

MANUFACTURING

7. Production and employment in manufacturing have shown a substantial and general increase during the past fiscal year, and the average level of the production index for the year as a whole was higher than any year in the past. Activity in manufacturing increased very quickly after the outbreak of war, apparently reached an all-time peak in January and then receded slightly in the next two or three months. Unofficial information indicates that the expansion was resumed in May. The March-April figures for 1940 compared with those for 1939 show an expansion of 22.4 per cent in production and 14.9 per cent in employment in manufacturing as a whole.

Among the various manufacturing industries the most marked expansion has taken place in textiles for which the production index in March-April this year was more than double that of a year before. Many textile factories are now reported to be working at capacity. Steel production shows an expansion during

the year of nearly 60 per cent. Much of this increase took place before the outbreak of war but was due in part to British armament demands. The expansion in food manufacturing reflects in part the increased exports of flour and bacon and also the increased domestic consumption of foodstuffs such as that of sugar.

Production in the automobile industry showed little change for the last fiscal year as a whole compared with the preceding one, and the figures for March-April are only about 5 per cent above those a year before. Restrictions imposed in export markets have offset the increased domestic sales of cars and the military demand for motor transports. Since the middle of March the Canadian automobile industry has received a number of substantial orders for military vehicles, however, and production in May reached a figure which was some 35 per cent above May of last year and represented the largest volume in any month since June, 1937.

INDEXES OF PHYSICAL VOLUME OF MANUFACTURING*
(1926=100)

	Fiscal Years ended March 31							Mar.-Apr. Av.	
	1927	1929	1933	1937	1938	1939	1940	1939	1940
MANUFACTURING OF ALL KINDS.....	101.1	117.5	70.8	117.6	119.8	108.4	125.6	108.5	132.8
<i>Selected Industries—</i>									
Foodstuffs.....	100.0	97.1	83.4	105.8	101.8	102.2	117.0	105.7	128.0
Tobacco.....	102.3	138.2	107.1	153.9	178.3	178.1	189.1	176.9	205.1
Boots and shoes.....	101.5	97.7	84.0	108.4	114.2	110.3	135.8	108.6	119.7
Textiles.....	101.6	103.4	71.9	123.3	128.4	108.9	152.7	104.9	226.3
Steel production.....	104.5	169.0	40.4	150.8	178.2	139.1	206.7	134.2	213.4
Automobile production.....	100.7	145.2	26.9	98.8	93.1	77.2	79.1	70.2	73.6
Crude petroleum (imports).....	104.7	146.6	138.4	208.1	221.3	207.3	217.3	183.4	186.0

*Seasonally adjusted.

PHYSICAL VOLUME OF MANUFACTURING PRODUCTION
Monthly Index*
(1926=100)

Fiscal Years	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.-Apr. Av.
1938-39.....	103.2	104.7	103.5	101.3	100.9	114.2	113.2	125.3	111.3	111.1	105.0	108.5
1939-40.....	109.5	113.3	112.9	112.3	116.5	121.3	143.7	136.9	136.9	146.8	134.2	132.8

* Seasonally adjusted.

EMPLOYMENT IN MANUFACTURING
Monthly Index*
(1926=100)

Fiscal Years	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.-Apr. Av.
1938-39.....	111.7	109.7	110.2	109.5	107.5	110.6	109.0	109.9	111.3	111.3	110.0	108.6
1939-40.....	108.0	107.5	109.4	109.1	110.3	112.1	116.0	121.0	123.6	126.1	125.0	124.8

* Seasonally adjusted as at first of month.
[Mr. Ralston.]