

have become increasingly inadequate as indicators of economic trends. Consequently interest has shifted to measures of volume. The range of prices since 1929, on the base period 1935-39 = 100, is as follows:—

Year	General Wholesale Price Index	Price Index of Fully or Chiefly Manufactured Products
1929.....	124.6	123.7
1933.....	87.4	93.3
1939.....	99.2	101.9
1944.....	130.6	129.1
1946.....	138.9	138.0
1949.....	198.3	199.2
1953.....	220.7	228.8
1955.....	218.9	224.5
1956.....	225.6	231.5
1957.....	227.4	237.9

Volume of Manufactured Production.—Real income is ultimately measured in goods and services so that 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.

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. The movement of durable goods normally varies from that of non-durables; there tends to be greater fluctuation in durables from prosperity to depression and the demand for non-durables is more constant.

5.—Index of the Total Volume of Manufactured Production classified on the Basis of Durable and Non-durable Goods, 1935-57

(1949=100)

Year	Non-durable Manufactures	Durable Manufactures	All Manufactures	Year	Non-durable Manufactures	Durable Manufactures	All Manufactures
1935.....	44.1	32.7	39.0	1947.....	93.2	93.3	93.2
1936.....	48.1	36.9	43.0	1948.....	96.3	98.4	97.3
1937.....	52.8	44.9	49.2	1949.....	100.0	100.0	100.0
1938.....	49.0	40.9	45.3	1950.....	106.0	106.5	106.2
1939.....	53.7	42.7	48.7	1951.....	110.8	119.9	115.0
1940.....	61.6	59.3	60.4	1952.....	113.2	124.8	118.5
1941.....	73.7	85.8	78.7	1953.....	120.2	133.6	126.4
1942.....	84.3	112.1	96.1	1954.....	121.2	124.8	122.9
1943.....	85.9	128.2	104.0	1955.....	130.4	139.7	134.7
1944.....	89.5	128.3	106.1	1956.....	138.1	153.3	145.1
1945.....	88.2	99.8	92.9	1957.....	139.7	146.7	142.9
1946.....	89.8	79.9	85.2				

The period 1947-56 was characterized by unprecedented industrial expansion. The end of hostilities in 1945 and the subsequent reconversion to peacetime production were attended by declines in output but the upward trend was resumed in 1947. The rate

* For a description of the methods used in constructing the index and a description of its scope, see DBS publication *Revised Index of Industrial Production, 1935-1967* (Catalogue No. 61-502).