31st March, 1933, mill wages (on a full time basis) increased 2.66% over the same period. In the year ended 31st March, 1934, a reduction of 7.67% in mill wages, from the year 1929-1930 is noted. This was the result of a reduction made in basic rates of mill wages. It is to be noted that, in the year ended 31st March, 1936, total average salaries had declined by 16.76% against the decline in mill wages of 1.59%; a difference of 15.17% against the item for total salaries.

The first important reduction in salaries was made in the year 1931-1932, and it will be seen that Head Office executive salaries were reduced by 9.21% from the base year 1929-1930, whereas other salaries were reduced an average of 6.36%. In the year 1935-1936, a reduction in unit salaries had reached 35.40% for executives, from the base year as against an average of 11.02% for all other salaries.

Total mill wages paid over the past seven years have averaged 86.26% of the Company's total disbursement for Salaries & Wages. The balance, 13.74% is made up as follows:—

1.	Head Office Executive................	2.92%
2.	Head Office Adm. & Sel..............	5.20
3.	Mill Salaries.........................	5.62
		13.74%

Referring to the table of percentage declines in average unit salaries and wages, and to the average seven-year percentage (13.74%) which aggregate salaries bear to the total salaries and wages expense, it is interesting to observe that, by reducing Average Salaries 12.04% in 1933, an approximate saving was made of 12.04% of 13.74, or only 1.65% of the Salaries and Wages Account.

On the other hand, average mill wages over the seven-year period constituted 86.26% of the total Salaries and Wages item, and a reduction of 10.33% of this figure, from the 1933 level, resulted in a saving to the Company of approximately 8.91% of the total annual disbursement for Salaries and Wages.

It is therefore evident that it was only by reducing Mill Wages that any real saving could be made in the Salaries and Wages item, and it should be borne in mind that the reduction in Mill Wages was not made before the Company had completed three successive years of relatively poor business, and