100.0 |
| 1950..... | 2,078,634,086 | 952,244 | 2,183 | 105.6 | 102.9 | 102.6 |
| 1951..... | 2,459,566,313 | 1,010,588 | 2,434 | 117.8 | 113.7 | 103.6 |
| 1952..... | 2,713,714,909 | 1,025,355 | 2,647 | 128.1 | 116.5 | 110.0 |
| 1953..... | 2,940,338,939 | 1,053,226 | 2,792 | 135.1 | 115.5 | 117.0 |
| 1954..... | 2,821,586,476 | 939,030 | 2,853 | 138.0 | 116.2 | 118.8 |
| 1955..... | 2,995,267,448 | 1,010,992 | 2,963 | 143.3 | 116.4 | 123.1 |

Percentages of Earnings to Net Value of Products.—Table 27 shows the relation between earnings of employees in manufacturing industries and the value added by manufacture. 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 supervisory employee earnings 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 such earnings to value added was above normal owing to decreased industrial activity. It should be borne in mind, however, that supervisory employees increased 343 p.c. during the period 1917-55 while production workers increased 87 p.c. The percentage of earnings of the latter has fluctuated much less than that of the former. The number of production workers 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, amounting to \$7,222,398,595, 47 p.c. was passed along in increased earnings.

27.—Percentage of Earnings to Value Added by Manufacture 1946-55

| Year | Value Added by Manufacture | Earnings of Supervisory and Office Employees | Earnings of Production Workers | Percentages of— | | |
|-----------|----------------------------|--|--------------------------------|--|------------------------------------|-------------------------------|
| | | | | Supervisory and Office Earnings to Value Added | Production Earnings to Value Added | Total Earnings to Value Added |
| | \$ | \$ | \$ | | | |
| 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 |
| 1953..... | 7,993,069,351 | 1,016,679,409 | 2,940,338,939 | 12.7 | 36.8 | 49.5 |
| 1954..... | 7,902,124,137 | 1,075,101,215 | 2,821,586,476 | 13.6 | 35.7 | 49.3 |
| 1955..... | 8,753,450,496 | 1,147,142,086 | 2,995,267,448 | 13.1 | 34.2 | 47.3 |