

The index of volume (Table 6) is based on the quantities of manufactured products reported, and covers 71.1 p.c. of the total value of the production in 1926. The industry indexes are weighted according to the values added by manufacture. The indexes for the years 1923-31 are based on the values added in 1926. The weights and products were changed in 1931 and then again in 1936. By changing the weights and products used in the construction of the index every five years, current changes in production are thereby reflected more accurately.

The physical volume of manufacturing production increased 50.2 p.c. from 1923 to 1929. When it is recalled that the population of Canada is estimated to have increased only 11.3 p.c. during the same period, the growth of manufacturing production is indeed remarkable. Of this advance, the part resulting from an increase in the domestic demand due to growth of population would therefore be about 11.3 p.c. Exports of partly and fully manufactured goods increased from \$591,830,000 in the fiscal year ended Mar. 31, 1924, to \$686,876,000 in the fiscal year 1930, the increase in exports representing about 3.6 p.c. of the 1923 production. The remainder of the increase in production by 1929, or a margin equal to roughly 35 p.c. of the volume of manufactures of 1923, was, therefore, apparently absorbed by increases in capital equipment and by the rise in the standard of living of the population of Canada.

A similar analysis of the volume of manufactures since 1929, in relation to population and exports would show that the decline in the depression preceding the present war was due chiefly to reduced exports and a cessation in production of capital equipment. As a result of the expansion in production resulting from the demands created by the War, the physical volume of production increased by 46.7 p.c. since 1939 and by 53.7 p.c. since 1929. The iron and its products group, with an increase of 113.1 p.c., reported the greatest expansion in output. This was followed by chemicals and allied products with an increase of 101.7 p.c., non-ferrous metals products 48.9 p.c., miscellaneous industries 42.2 p.c., non-metallic mineral products 41.6 p.c., textiles and textile products 36.4 p.c., animal products 28.9 p.c., vegetable products 25.9 p.c., and wood and paper products 25.8 p.c.

6.—Indexes of the Volume of Manufacturing Production, According to Component Material and Purpose Classifications, Significant Years, 1923-41

(1935-39=100)

Classification and Group	1923	1929	1933	1937	1939	1940	1941
Component Material Classification—							
Vegetable products.....	63.6	98.7	73.8	104.5	109.0	117.9	137.2
Animal products.....	75.0	87.9	79.6	102.7	107.2	118.7	138.2
Textiles and textile products.....	64.3	86.1	81.1	106.0	104.9	124.8	143.1
Wood and paper products.....	65.0	99.4	69.6	109.6	104.4	117.8	131.3
Iron and its products.....	81.5	128.5	50.0	118.1	101.9	141.2	217.1
Non-ferrous metal products.....	42.7	81.3	57.6	110.1	111.1	133.2	165.4
Non-metallic mineral products.....	76.4	124.6	66.8	111.3	105.1	127.8	148.8
Chemicals and allied products.....	59.2	84.8	69.9	107.3	108.9	130.2	219.6
Miscellaneous industries.....	89.9	123.5	66.1	106.6	110.7	116.3	157.4
Totals, All Industries.....	67.5	101.4	67.7	108.9	106.3	125.2	155.9
Purpose Classification—							
Food.....	73.7	89.4	79.9	101.5	107.0	115.0	131.7
Clothing.....	69.2	95.8	81.7	103.9	108.2	119.9	136.0
Drink and tobacco.....	50.1	92.6	63.4	107.6	111.6	129.7	149.5
Personal utilities.....	85.1	101.5	70.7	106.7	108.5	115.1	140.0
House furnishings.....	62.1	108.3	68.7	110.5	106.5	120.5	140.4
Books and stationery.....	56.1	79.3	73.5	101.7	104.7	102.8	112.8
Producers materials.....	69.3	101.8	63.6	111.8	106.9	128.7	151.1
Industrial equipment.....	64.3	109.2	59.2	113.3	105.1	138.7	184.9
Vehicles and vessels.....	77.4	142.6	57.7	118.1	97.4	129.5	230.8
Miscellaneous.....	45.0	66.2	59.9	109.6	115.5	180.3	654.5