Value of Products.—The gross value of manufactured products for 1925 was reported as $2,948,545,315; the cost of materials was $1,587,665,408, leaving $1,360,879,907 as the value added by manufacture. As the finished products of one branch of manufacture are constantly used as materials in other branches in the ascending scale of modern industry, it follows that they are counted over and over again, swelling in this manner the total gross value of products. The total value of manufactured products, strictly defined, would include:—(1) the value of all raw materials obtained from the extractive and primary production industries which have entered into the manufacturing output, and (2) the entire value added to these raw materials by manufacturing processes from the time they first entered any factory up to the close of the census year. This value would be very much greater than the $1,360,879,907 added by manufacture.

Volume of Manufacturing Production in Recent Years.—An investigation of the greatest importance, especially as applied to a period when values are rapidly changing, is that of the volume of manufacturing production as distinguished from its value. This is, however, a difficult as well as an important subject of research, particularly on account of the constant changes in the commodities manufactured and in their relative proportions. It is, however, a subject on which tentative conclusions are better than none, and accordingly an estimate of the volume of manufactured commodities in recent years has been attempted in Table 4, on the following plan. First, the gross value of the manufactured commodities produced in 1917, the first year of the annual census of manufactures, is taken as 100, and later years given as a percentage of this. Next, the average index number of the wholesale prices of the 129 manufactured commodities used in the Bureau's index number of wholesale prices are given for each year, and in the next column reduced to a percentage relative to 1917. Finally, the values, expressed as a percentage, are divided by the prices, also expressed as a percentage, and the quotient is considered to be the volume of manufacturing production. In the table which follows may be noted the decline in the volume of production between 1918 and 1920, in spite of increasing values, the recovery in the volume of production in 1922, 1923 and 1924, in spite of diminished values, and the increase in both volume and values in 1925, when the volume of manufacturing production, thus estimated, was about one-eighth greater than in 1917.

4.—Volume of Manufacturing Production, 1917-1926.

Years.	Values.		Prices.		Index No. Volume of Manufacturing Production.
	Gross Value Manufacturing Production.	Percentage relative to 1917.	Index No. Prices of Manufactured Commodities.	Percentage relative to 1917.	
	$				
1917.....................................	2,873,268,183	100·00	175·5	100·00	100·00
1918.....................................	3,289,764,146	114,49	196·9	112·19	102·05
1919.....................................	3,290,500,585	114,52	204·4	116·46	98·33
1920.....................................	3,772,250,057	131·28	242·0	137·89	96·20
1921.....................................	2,576,037,029	89·65	180·0	102·56	87·41
1922.....................................	2,482,209,130	86·38	155·0	88·31	97·81
1923.....................................	2,781,165,514	96·79	159·1	90·65	106·77
1924.....................................	2,695,053,582	93·80	157·3	89·63	104·65
1925.....................................	2,948,545,315	102·62	160·2	91·28	112·42
1926 (preliminary)....................	3,247,803,438	113·03	154·3	87·92	128·56