

CATALOGUE No.

61-005

MONTHLY

C. 2

Vol. 5, No. 2

DOMINION BUREAU OF STATISTICS

OTTAWA - CANADA

Published by Authority of the Minister of Trade and Commerce

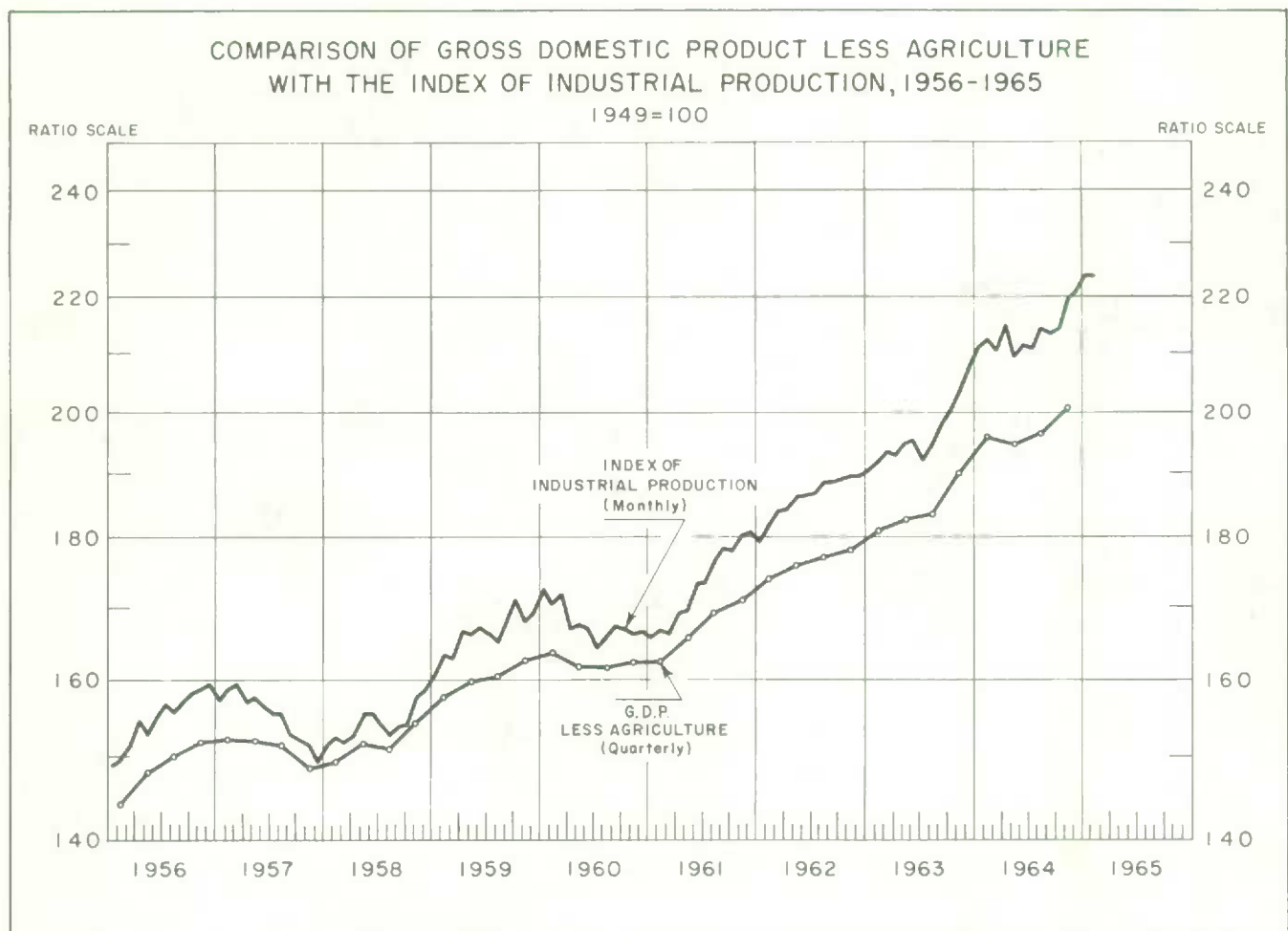
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INDEX OF INDUSTRIAL PRODUCTION (1949=100)

FEBRUARY 1965

The seasonally adjusted index of industrial production was virtually unchanged in February.



This issue contains indexes of non-agricultural real output for the latest available quarter (4th quarter 1964)

Industrial Output Section
National Accounts and Balance of Payments Division

April 1965
2205-502

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1964 FEB 15
FEBRUARY INDEX OF INDUSTRIAL PRODUCTION

The seasonally adjusted index of industrial production was virtually unchanged in February from the revised January level of 223.9. Both manufacturing and electric power and gas utilities registered marginally higher levels in February. However, these were offset by a decline of almost 2% in mining.

Although most of the non-durable major groups moved higher in February, a large decline in foods and beverages nullified these increases, so that total non-durable output was little changed. The particular source of the change was a very large drop in brewery production, offset to some extent by an increase in carbonated beverages. The former fell to a more normal level following the recent high production levels, apparently associated with the Quebec Liquor strike. Elsewhere production gains occurred in paper, printing, tobacco, rubber, and textile products.

Within durables, production was higher by about one-half of one percent. The biggest single influence was a 4% gain in transportation equipment, as motor vehicles and parts continued their climb back from strike - depressed levels of the past several months. In addition, gains of up to 3% occurred in electrical apparatus and supplies, non-metallic minerals and non-ferrous metal products. However, wood products and iron and steel products showed drops of 3% and 2% respectively, the latter due to large declines in heating and cooking apparatus and wire products, as primary iron and steel showed little change from its high level.

The 2% drop in mining originated in both metals and fuel, the former due largely to other metals (including uranium), while the latter was caused by crude petroleum. On the other hand, non-metals moved higher in the month.

NOTES

1. For a detailed description of concepts, sources and methods, see D.B.S. Catalogue No. 61-502, "Revised Index of Industrial Production". For a complete and continuous record of total industrial production along with component industry indexes on both a seasonally unadjusted and adjusted basis use D.B.S. Reference Paper 61-502 for the period 1935 to 1956 inclusive, the March 1963 supplement to this report for the period 1919 to 1934, the March 1964 supplement for the period 1957 to 1963 inclusive and the regular monthly reports thereafter.
2. An explanation of the discontinuity in the total Clothing index is contained in the March 1964 issue of this report, page 2, note 2.
3. It should be noted that the 1949 weights shown in Table 1 have been re-expressed as proportions of total Gross Domestic Product rather than of Industrial Production alone. Thus, the Index of Industrial Production represents 32.2% of total real output.

