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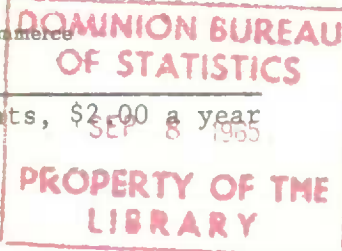
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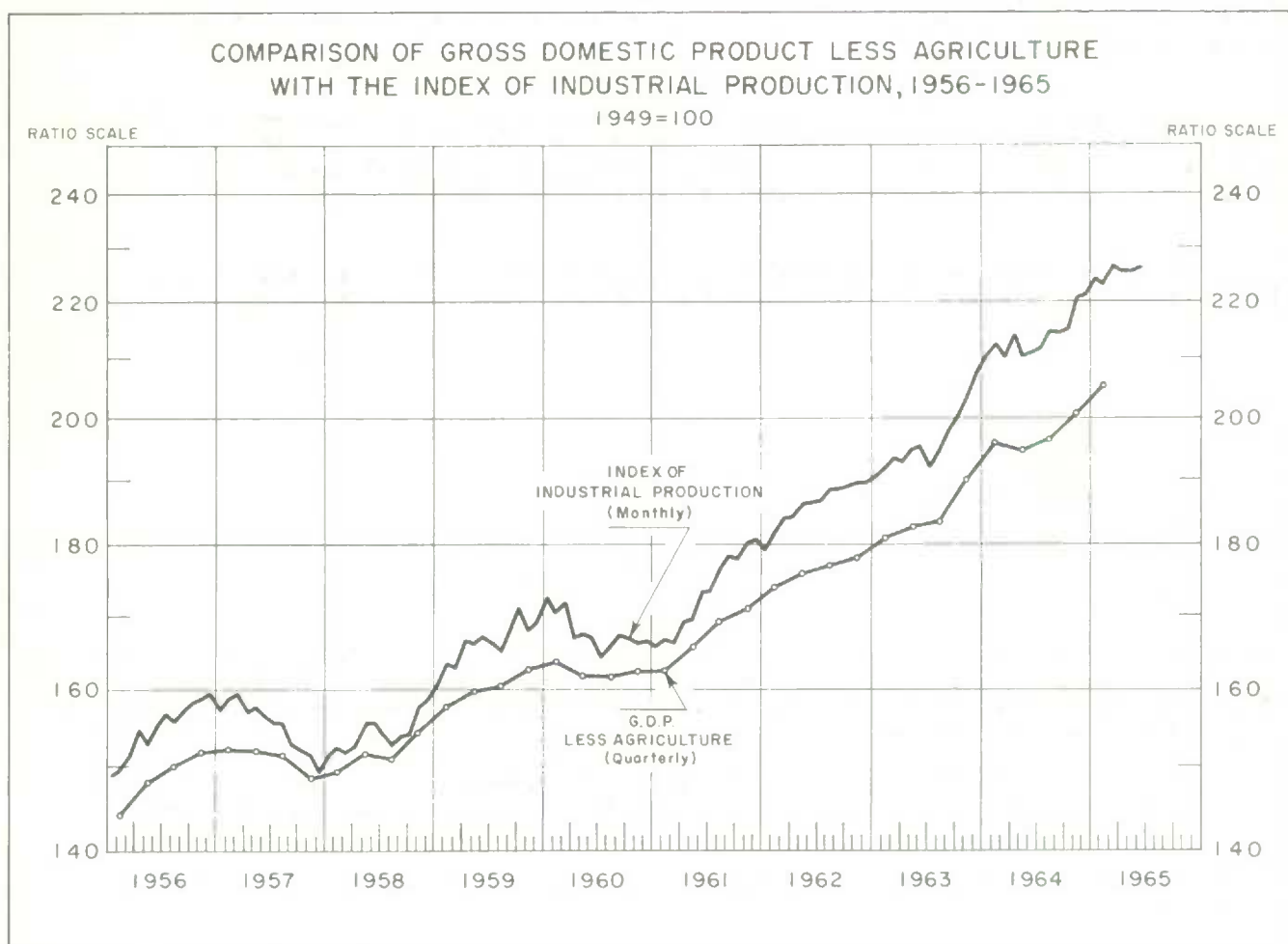
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INDEX OF INDUSTRIAL PRODUCTION (1949=100)

JUNE 1965

The seasonally adjusted index of industrial production was marginally higher in June.



This issue contains indexes of non-agricultural real output for the latest available quarter (1st quarter 1965).

Industrial Output Section
National Accounts and Balance of Payments Division

August 1965
2205-502

ROGER DUHAMEL, F.R.S.C., Queen's Printer and Controller of Stationery, Ottawa

JUNE INDEX OF INDUSTRIAL PRODUCTION

The seasonally adjusted index of industrial production rose by 0.3% in June to 226.1 from the revised May level of 225.5. In terms of contribution, the gain was about equally divided between manufacturing and mining, with the former advancing by 0.2% and the latter by almost 1%. Electric power and gas utilities showed little change in June.

On a quarterly seasonally adjusted basis, the following percentage changes are indicated from the first to the second quarter, for the total index of production and its main components; total index of industrial production (+0.4%), manufacturing (+1.1%), mining (-2.1%), electric power and gas utilities (-0.5%), durables (+1.5%) and non-durables (+0.6%).

