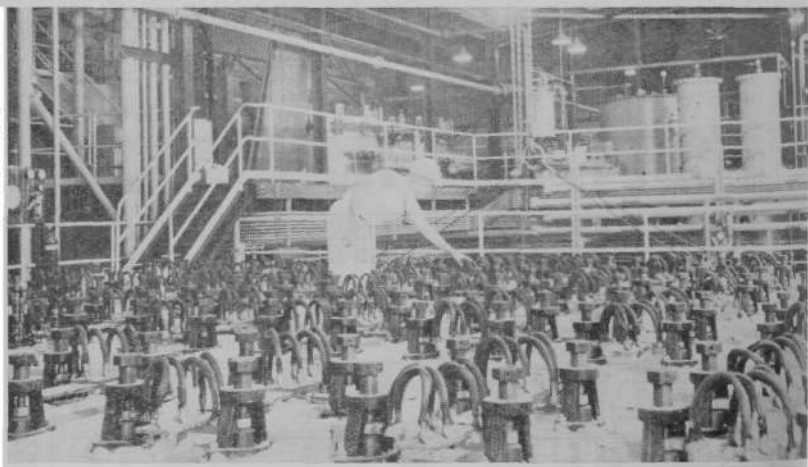


A gear blank, 30 feet in diameter, being milled in a Montreal engineering plant. This is the largest milling and drilling machine in Canada.

A complex of electrolytic cells produces chlorine gas and liquid caustic soda in a large new co-operative plant near Saskatoon, Sask.



Volume of Manufacturing Production

Since manufacturers' selling prices change and since production from other industries (and countries) is embodied in Canadian factory shipments, a measure of fluctuations and long-term growth in the physical volume of production within the Canadian manufacturing industry itself is desirable. Such a measure of volume, or real domestic production, is provided by the index of manufacturing production. This index differs from current statistics on the gross value of factory output in two important ways besides the exclusion of price change—it uses the 1948 rather than the revised 1960 standard industrial classification and it is designed to represent net production. The indexes in Table 8 represent a substantial revision to those published earlier. (For an examination of postwar rates of growth in these indexes, see Section 1, pp. 665-672.)