TABLE 1. Index of Industrial Production

(1949=100)

Industry or industry group	1949 weights	MCD	Seasonally adjusted					
			1964				1965	
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
INDUSTRIAL PRODUCTION, TOTAL	32.231	1	213.5	214.2	219.8	221.2	223.9	223.8
MINING, TOTAL	3.245	2	308.1	320.8	334.8	334.4	338.2	332.6
Metals	1.925	2	201.2	211.3	218.0	209.3	228.1	222.2
Gold	0.624	5	91.5	90.1	94.9	87.0	90.0	86.4
Copper	0.356	4	173.6	191.8	193.5	194.1	197.8	195.8
Iron ore	0.099	3	825.9	904.7	958.7	905.8	1,021.0	1,053.3
Nickel	0.337	4	156.6	187.6	190.6	215.9	215.6	207.6
Non-metals	0.268	5	234.9	250.9	263.6	271.0	253.1	257.6
Asbestos	0.214	5	246.4	266.9	277.4	288.6	252.7	263.8
Fuels	0.915	3	540.3	555.6	581.9	586.1	570.3	561.3
Coal	0.553	6	55.0	53.3	51.9	54.3	56.6	56.5
Natural gas	0.035	2	1,380.3	1,468.5	1,414.4	1,524.9	1,382.5	1,387.6
Petroleum	0.327	3	1,269.7	1,305.8	1,387.6	1,383.2	1,350.6	1,324.9
MANUFACTURING, TOTAL	27.340	3	190.1	188.8	194.0	194.9	197.9	198.3
NON-DURABLE MANUFACTURES	14.742	3	184.7	186.5	189.9	193.1	191.7	191.5
Foods and beverages	3.814	4	170.0	174.3	178.4	185.2	187.2	180.0
Foods	2.896	4	167.2	171.3	172.8	178.2	178.2	174.6
Meat products	0.523	4	184.8	183.7	183.9	214.4	202.5	185.9
Dairy products	0.450	3	164.4	166.0	178.6	164.7	173.4	173.1
Canning and processing	0.453	4	167.4	178.1	178.6	179.8	181.0	189.8
Grain mill products	0.322	4	177.4	183.3	179.3	179.8	188.7	192.8
Bakery products	0.558	3	145.3	147.7	146.8	145.3	153.9	151.6
Miscellaneous foods	0.590	4	168.5	175.2	175.0	179.9	175.3	166.0
Beverages	0.918	6	178.9	183.6	196.1	207.0	215.7	197.1
Carbonated beverages	0.231	6	177.5	181.2	190.0	180.5	171.5	208.2
Breweries	0.463	6	155.6	158.6	180.4	183.0	221.4	162.3
Distilleries	0.203	6	237.9	251.3	243.4	296.9	258.6	268.4
Tobacco and tobacco products ..	0.248	6	227.5	227.8	221.4	221.2	218.9	223.4
Rubber products	0.430	3	215.5	204.4	217.5	229.7	219.5	235.3
Leather products	0.508	2	130.5	130.9	129.1	133.4	128.1	127.6
Boots and shoes	0.307	4	137.3	139.6	137.4	144.0	136.2	135.6
Textiles	1.623	3	174.2	172.8	176.6	174.4	176.7	184.9
Cotton goods	0.507	4	121.2	118.2	122.4	112.3	126.2	135.8
Wool goods	0.300	3	83.5	88.6	83.2	83.5	89.7	82.9
Synthetic Textiles and Silk	0.429	3	316.5	313.3	328.2	329.7	314.8	340.5
Clothing	1.801	3	138.8	136.5	138.6	139.0	138.5	
Paper products	2.649	3	179.2	182.7	186.8	189.5	184.9	186.0
Pulp and paper	2.108	3	180.1	183.3	188.1	190.3	187.0	187.6

TABLE 1. Index of Industrial Production

(1949=100)

Industry or industry group	1949 weights	MCD	Seasonally adjusted					
			1964				1965	
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
NON-DURABLE MANUFACTURES -								
Concluded:								
Printing, publishing and allied industries	1.273	4	163.1	169.1	166.5	161.1	168.1	171.5
Products of petroleum and coal	0.513	3	292.5	298.5	307.7	320.0	325.4	315.3
Petroleum products	0.454	3	315.7	322.0	332.0	346.2	351.5	342.0
Chemicals and allied products	1.359	2	287.6	288.4	297.1	305.3	286.9	285.8
Acids, alkalies, salts and fertilizers	0.346	2	365.9	354.0	364.8	364.4	337.8	347.7
Miscellaneous manufactures	0.524	1	267.1	265.2	262.0	261.5	265.3	269.4
DURABLE MANUFACTURES	12.598	3	196.4	191.5	198.8	197.1	205.1	206.3
Wood products	2.108	2	163.6	169.4	172.6	163.6	171.7	167.3
Saw and planing mills	1.444	3	177.7	185.3	188.8	175.0	186.1	178.3
Veneers and plywoods	0.122	3	380.5	412.3	420.5	420.4	418.3	400.0
Sawmills	0.994	4	170.1	177.1	179.8	158.6	174.2	165.0
Furniture	0.460	2	155.0	157.2	160.2	161.4	164.4	168.3
Iron and steel products	4.026	2	180.6	186.2	192.4	198.7	195.0	191.7
Machinery	0.851	1	181.9	183.3	187.3	190.1	194.7	195.8
Iron castings	0.387	3	174.3	170.8	183.8	196.3	182.8	178.5
Primary iron and steel	0.845	2	240.8	252.3	255.0	272.2	253.8	251.8
Sheet metal products	0.359	1	161.4	168.0	172.8	178.3	182.5	181.5
Transportation equipment	2.651	4	220.2	177.2	193.1	168.7	210.5	219.2
Aircraft and parts	0.203	1	274.9	271.7	278.4	270.7	271.7	263.9
Motor vehicles	1.035	4	321.4	218.8	255.5	208.8	295.4	312.3
Motor vehicle parts	0.462	2	238.2	216.9	214.5	178.2	226.2	245.1
Railway rolling stock	0.621	1	46.6	47.8	49.3	49.7	49.8	51.1
Shipbuilding and repairs	0.261	1	184.4	190.5	199.6	206.5	203.0	192.9
Non-ferrous metal products	1.601	3	159.3	166.1	166.7	172.5	166.1	171.0
Brass and copper products ...	0.241	1	146.7	151.1	155.2	159.9	162.7	164.3
Smelting and refining	1.028	3	172.5	183.4	182.3	189.8	177.5	182.6
Electrical apparatus and supplies	1.418	2	242.9	246.3	249.2	248.5	256.8	258.6
Heavy electrical machinery ..	0.489	1	161.4	162.4	163.1	164.5	169.3	173.4
Telecommunication equipment	0.142	3	585.2	609.6	626.7	618.0	679.1	655.8
Refrigerators and appliances	0.227	3	246.9	253.9	248.1	234.2	228.4	239.5
Non-metallic mineral products	0.794	2	276.3	278.4	294.7	330.2	312.5	318.4
Concrete products	0.098	4	832.4	829.2	926.4	1,127.1	1,026.0	1,017.6
Hydraulic cement	0.117	5	269.5	285.9	304.9	328.7	336.5	337.7
Domestic clay products	0.083	3	140.2	144.8	151.1	149.8	166.8	159.0
ELECTRIC POWER AND GAS UTILITIES	1.646	2	416.1	426.9	421.8	434.9	431.7	432.6
Electric power	1.480	2	378.2	383.6	385.3	398.3	397.8	399.2
Gas	0.166	3	756.4	815.0	748.8	763.2	735.5	731.7

TABLE 2. Index of Industrial Production

(1949=100)

