

166.1 in 1950. Index numbers of the prices of fully or chiefly manufactured goods were: 113.5 in 1917, 156.5 in 1920, 100.4 in 1922, 93.0 in 1929, 70.2 in 1933, 80.5 in 1937, 75.3 in 1939 and 148.9 in 1950.

**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 component, covered specifically in the following paragraphs and tables, supersedes, from 1935 on, the index of the volume of manufacturing production published in the 1951 Year Book, p. 585, for the years 1929-46. On comparing the index for 1935 under the old series, which stood at 87.9, with the new index at 86.5, it would appear that for the back years little significant variation existed between the two series.

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.

**6.—Index of the Total Volume of Manufacturing Production, classified on the Basis of Durable and Non-Durable Goods, 1935-50**

(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	1943.....	171.5	333.0	234.5
1936.....	97.1	93.1	95.5	1944.....	179.8	340.1	242.3
1937.....	106.7	113.2	109.3	1945.....	176.3	262.1	209.8
1938.....	98.9	103.2	100.6	1946.....	180.2	205.1	189.9
1939.....	108.2	107.9	108.1	1947.....	191.2	233.5	207.7
1940.....	124.6	149.7	134.4	1948.....	197.1	244.4	215.5
1941.....	148.7	218.5	175.9	1949.....	198.2	246.3	217.0
1942.....	169.4	288.1	215.7	1950.....	208.3	259.1	228.1

The period 1935-50 was characterized by unprecedented industrial expansion. Emerging from a depression practically world-wide in scope, industrial operations in Canada entered a period of rapid growth which was maintained throughout the war and post-war years without important interruption.

\* 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*.