

The index of the physical volume of production dropped from 122.9 in 1929 to 82.0 in 1933 and has risen to 132.0 in 1937, being a net increase of 7.4 p.c. over 1929. This increase is significant when compared with a decrease of 14.0 p.c. in the net value of production and 5.7 p.c. in the number of wage-earners employed.

The construction of this new index of the volume of manufacturing production has superseded, for 1923 and later years, the index published in 1931 and previous years, and which was shown on p. 389 of the 1939 Year Book.

Section 2.—Production of Industrial Groups and Individual Industries.

For the purposes of the Census of Manufactures, the main detailed analysis is made under a classification in which industries are grouped according to the chief component material of the goods manufactured. This is, therefore, the grouping used in Table 9, where the statistics of individual industries are presented in detail, and in the historical series already shown in Table 3. However, there are also less detailed analyses under purpose groupings appearing in Table 10 and under origin groupings in Table 11.

Subsection 1.—Manufactures Grouped by Chief Component Materials.

A classification based on the chief component materials in the various products of each manufacturing establishment was applied for the first time in the compilation of the returns for 1920. The number of groups was reduced from fifteen to nine to correspond with the external trade classification and the classes of industry were somewhat altered to conform with recent industrial developments. Subsequently, a number of minor changes have been made, the most important being the elimination of central electric stations and the dyeing, cleaning and laundry industry from the compilation in 1936. Revisions due to these changes have been carried back to 1917 in so far as possible.

Effects of the Depression upon the Main Groups.—In Table 8, is shown the effects of the depression and the recovery since 1933 upon the main groups of industries with regard to the numbers employed, the salaries and wages paid, and the gross value of products. Owing to the price decline in the depression, money values both of wages and of products were naturally affected more than the number of employees. Furthermore, during periods of curtailed production there is a tendency for wage-earners to be put on part time, while the number of salaried employees responds less quickly to reduction in output than that of wage-earners. Therefore, there are a number of reasons why the variation in the number of employees should be less than that of money values. The figures of Table 8 should be compared with those of Table 6 which show changes in volume of production.

As noted elsewhere in this chapter (especially under the discussion of volume of manufacturing production on pp. 404 to 406), the depression affected the production of capital or durable goods much more than that of consumption goods. Therefore, production in such groups as iron products, and wood and paper products declined more seriously than that in such groups as textiles, vegetable products, and animal products, and in 1937 the recovery had not progressed far enough for the production of durable goods to have regained the relative position it held in 1929.