Industry or industry group	Annual averages		Without seasonal adjustment					
			1963	1964			1965	
	1963	1964	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.
INDUSTRIAL PRODUCTION, TOTAL ..	195.9	212.7	199.1	202.1	211.0	212.6	213.6	223.1
MINING, TOTAL	294.4	320.3	296.7	320.1	314.4	316.0	328.6	320.9
Metals	193.8	210.6	183.7	198.6	202.4	186.2	205.4	195.5
Gold	95.5	90.7	88.8	86.3	89.1	85.7	88.5	86.9
Copper	174.0	186.1	162.4	172.8	171.1	190.2	184.0	183.5
Iron ore	670.8	834.2	607.1	472.4	549.2	573.4	622.8	632.0
Nickel	171.0	181.3	175.6	163.9	184.6	215.9	213.2	209.9
Non-metals	228.1	247.7	221.9	207.7	221.8	240.3	225.6	239.8
Asbestos	239.1	259.2	225.8	222.9	243.5	253.1	233.0	258.8
Fuels	513.6	555.2	561.1	620.5	584.7	609.1	632.8	618.1
Coal	52.0	55.1	59.2	62.6	58.1	63.5	68.7	62.6
Natural gas	1,179.8	1,383.1	1,432.4	1,500.6	1,532.2	1,775.0	1,686.7	1,734.5
Petroleum	1,221.6	1,310.8	1,315.0	1,468.0	1,372.3	1,405.3	1,472.1	1,436.2
MANUFACTURING, TOTAL	173.9	188.3	173.4	173.2	184.9	184.3	183.3	194.8
NON-DURABLE MANUFACTURES	172.2	184.5	169.2	165.5	179.3	182.4	175.4	188.1
Foods and beverages	162.1	174.0	153.5	140.2	154.7	171.9	150.9	156.1
Foods	157.2	169.5	151.9	145.6	150.9	168.3	152.7	153.4
Meat products	163.6	182.8	157.6	178.2	178.4	203.7	199.7	185.7
Dairy products	163.5	168.6	144.0	134.5	141.6	142.8	139.1	146.6
Canning and processing	165.4	176.6	134.7	83.5	105.4	153.9	90.9	103.2
Grain mill products	145.9	183.2	158.9	186.9	190.8	176.9	183.7	191.9
Bakery products	138.8	144.5	136.1	132.1	131.3	146.7	140.1	139.0
Miscellaneous foods	164.3	169.0	177.2	163.0	165.0	182.9	163.9	160.9
Beverages	177.6	187.4	158.5	123.2	166.7	183.4	145.1	164.6
Carbonated beverages	178.7	181.6	166.6	139.1	159.9	176.9	138.4	181.1
Breweries	159.9	168.2	151.4	84.2	152.0	164.7	124.0	132.3
Distilleries	220.3	242.5	170.4	193.7	214.3	238.7	203.0	224.9
Tobacco and tobacco products	207.7	214.0	188.2	199.6	203.5	199.1	208.8	228.3
Rubber products	190.5	213.8	188.0	186.4	242.7	213.6	200.4	262.1
Leather products	127.0	130.5	118.2	128.4	145.8	122.2	131.8	140.2
Boots and shoes	136.9	138.6	119.2	135.3	161.6	122.4	141.0	154.3
Textiles	159.5	172.3	169.0	163.6	176.8	171.7	171.4	195.1
Cotton goods	109.6	120.1	117.3	115.5	130.4	109.7	122.0	146.0
Wool goods	89.8	89.8	87.4	92.0	94.9	79.3	83.4	83.5
Synthetic textiles and silk	281.0	307.2	302.0	281.0	310.9	322.8	308.8	372.2
Clothing	137.0(1)	135.8	118.0	119.7	138.8	116.8	120.5	
Paper products	164.3	179.0	167.2	161.2	173.0	178.9	172.4	184.6
Pulp and paper	163.8	180.0	167.7	161.0	173.8	178.9	174.3	189.1

(1) See page 2 footnote (2).

TABLE 2. Index of Industrial Production - Concluded
(1949=100)

Industry or industry group	Annual averages		Without seasonal adjustment					
			1963	1964			1965	
	1963	1964	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.
NON-DURABLE MANUFACTURES -								
Concluded:								
Printing, publishing and allied industries	156.7	164.6	157.2	153.4	158.7	159.5	158.6	170.4
Products of petroleum and coal	296.0	304.2	307.4	305.5	316.8	325.3	332.1	321.7
Petroleum products	319.7	329.5	332.5	338.6	343.2	353.1	359.9	349.2
Chemicals and allied products	249.1	279.8	244.9	260.4	273.8	285.5	278.6	289.0
Acids, alkalies, salts and fertilizers	302.0	335.0	304.3	304.1	321.0	364.4	337.1	367.9
Miscellaneous manufactures	246.6	261.9	252.5	244.5	247.9	266.7	257.1	257.8
DURABLE MANUFACTURES	175.9	192.9	178.4	182.2	191.4	186.5	192.6	202.7
Wood products	159.0	166.7	146.6	158.8	177.2	145.7	158.5	173.1
Saw and planing mills	172.1	181.3	152.4	172.1	199.4	148.2	168.3	190.0
Veneers and plywoods	358.8	399.2	373.3	395.5	420.3	386.8	403.7	430.8
Sawmills	162.3	170.4	131.2	158.0	194.5	125.0	154.2	182.3
Furniture	153.0	157.9	158.4	153.2	151.1	165.3	161.8	160.4
Iron and steel products	161.8	182.1	155.8	162.8	171.4	183.3	181.1	186.2
Machinery	160.2	179.2	163.6	163.9	165.8	192.8	190.6	189.9
Iron castings	151.1	180.7	129.1	164.3	176.2	157.0	168.2	182.8
Primary iron and steel	216.9	244.9	210.8	220.5	229.2	242.3	235.3	247.0
Sheet metal products	156.9	164.3	147.7	145.9	149.7	166.5	163.3	164.4
Transportation equipment	181.4	198.9	217.2	219.2	224.3	174.2	226.0	232.6
Aircraft and parts	233.8	270.9	258.5	263.8	264.9	275.6	272.5	268.9
Motor vehicles	257.6	277.1	330.2	332.3	346.2	225.5	336.7	346.7
Motor vehicle parts	179.5	215.6	214.0	218.9	217.8	178.2	229.4	249.0
Railway rolling stock	41.1	47.3	43.9	43.9	44.9	49.9	49.7	50.0
Shipbuilding and repairs	197.2	187.6	182.7	181.7	178.5	193.7	190.8	186.3
Non-ferrous metal products	148.8	161.8	150.2	153.7	157.9	172.5	143.8	170.7
Brass and copper products ...	133.4	149.6	139.0	140.4	143.9	157.5	159.0	160.4
Smelting and refining	161.6	175.7	160.8	166.5	172.4	189.8	178.9	186.6
Electrical apparatus and supplies	223.5	239.0	229.5	225.9	229.5	248.1	250.8	256.7
Heavy electrical machinery ..	154.3	161.0	156.5	155.3	154.4	169.1	169.5	169.8
Telecommunication equipment	546.9	581.6	559.7	556.6	577.1	611.8	651.9	668.9
Refrigerators and appliances	221.6	233.9	223.7	209.1	226.3	222.5	218.1	243.8
Non-metallic mineral products	243.0	277.6	213.2	199.3	219.7	270.4	224.4	233.5
Concrete products	652.3	849.5	535.2	472.1	560.0	789.0	537.6	567.8
Hydraulic cement	246.0	277.5	128.6	128.5	175.9	218.6	189.8	192.5
Domestic clay products	136.7	146.3	122.8	95.5	113.2	145.3	124.3	117.8
ELECTRIC POWER AND GAS UTILITIES	367.4	405.6	434.0	448.6	441.3	479.1	490.0	500.8
Electric power	339.2	371.6	391.8	389.2	386.1	426.2	425.6	429.1
Gas	620.1	711.1	812.0	981.3	936.7	954.0	1,067.9	1,143.7

