

Owing to declines in the values of finished products (due, in a large degree, to the drastic declines in raw materials) and to the decrease in volume of production, the net value of production dropped from \$1,997,350,365 in 1929 to \$1,761,986,726 in 1930, a decrease of 11.8 p.c., while the number of wage-earners dropped from 597,827 to 551,496 a decrease of 7.8 p.c. It will be noted that the percentage decrease in volume of production between 1929 and 1930, *viz.* 9.3, was 1.5 greater than the percentage decrease in the number of wage-earners in the same period. This bears out the observations made in the special study on the volume of production that records of the number of wage-earners may be regarded as more likely to understate than to overstate the changes in the volume of production. As stated previously (p. 412) the tendency is toward increasing production per wage-earner through greater efficiency and increased use of machinery and labour-saving devices. Also in times of depression, many establishments follow the practice of keeping the wage-earners on the pay-roll on a part time basis rather than laying some of them off and employing the rest on full time, while in periods of increased industrial activity the additional output required is secured through overtime work rather than an increase in the number of wage-earners. The net result is to confine fluctuations in the number of wage-earners within narrower limits than that of the physical volume of production. All things considered, however, the average number of wage-earners is materially influenced by the fluctuations in industrial activity.

As may be seen from Table 5 below, all groups in the component material classification reported declines in the volume of production. The iron and steel group led with a decrease of 30.9 points, miscellaneous industries, 20.7 points, chemicals, 16.8 points, non-metallic mineral products, 13.6 points, wood and paper products, 11.4 points, non-ferrous metal products, 10.6 points, textiles and textile products, 9.4 points, vegetable products, 8.7 points and animal products with 3.6 points, the smallest decrease.

In analysing the changes in the volume of production, on a purpose classification basis, some interesting facts are revealed. The food group reported an increase of 2.1 points in the volume of production, while the output of vehicles and vessels which is very largely made up of the automobile and rubber-tire industries recorded the greatest decrease of 35.2 points. This was followed by the personal utilities group with a drop of 20.5 points. The decrease here, however, is somewhat misleading. The production of the musical instruments industry which is included in the group, has been decreasing steadily during the past few years, the output of pianos, phonographs and phonograph records becoming smaller and smaller. The main article of the musical instrument function, namely, the radio, is now produced in the electrical apparatus industry. This industry, however, is credited to the industrial equipment group, as by far the largest part of its output consists of industrial equipment. Producers' materials and industrial equipment declined 16.9 and 19.0 points respectively, due to general decreases in industrial activity. House furnishings dropped 15.0 points, drink and tobacco 12.7 points, and clothing 10.6 points.