

### Subsection 2.—Value and Volume of Manufactured Production

**Value of Manufactured Production.**—In the interpretation of manufacturing values over a number of years, variations in the level of prices must be borne in mind. In recent years, owing to great changes in prices, unadjusted value series used in isolation 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 and Chiefly Manufactured Products	Year	General Wholesale Price Index	Price Index of Fully and Chiefly Manufactured Products
1929.....	124.6	123.7	1955.....	218.9	224.5
1933.....	87.4	93.3	1956.....	225.6	231.5
1939.....	99.2	101.9	1957.....	227.4	237.9
1944.....	130.6	129.1	1958.....	227.8	238.3
1946.....	138.9	138.0	1959.....	230.6	241.6
1949.....	198.3	199.2	1960.....	230.9	242.2
1953.....	220.7	228.8			

**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.

Changes in the volume of durable and non-durable goods produced in the 1945-59 period are discussed at pp. 605-608. Table 5 shows the fluctuations in the volume indexes of durable, non-durable and total manufactured goods produced during the years 1945-60, and Tables 6 and 7 show the fluctuations in the groups comprised within the durable and non-durable classifications during the same period.

Compared with 1959, the durable group as a whole decreased by 2.1 p.c. in 1960 and the non-durable group increased 1.1 p.c., resulting in a slightly lower volume of output for all manufactures. All groups within the durable classification, with the exception of non-ferrous metal products, were lower; wood products decreased 0.4 p.c., iron and steel products 6.7 p.c., transportation equipment 1.1 p.c., electrical apparatus and supplies 2.5 p.c. and non-metallic mineral products 5.5 p.c. The increase in non-ferrous metal products was 10.1 p.c.

Within the non-durable classification, only four of the twelve groups reported declines compared with 1959. Foods and beverages increased 1.4 p.c. and 2.8 p.c., respectively. Tobacco went up 1.2 p.c., paper products 2.6 p.c., printing industries 2.3 p.c., petroleum and coal products 3.8 p.c., chemicals 5.4 p.c. and miscellaneous products 4.6 p.c. Decreases were reported by the rubber, leather, textile and clothing groups.

\* 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).