Real Domestic Product less Agriculture

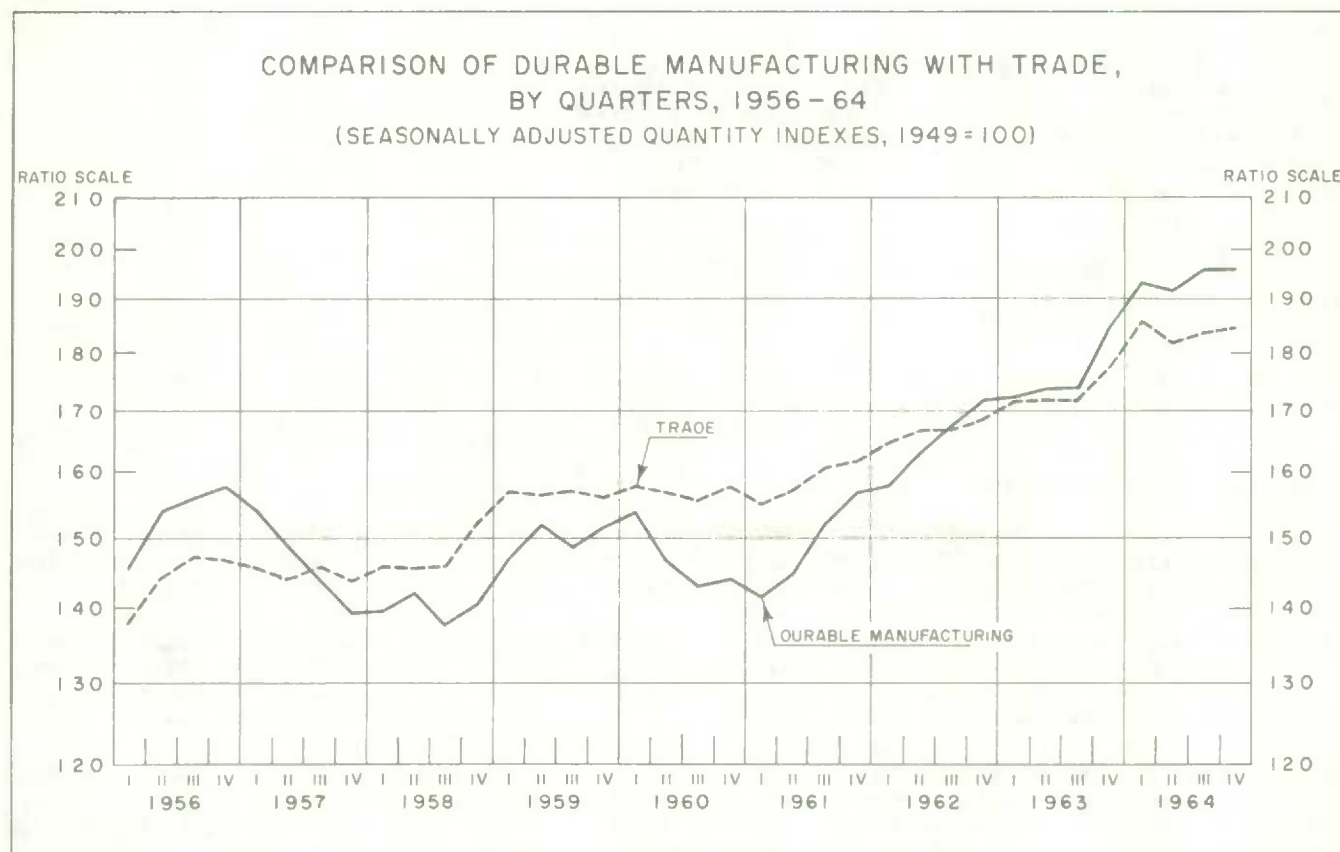
Note to Users

The indexes of real domestic product at factor cost (the sum of the unduplicated output of all industries located in Canada) are an extension of the "Index of Industrial Production" to cover the whole range of domestic industries. In addition to mining, manufacturing and electric power and gas utilities, total domestic product includes the following industry groups: agriculture; forestry; fishing and trapping; construction; transportation, storage and communication; trade; finance, insurance and real estate; public administration and defence; and community, recreation, business and personal service.

The real domestic product indexes are also an elaboration of the supply side of the National Accounts. Total domestic product differs conceptually from constant dollar expenditure on Gross National Product by (1) the inclusion of income paid to non-residents (2) the exclusion of income received from non-residents, and (3) the exclusion of "indirect taxes less subsidies". In addition, of course, statistical differences may exist between these two measures of aggregate production.

The real output indexes in Table 3 serve to bring up to date the historical record of production in Canada published in DBS Occasional Paper 61-505, "Indexes of Real Domestic Product by Industry of Origin, 1935-61". This reference paper contains a detailed description of concepts and methods used as well as other relevant material.

The monthly "Index of Industrial Production" publication 61-005 will henceforth contain quarterly indexes of real domestic product, less agriculture, with component industry detail. Quarterly indexes for agriculture and for aggregate domestic production will not be available, except on a once-a-year basis; they will appear in the annual supplement to this report each spring.



REAL DOMESTIC PRODUCT LESS AGRICULTURE, FOURTH QUARTER AND PRELIMINARY YEAR 1964

Seasonally adjusted real domestic product less agriculture for the fourth quarter of 1964 was some 2 per cent above the level attained in the third quarter. The year 1964 thus showed an increase of almost 7 per cent over the 1963 annual level, which is considerably higher than the average annual rate of growth of 4.5 per cent for the post-war period as a whole. However, within 1964, the very rapid advances of the first and final quarters were counteracted to some extent by a levelling off around mid-year.

The following table shows the percentage increases of the major industry groups and their contributions to the advance in non-agricultural real output over the course of the current cyclical expansion in production. During the fourth quarter of 1964, the expansion was in its fifteenth quarter, and non-agricultural real output had reached a level 24 per cent above its first quarter, 1961, cyclical trough. This compares with the 22 per cent gain achieved during the full course (10 quarters) of the 1954-56 expansion and the 10 per cent advance (9 quarters) made during the 1957-60 cyclical upturn.

	IQ'61 - IQ'64		IQ'61 - IIQ'64		IQ'61 - IIIQ'64		IQ'61 - IVQ'64	
	% △	Effect on GDP less Agri- culture	% △	Effect on GDP less Agri- culture	% △	Effect on GDP less Agri- culture	% △	Effect on GDP less Agri- culture
Gross domestic product								
less agriculture	20.8	20.8	20.1	20.1	21.1	21.1	23.7	23.7
Forestry	29.6	.6	18.2	.3	29.1	.5	21.9	.4
Fishing and trapping ..	- 6.3	--	- 18.5	- .1	- 13.6	- .1	- 1.3	--
Mining	29.9	1.7	29.1	1.6	24.6	1.4	31.5	1.8
Manufacturing	26.4	7.4	26.7	7.5	28.1	7.8	30.4	8.5
Non-durable	18.3	2.9	19.5	3.1	19.8	3.1	23.8	3.7
Durable	36.6	4.5	35.8	4.4	38.4	4.7	38.6	4.8
Construction	22.0	1.5	15.3	1.1	15.2	1.1	25.7	1.8
Electric power and gas								
utilities	28.4	1.0	31.2	1.1	35.1	1.2	40.7	1.4
Other Goods, n.e.c. ...	7.9	.1	8.2	.1	8.6	.1	8.9	.1
Transportation, storage								
and communication ...	22.4	2.2	24.6	2.4	25.1	2.4	27.8	2.7
Transportation	24.2	1.7	25.8	1.8	26.3	1.9	30.0	2.1
Trade	19.9	3.1	17.2	2.7	18.5	2.9	19.2	3.0
Wholesale	30.5	1.6	26.3	1.4	25.7	1.4	25.3	1.4
Retail	14.3	1.5	12.4	1.3	14.6	1.5	16.0	1.6
Finance, insurance and								
real estate	16.1	1.7	16.4	1.8	17.7	1.9	19.7	2.2
Public administration								
and defence	3.6	.2	3.9	.2	3.8	.2	3.8	.2
Community, recreation,								
business and personal								
service	13.0	1.4	13.8	1.4	14.9	1.6	16.0	1.7

