

of economic trends. Of necessity, interest has shifted to measures of volume. The index number of wholesale prices (based on 1935-39=100) stood at 148.9 in 1917, 203.2 in 1920, 124.6 in 1929, 87.4 in 1933, 99.2 in 1939, 138.9 in 1946 and 226.0 in 1952. Index numbers of the prices of fully or chiefly manufactured goods on the same base were: 150.9 in 1917, 208.2 in 1920, 123.7 in 1929, 93.3 in 1933, 101.9 in 1939, 138.0 in 1946 and 230.7 in 1952.

Volume of Manufacturing Production.—Since real income is ultimately measured in goods and services, the growth of the volume of manufacturing production, as distinguished from its value, becomes a matter of great significance. The important thing to know is whether consumers are getting more goods and services and not whether they are expending more dollars and cents. The field of industrial production, because of its dominating position in the national economy, has attracted increasing attention. This, in turn, has resulted in the need for more accurate measurements of physical output.

During the past few years, the Dominion Bureau of Statistics has been engaged in the reconstruction of the index of industrial production* which was first published in 1926 and later subjected to several major revisions. The latest reconstruction was made possible by the availability of a great deal of basic data. Annual statistics valuable for this project have been collected by the Bureau from the end of World War I to the present and the scope of the monthly information has been greatly expanded. Applying methods developed through the experience of the past quarter-century, it has been possible to compute an index with a fair measure of accuracy from 1935 to the present.

The manufacturing sector is divided, at the major group level, into durable manufactures and non-durable manufactures, for the reason that the movement of durable goods normally varies from that of non-durables. There tends to be greater fluctuation in durables from prosperity to depression, the demand for non-durables being more constant.

* A description of the methods used in constructing the index and a description of its scope is given in DBS Reference Paper No. 34, *Revised Index of Industrial Production, 1935-1951*.

6.—Index of the Total Volume of Manufacturing Production, classified on the Basis of Durable and Non-durable Goods, 1935-52

(1935-39=100)

Year	Non-durable Manufactures	Durable Manufactures	All Manufactures	Year	Non-durable Manufactures	Durable Manufactures	All Manufactures
1935.....	89.0	82.7	86.5	1944.....	179.8	340.1	242.3
1936.....	97.1	93.1	95.5	1945.....	176.3	262.1	209.8
1937.....	106.7	113.2	109.3	1946.....	180.2	205.1	189.9
1938.....	98.9	103.2	100.6	1947.....	191.2	233.5	207.7
1939.....	108.2	107.9	108.1	1948.....	197.1	244.4	215.5
1940.....	124.6	149.7	134.4	1949.....	198.2	246.3	217.0
1941.....	148.7	218.5	175.9	1950.....	208.3	259.1	228.1
1942.....	169.4	288.1	215.7	1951.....	214.0	285.9	242.1
1943.....	171.5	333.0	234.5	1952.....	215.2	294.8	246.3