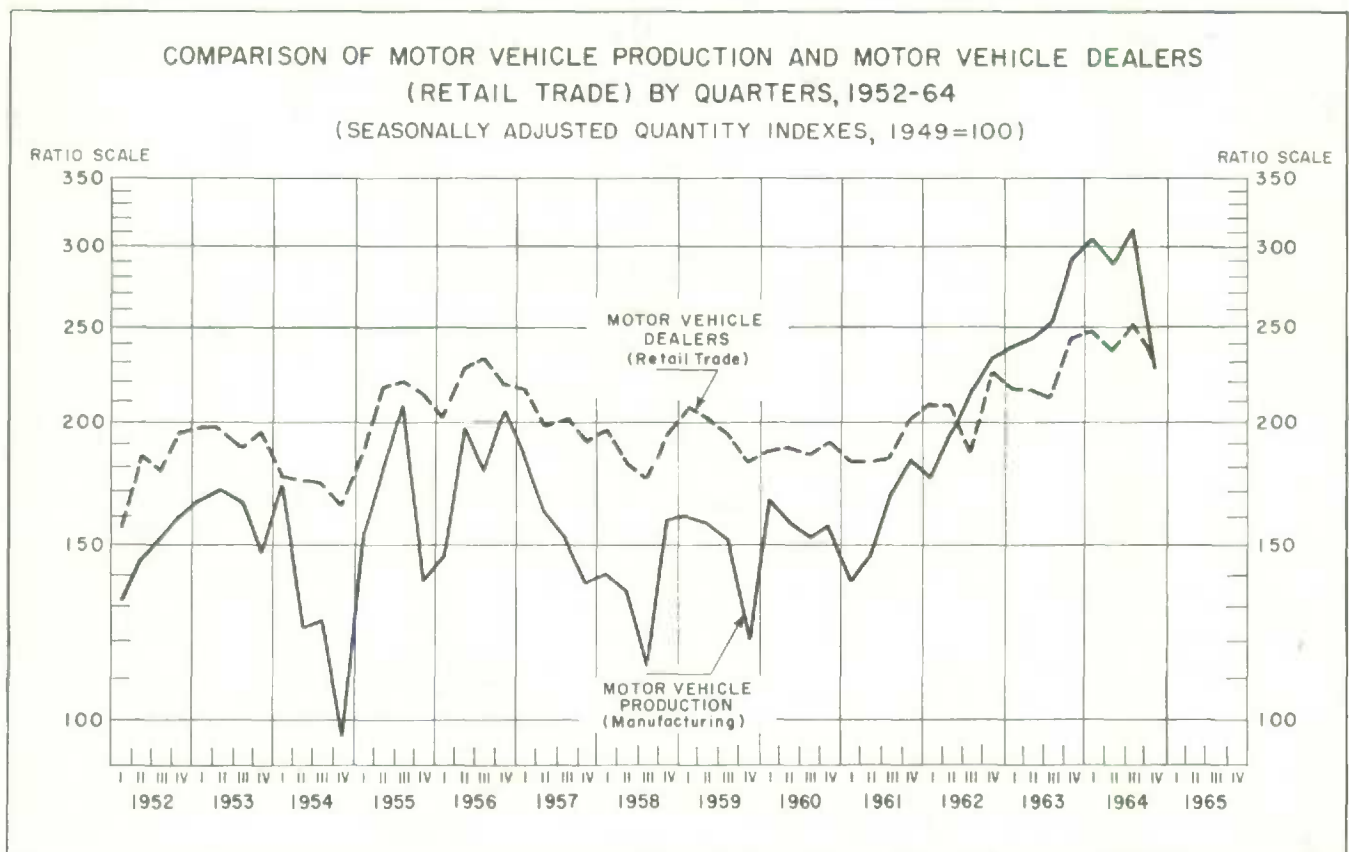
Turning to the fourth quarter of 1964, the most notable developments were the declines in motor vehicle production and sales and the increases in construction and the industries concerned with the production and sale of building materials. The former resulted from production stoppages due to labour disputes in the industry both in Canada and the United States. The latter were probably largely associated with anticipatory buying of building materials prior to the imposition of the final stage of the tax on these commodities on January 1, 1965, and with the stimulating effects of the government winter house-building incentive programme. It is interesting to note that the direct effects on non-agricultural output of the decline associated with motor vehicles and the rise associated with construction were roughly offsetting. Thus, if it is assumed that the production and sales of motor vehicles and parts had remained at the levels attained in the third quarter, the fourth quarter gain in non-agricultural real output would have been 3 per cent (as opposed to the actual increase of 2 per cent). Similarly, if it is assumed that there had been no change in the output of the construction and building materials industries from the preceding quarter, total non-agricultural output would have

shown a gain of only one per cent. The direct effect in each case is to change non-agricultural real output by one per cent, but in opposite directions. Thus the industries outside the motor vehicle and construction groups advanced at about the rate actually recorded by the aggregate (i.e. over 2 per cent), which, in view of the widespread nature of the increases, indicates the continued strength of expansionary forces in the economy.

Construction, manufacturing and mining were the largest contributors to the fourth quarter gain, with the last two jointly accounting for over one third of the actual increase in non-agricultural real output. Construction contributed about one quarter of the increase.

Within manufacturing, which advanced by about 2 per cent, durables showed no change from the previous quarter, as the substantial declines in motor vehicles and parts production, resulting from strikes in the industry, were offset by increases in all the other major groups. The iron and steel products, non-ferrous metal products and non-metallic mineral products groups, in particular, showed considerable gains. A 6 per cent advance was recorded by the first two groups, with most components contributing: smelting and refining, primary iron and steel and sheet metal products showed gains of 7 to 8 per cent. The output of some other components, such as wire goods and structural steel, also expanded substantially in the fourth quarter, as did most components of the non-metallic minerals group, where advances of about 16 per cent were recorded in the cement and concrete products industries.

As mentioned before, the only major declines in durables occurred in motor vehicle production (-27 per cent) and motor vehicle parts (-15 per cent), resulting in a 17 per cent drop in the transportation equipment group, in spite of some gains in other components, principally shipbuilding. The quarterly decline in motor vehicle output is the second to occur during the current expansion, over the course of which automobile production had increased by 126 per cent (from the first quarter of 1961 to the third quarter of 1964). The following chart puts into perspective these changes in motor vehicle production along with those in the motor vehicle dealer industry. In comparing the growth patterns of both industries, the basic similarities of movement are immediately apparent, but it should be remembered that motor vehicle production includes production of all vehicles both for domestic use and for export, while the motor vehicle dealer industry, a component of retail trade, in addition to new Canadian-made vehicles, deals in imported vehicles, used cars, gasoline and various goods and services related to these.



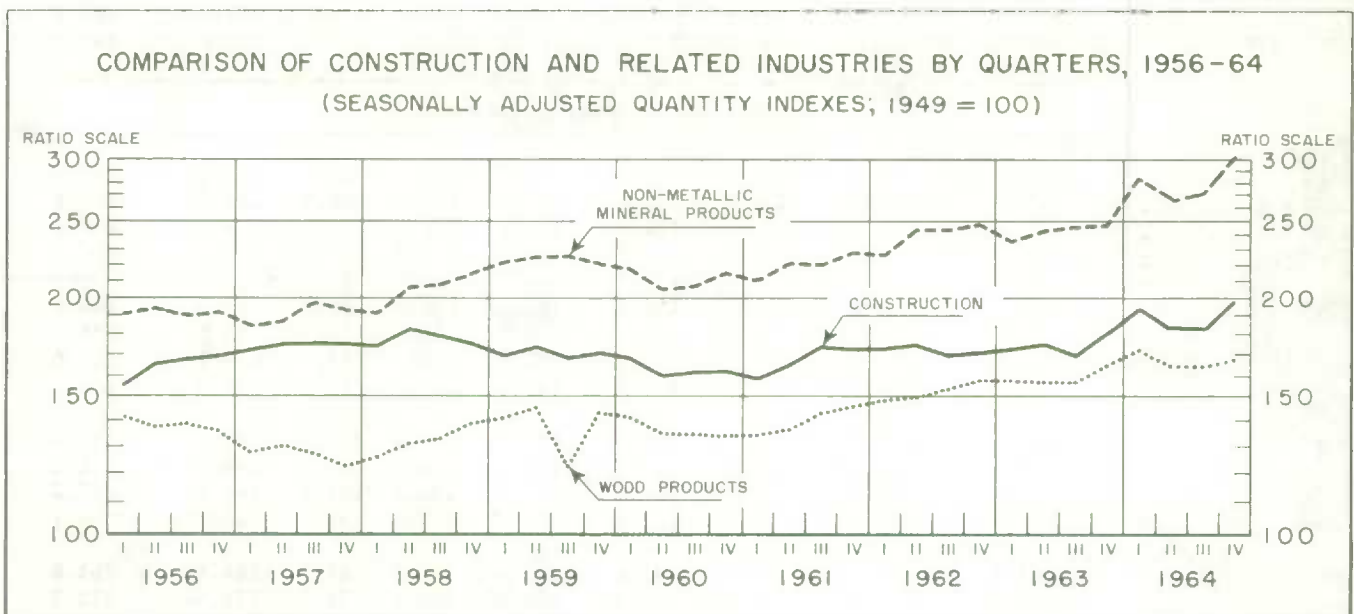
Non-durable manufacturing showed an increase of more than 3 per cent in the fourth quarter. All major groups (except tobacco products) contributed to the gain. Fully one third of this increase came from the foods and beverages group, which was up by 5 per cent, with the 7 per cent increases in meat products and in canning and preserving being among the main contributors. Distilleries and breweries also showed substantial gains. The 7 per cent increase in the output of the chemicals group accounted for another quarter of the rise in non-durable manufacturing. Particularly strong gains were recorded in the paints, varnishes and lacquers industry. The paper products group increased by 4 per cent, largely as a result of the 3 per cent gain in pulp and paper production. However, the roofing paper industry also showed substantial gains.

Among the remaining industry divisions, increases of 4 and 6 per cent, respectively, occurred in the electric power and gas utilities and mining divisions. Most components of metal mining showed substantial increases ranging from 5 to 20 per cent. The only major decline occurred in the other metal mining industries, (including uranium).

Within trade, retail trade increased by 1 per cent, while wholesale trade declined fractionally. At the retail level, the gains came from department stores, food stores and from the particularly sharp advance in the sales of lumber and building material dealers. Motor vehicle dealer sales showed a substantial decline. A similar pattern of gains and decreases at the individual trade level took place in wholesale trade.

The transportation, storage and communication group increased by more than 2 per cent in the fourth quarter, largely as a result of a 3 per cent gain in transportation. Within transportation, railway transport and shipping were the main contributors to the advance, followed by oil and gas pipelines and air transport. Storage at grain elevators showed a further decline in the quarter, while the communication industries continued their steady advance.

Of the remaining industry groups, finance, insurance and real estate increased by about 2 per cent, and the community, recreation, business and personal service group advanced by one per cent, with most of the increase coming from the community and personal service groups. Public administration and defence declined fractionally, as it did in the previous quarter.



A comparison of the annual averages for 1964 with those for 1963, shows that most industry groups recorded higher than average increases. The exceptions were mining and electric power and gas utilities, which continued to show the very high gains of 9 and 10 per cent, respectively, which they have maintained, on average, throughout most of the post-war period. Finance, insurance, and real estate, public administration and defence and fishing and trapping were below trend. The largest single contributor to the gain in the total was manufacturing, with an 8 per cent increase, followed by transportation and trade, which increased by 10 and 6 per cent, respectively. The 1964 increase (10%) in construction was the highest since 1956.

TABLE 3. Indexes of Real Domestic Product, less Agriculture
1949=100

	Gross Domestic Product, less agriculture	Forestry	Fishing and trapping	Mining				Manufacturing	
				Total	Metals	Non- metals	Fuels	Total	Non-durable manu- facturing
									Total
1949 Weights ...	89.286	2.108	0.540	3.245	1.925	0.268	0.915	27.340	14.742
Seasonally adjusted									
1961 - 1	162.2	128.9	141.9	250.9	195.4	210.2	369.2	147.7	153.3
2	165.3	130.4	109.0	262.6	185.2	208.4	431.8	150.8	155.9
3	169.2	134.7	109.5	271.9	191.7	210.3	447.4	155.4	158.6
4	170.8	130.4	120.2	279.6	195.2	214.0	465.9	158.8	161.2
1962 - 1	173.5	146.9	144.1	280.4	194.2	221.8	471.8	160.5	162.8
2	175.5	141.7	123.6	287.7	205.3	224.1	463.0	164.1	165.3
3	176.8	140.4	131.4	291.1	199.6	227.4	488.3	166.5	165.4
4	178.0	143.6	130.0	290.6	192.0	213.7	505.0	168.5	165.9
1963 - 1	180.9	148.8	122.4	290.3	194.6	215.4	503.7	170.3	168.8
2	182.4	137.8	134.6	293.0	198.2	219.8	502.3	172.6	171.7
3	183.3	149.4	130.0	290.6	188.2	233.1	512.0	173.1	172.5
4	190.0	161.4	121.1	306.6	199.3	240.5	539.2	180.4	177.1
1964 - 1	195.9	167.0	133.0	325.8	222.4	232.4	542.9	186.7	181.3
2	194.8	152.4	115.7	323.9	216.8	253.0	556.7	187.2	183.3
3	196.4	166.4	122.6	312.6	202.4	246.9	549.0	189.2	183.7
4	200.7	157.1	140.0	330.0	212.9	261.8	574.5	192.6	189.8
Without seasonal adjustment									
1961	166.8	130.8	115.7	266.9	191.7	211.7	430.7	153.0	157.0
1962	175.8	140.5	130.4	287.4	197.7	222.5	480.8	164.9	164.8
1963	184.1	149.4	125.2	294.4	193.8	228.1	513.6	173.9	172.2
1964	196.5	160.8	123.6	320.3	210.6	247.7	555.2	188.3	184.5
1961 - 1	150.8	104.5	77.2	246.0	181.1	194.5	408.0	143.3	146.8
2	167.6	120.5	112.9	260.3	186.3	212.3	416.0	153.9	156.7
3	174.3	154.3	155.5	281.8	204.9	212.5	436.1	155.1	161.0
4	174.7	143.8	117.1	279.7	194.4	227.6	462.8	159.7	163.4
1962 - 1	161.7	117.2	74.9	277.5	180.6	210.4	515.4	155.7	156.6
2	177.9	126.4	127.8	283.7	204.9	228.7	444.3	168.0	166.1
3	181.8	163.8	189.6	300.8	214.2	227.5	472.1	166.0	167.8
4	181.9	154.5	129.4	287.6	191.3	223.6	491.4	169.7	168.7
1963 - 1	169.2	123.7	78.0	283.6	175.6	204.7	547.3	164.6	161.6
2	184.9	129.1	136.9	290.9	202.4	224.5	479.5	176.4	171.8
3	188.0	175.8	168.4	298.0	199.9	232.3	493.8	172.3	175.4
4	194.1	169.0	117.5	304.9	197.4	250.9	533.8	182.4	180.2
1964 - 1	183.3	140.4	78.6	312.5	197.5	218.6	588.3	181.0	174.4
2	197.6	138.9	118.3	322.0	224.3	257.4	526.9	191.7	184.0
3	200.3	196.8	168.2	319.8	214.7	246.9	527.4	186.0	186.2
4	205.0	166.9	129.2	327.3	205.9	268.0	578.2	194.6	193.2

TABLE 3. Indexes of Real Domestic Product, less Agriculture - Continued
1949=100

	Manufacturing							
	Non-durable manufacturing							
	Foods and beverages	Tobacco and tobacco products	Rubber products	Leather products	Textiles	Clothing	Paper products	Printing, publishing and allied industries
1949 Weights ...	3.814	0.248	0.430	0.508	1.623	1.801	2.649	1.273
	Seasonally adjusted							
1961 - 1	153.4	189.2	128.7	118.3	126.6	107.9	149.6	147.0
2	152.4	194.5	143.9	123.9	132.2	106.7	152.7	145.5
3	155.3	195.2	152.7	125.0	136.6	107.9	155.1	148.5
4	156.3	198.7	159.1	128.6	142.4	112.0	156.1	152.4
1962 - 1	159.3	205.1	154.0	128.6	142.3	106.2	157.7	152.1
2	162.1	201.2	167.7	126.2	145.1	111.6	158.1	155.0
3	157.5	203.3	169.9	126.4	150.5	112.9	161.0	154.5
4	158.3	206.2	176.7	125.4	150.6	114.0	159.6	152.9
1963 - 1	164.0	213.6	190.8	127.2	151.4	134.8	157.4	152.9
2	161.6	211.8	189.8	125.8	157.0	136.9	162.7	157.1
3	161.2	202.9	185.2	124.1	161.2	135.5	165.7	158.4
4	165.5	203.9	195.4	129.7	167.9	141.8	169.8	157.7
1964 - 1	174.0	195.8	212.2	127.5	167.9	133.0	175.2	160.5
2	172.3	213.3	218.9	131.9	173.7	129.2	176.4	172.0
3	171.3	223.6	208.0	131.3	172.7	138.2	179.2	158.8
4	179.3	223.5	217.2	131.1	174.6	138.0	186.3	165.6
	Without seasonal adjustment							
1961	154.2	193.6	145.7	123.8	134.6	107.1	153.4	148.2
1962	158.9	203.7	167.6	126.7	146.6	111.0	159.1	154.0
1963	162.1	207.7	190.5	127.0	159.5	137.0	164.3	156.7
1964	174.0	214.0	213.8	130.5	172.3	135.8	179.0	164.6
1961 - 1	128.4	185.8	131.9	126.4	131.1	111.7	145.9	146.2
2	152.0	207.4	149.3	125.5	135.3	102.3	155.0	147.0
3	173.2	183.6	137.9	116.6	127.4	107.8	154.8	144.5
4	163.1	197.6	163.7	126.5	144.5	106.4	157.8	155.0
1962 - 1	134.3	202.3	157.5	137.2	147.7	111.3	153.5	151.4
2	160.9	215.2	173.9	128.6	148.6	106.9	160.5	156.4
3	176.0	191.8	156.6	117.3	136.4	112.9	161.3	150.0
4	164.6	205.6	182.4	123.7	153.5	113.0	161.1	158.1
1963 - 1	138.0	213.1	192.5	136.5	156.6	135.4	153.4	151.6
2	161.5	224.4	200.7	127.5	161.7	124.3	164.3	158.7
3	177.1	188.8	168.6	116.2	148.3	145.2	167.0	153.8
4	172.0	204.3	200.2	127.7	171.5	143.2	172.4	162.7
1964 - 1	148.7	195.5	215.8	137.3	172.1	133.6	170.0	158.5
2	171.9	226.6	230.4	133.5	178.9	117.2	178.0	174.7
3	188.0	211.1	186.5	122.3	159.6	148.2	180.8	155.5
4	186.5	222.9	222.4	128.9	178.5	144.0	187.3	169.9

TABLE 3. Indexes of Real Domestic Product, less Agriculture - Continued
1949=100

	Manufacturing							
	Non-durable manufacturing			Durable manufacturing				
	Products of petroleum and coal	Chemicals and allied products	Miscellaneous manufacturing	Total	Wood products	Iron and steel products	Transportation equipment	Non-ferrous metal products
1949 Weights	0.513	1.359	0.524	12.598	2.108	4.026	2.651	1.601
Seasonally adjusted								
1961 - 1	246.5	219.2	199.7	141.3	134.4	132.6	120.3	148.0
2	266.7	222.9	206.1	144.7	136.8	137.3	121.4	147.7
3	259.0	224.4	216.8	151.8	142.7	144.9	136.6	142.5
4	262.2	222.7	228.1	156.1	146.4	141.4	143.3	152.8
1962 - 1	269.7	232.7	231.8	157.7	148.5	144.8	141.5	151.3
2	263.8	237.3	234.3	162.7	149.4	149.5	151.0	150.2
3	267.2	232.7	240.9	167.8	153.3	156.8	160.7	149.1
4	287.7	228.2	241.2	171.5	157.9	157.7	169.9	144.9
1963 - 1	289.7	238.1	241.9	172.1	157.4	160.1	172.6	146.4
2	293.5	249.9	249.0	173.6	157.1	160.6	173.6	150.3
3	301.2	250.8	249.1	173.7	157.1	158.2	177.4	149.7
4	306.4	259.1	246.5	184.2	165.0	168.2	202.0	149.8
1964 - 1	302.3	272.7	256.7	193.0	171.2	176.9	209.1	156.7
2	307.9	271.7	261.2	191.9	164.6	180.8	202.3	162.3
3	303.0	278.8	266.2	195.6	164.4	181.5	217.3	159.0
4	308.7	297.0	262.9	195.8	168.5	192.4	179.7	168.4
Without seasonal adjustment								
1961	258.8	222.1	213.0	148.4	139.6	139.4	129.8	147.6
1962	272.8	233.2	237.2	165.0	151.5	152.1	156.7	148.9
1963	296.0	249.1	246.6	175.9	159.0	161.8	181.4	148.8
1964	304.2	279.8	261.9	192.9	166.7	182.1	198.9	161.8
1961 - 1	248.9	214.7	194.0	139.2	132.7	130.1	131.1	146.1
2	256.4	229.3	202.2	150.8	139.7	141.5	141.9	147.9
3	265.5	223.2	218.8	148.3	151.4	145.7	101.3	141.6
4	264.5	221.1	237.0	155.4	134.8	140.4	144.7	154.7
1962 - 1	273.1	229.0	224.8	154.8	146.8	139.1	153.9	150.6
2	253.9	245.4	228.9	170.2	152.0	154.8	178.0	149.9
3	275.3	233.3	242.3	164.0	162.7	158.5	121.9	147.9
4	288.6	225.3	252.7	170.9	144.6	155.8	172.9	147.2
1963 - 1	291.2	234.2	234.2	168.2	156.0	153.5	182.6	146.7
2	276.8	259.3	241.6	181.7	159.5	166.6	203.1	148.9
3	309.3	250.4	251.2	168.6	167.6	161.7	129.6	147.6
4	306.7	252.7	259.4	184.9	153.1	165.2	210.3	152.2
1964 - 1	306.2	272.5	247.5	188.7	170.3	169.7	223.7	156.5
2	290.3	285.2	254.7	200.8	165.6	186.2	236.2	163.0
3	308.0	272.6	269.7	185.8	174.0	182.7	149.4	157.7
4	312.2	289.1	275.5	196.3	157.0	189.9	186.2	169.9

TABLE 3. Indexes of Real Domestic Product, less Agriculture - Continued
1949=100

	Manufacturing		Con- struction	Electric power and gas utilities	Transportation, storage and communication			Trade
	Durable manufacturing				Total	Transpor- tation	Storage	Total
	Electrical apparatus and supplies	Non-metallic mineral products						
1949 Weights ...	1.418	0.794	6.379	1.646	8.363	6.528	0.230	14.562
	Seasonally adjusted							
1961 - 1	169.3	210.2	158.5	304.1	168.2	156.0	222.0	154.9
2	175.0	221.0	165.5	319.4	173.0	161.0	233.8	156.8
3	185.8	220.2	173.2	327.8	174.1	162.4	215.5	160.1
4	199.0	228.5	171.7	325.9	173.8	160.6	207.9	161.1
1962 - 1	206.6	227.4	172.1	335.7	179.8	167.8	202.8	164.2
2	211.2	242.7	173.8	337.7	177.2	165.4	161.0	166.7
3	213.1	242.6	169.8	343.4	179.8	167.3	180.1	166.7
4	221.3	248.2	170.4	339.0	181.5	166.8	231.8	168.4
1963 - 1	220.0	236.7	172.0	352.1	188.3	175.7	217.2	171.1
2	223.4	242.0	174.4	359.2	187.8	174.1	202.8	171.5
3	222.1	246.5	169.8	369.8	190.5	176.2	230.7	171.5
4	228.6	247.5	180.6	390.2	201.0	188.8	253.6	177.3
1964 - 1	231.0	283.9	193.4	390.6	205.9	193.7	234.4	185.7
2	236.4	266.3	182.7	399.1	209.5	196.3	256.6	181.5
3	240.6	271.3	182.6	410.7	210.5	197.0	254.7	183.5
4	248.0	301.1	199.2	427.8	215.0	202.8	216.7	184.6
	Without seasonal adjustment							
1961	182.6	220.2	168.4	317.7	172.1	159.7	220.3	158.2
1962	212.9	240.9	171.0	337.7	179.2	166.4	192.9	166.8
1963	223.5	243.0	173.6	367.4	192.0	178.8	227.1	173.2
1964	239.0	277.6	190.4	405.6	209.7	197.0	239.7	183.5
1961 - 1	166.9	166.3	98.3	340.8	150.7	134.7	179.8	139.2
2	170.5	227.7	169.1	308.6	176.7	166.1	254.1	162.9
3	186.4	254.8	221.0	284.7	185.1	177.3	229.8	156.4
4	206.7	232.0	185.3	336.8	175.7	160.7	217.7	174.4
1962 - 1	203.3	180.3	109.0	374.9	161.8	145.4	164.5	148.4
2	205.3	249.3	175.8	328.5	181.4	171.5	173.1	173.6
3	213.5	279.8	215.5	298.7	190.4	182.0	192.0	163.0
4	229.4	254.0	183.5	348.7	183.1	166.5	241.8	182.3
1963 - 1	216.2	184.3	109.5	395.6	170.6	153.6	181.4	156.4
2	216.5	250.1	176.7	349.2	192.4	180.9	212.6	177.9
3	222.0	283.7	214.2	324.6	203.2	193.8	240.8	165.9
4	239.2	253.9	194.1	400.2	201.8	186.8	273.4	192.4
1964 - 1	227.1	213.1	127.5	439.2	186.7	170.0	196.8	169.9
2	229.7	275.3	188.1	387.5	213.4	202.7	257.6	188.3
3	238.7	316.6	230.2	357.0	223.1	214.9	261.9	175.9
4	260.4	305.6	215.8	438.9	215.8	200.3	242.2	199.2

TABLE 3. Indexes of Real Domestic Product, less Agriculture - Concluded
1949=100

	Trade		Finance, insurance and real estate	Public adminis- tration and defence	Community, recreation, business and personal service	Special Industry Indexes		
	Whole- sale	Retail				Commercial industries, less agriculture	Non- commercial industries	Index of Industrial Production
1949 Weights ...	4.995	9.567	9.127	4.666	10.202	81.015	8.271	32.231
Seasonally adjusted								
1961 - 1	154.8	155.0	173.1	182.5	149.0	160.7	176.9	166.1
2	161.3	154.5	174.5	182.6	150.8	164.0	178.5	170.6
3	167.7	156.2	176.3	184.7	153.8	168.0	181.0	176.0
4	168.5	157.3	178.0	185.9	154.9	169.7	182.5	179.5
1962 - 1	171.3	160.4	179.7	186.7	156.0	172.4	184.2	181.5
2	175.7	162.0	182.8	189.9	156.8	174.4	186.9	185.5
3	176.8	161.5	183.3	189.3	159.3	175.7	187.8	188.1
4	175.5	164.7	185.5	185.7	160.5	177.1	186.9	189.5
1963 - 1	182.0	165.4	190.1	186.6	162.7	180.2	187.5	191.7
2	180.6	166.7	192.9	187.7	164.4	181.7	189.4	194.2
3	177.9	168.2	195.9	189.2	165.6	182.6	191.2	195.0
4	185.0	173.3	198.9	189.2	167.1	189.7	192.3	203.8
1964 - 1	202.0	177.2	200.9	189.1	168.4	196.2	192.8	211.0
2	195.5	174.2	201.5	189.6	169.6	194.9	193.9	211.8
3	194.6	177.7	203.7	189.5	171.2	196.6	194.7	212.9
4	193.9	179.8	207.2	189.4	172.8	201.3	195.3	218.4
Without seasonal adjustment								
1961	162.7	155.9	175.5	183.9	152.2	165.5	179.7	172.9
1962	174.9	162.6	182.9	187.9	158.2	174.8	186.5	186.0
1963	181.6	168.8	194.5	188.1	165.0	183.6	188.7	195.9
1964	196.4	176.8	203.1	189.3	170.5	196.8	194.1	212.7
1961 - 1	150.2	133.4	170.2	177.3	145.0	148.5	173.7	163.7
2	171.7	158.3	175.5	182.5	151.4	166.4	178.6	172.6
3	161.8	153.6	179.5	190.8	157.4	173.2	184.6	174.5
4	167.1	178.2	176.9	185.0	154.9	174.0	181.9	180.8
1962 - 1	167.0	138.7	176.7	181.5	151.8	159.7	181.0	179.2
2	187.3	166.5	183.8	189.8	157.4	177.0	187.0	187.8
3	170.7	158.9	186.7	195.5	163.2	180.8	191.5	186.4
4	174.5	186.4	184.4	184.9	160.6	181.5	186.4	190.7
1963 - 1	181.0	143.6	186.5	181.0	158.3	167.8	182.8	188.4
2	190.4	171.4	194.4	188.0	164.4	184.5	188.3	196.7
3	168.5	164.5	199.3	196.0	170.0	187.4	193.9	192.7
4	186.4	195.6	197.7	187.5	167.1	194.6	189.7	205.8
1964 - 1	202.2	153.1	197.0	183.1	163.7	182.7	188.9	207.4
2	206.1	179.1	202.9	189.9	169.8	198.0	194.2	214.8
3	182.6	172.5	207.0	196.7	175.6	200.4	199.1	208.2
4	194.9	202.5	205.6	187.5	172.8	206.1	194.1	220.4

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