Returning to the changes in June from the previous month, durable manufacturing advanced by more than 1% although the gain left this aggregate slightly lower still than its previous peak in March. The big contributors to the June increase were transportation equipment (with motor vehicles accounting for better than one-half of this) and iron and steel. The latter was led by a large gain in the iron castings industry. Primary iron and steel moved slightly higher. Increases of lesser importance were registered by non-metallic mineral products and non-ferrous metal products. On the other hand, wood products and electrical apparatus each declined by 2%.

The decline of almost 1% in non-durables emanated largely from foods and beverages (-2%) and rubber products. The latter was substantially affected by labour disputes. Clothing products also contributed to the decline. Elsewhere, changes were relatively small at the major group level with the exception of an unusual gain in printing and publishing.

The gain in mining originated largely in crude petroleum to bring total fuels higher by 4%. This was offset to some extent by a decline in copper output, from the high May level.

NOTES

1. For a continuous record of the Index of Industrial Production and its components, use the March 1963 supplement to this report for the period from 1919 to 1934, Reference Paper 61-502 for the period from 1935 to 1956, the March 1964 supplement to 61-005 for 1957 to 1959, the March 1965 supplement for 1960 to 1964, and these regular monthly reports thereafter.

For a continuous record of Gross Domestic Product and its components, use D.B.S. reference paper 61-505 for the period from 1935 to 1962, the March 1965 supplement for 1963 and 1964, and these 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. The figures in tables 1 and 2 may not reconcile with those on the Index of Industrial Production in table 3 because of small revisions to March which have not been incorporated in the latter table.
4. Indexes for Gross Domestic Product (less agriculture) and its components for the second quarter (together with first quarter revisions) will appear in the forthcoming July issue of this report.

TABLE 1. Index of Industrial Production
(1949=100)

Industry or industry group	1949 weights	MCD	Seasonally adjusted					
			1965					
			Jan.	Feb.	Mar.	Apr.	May	June
INDEX OF INDUSTRIAL PRODUCTION	32.231	1	224.3	223.1	226.7	225.5	225.5	226.1
MINING,	3.245	2	348.3	343.3	347.5	348.7	332.9	336.0
Metals	1.925	2	231.1	223.6	223.5	215.3	216.8	211.3
Gold	0.624	5	93.3	88.0	87.3	90.9	86.2	90.1
Copper	0.356	4	198.6	197.3	189.9	195.5	219.8	179.3
Iron ore	0.099	3	1,021.0	1,057.0	916.3	868.9	801.4	775.0
Nickel	0.337	4	228.0	208.2	225.3	216.6	202.1	202.8
Non-metals	0.268	5	382.2	399.0	406.6	379.3	372.6	381.0
Asbestos	0.214	5	254.9	267.6	268.3	270.5	262.6	280.2
Fuels	0.915	3	564.8	557.8	569.7	603.8	550.2	571.5
Coal	0.553	6	58.4	58.4	63.9	59.8	53.9	56.3
Natural gas	0.035	2	1,371.3	1,338.5	1,460.0	1,453.2	1,561.2	1,547.8
Petroleum	0.327	3	1,334.7	1,318.9	1,329.8	1,432.9	1,281.4	1,338.3
MANUFACTURING, TOTAL	27.340	3	197.2	195.9	199.4	198.2	200.2	200.6
NON-DURABLE MANUFACTURES	14.742	3	191.4	189.8	188.9	189.3	193.2	191.6
Foods and beverages	3.814	4	187.3	176.3	176.6	177.8	178.3	175.1
Foods	2.896	4	176.7	170.6	174.2	176.4	175.9	173.0
Meat products	0.523	4	197.7	182.6	187.7	183.5	185.9	182.7
Dairy products	0.450	3	172.4	173.7	173.6	172.1	176.6	170.3
Canning and processing	0.453	4	184.5	176.4	190.9	196.3	188.6	182.6
Grain mill products	0.322	4	189.5	188.3	179.6	186.6	181.7	179.1
Bakery products	0.558	3	148.6	147.9	147.4	148.0	147.4	147.8
Miscellaneous foods	0.590	4	174.9	164.9	172.3	179.5	180.7	179.7
Beverages	0.918	6	220.7	194.2	184.3	182.1	185.8	181.6
Carbonated beverages	0.231	6	174.7	208.2	186.1	173.2	197.7	179.3
Breweries	0.463	6	235.3	161.3	168.8	163.8	182.8	165.7
Distilleries	0.203	6	246.7	258.5	222.7	238.4	183.8	225.1
Tobacco and tobacco products ..	0.248	6	217.5	221.0	218.8	216.7	225.0	223.2
Rubber products	0.430	3	209.6	217.6	205.6	208.8	231.3	185.8
Leather products	0.508	2	130.2	125.7	127.8	126.8	125.0	124.4
Boots and shoes	0.307	4	139.6	133.4	135.5	135.9	132.4	130.1
Textiles	1.623	3	176.0	183.7	177.4	171.1	185.2	182.7
Cotton goods	0.507	4	124.2	134.9	132.8	111.0	127.3	118.2
Wool goods	0.300	3	90.4	82.3	88.6	80.9	87.6	88.7
Synthetic Textiles and Silk	0.429	3	317.3	341.7	314.0	319.1	348.6	349.1
Clothing	1.801	3	138.5	136.9	135.6	139.8	139.4	135.2
Paper products	2.649	3	184.4	186.7	189.0	185.6	187.5	188.9
Pulp and paper	2.108	3	187.0	189.3	191.1	186.3	189.0	191.3

TABLE 1. Index of Industrial Production - Concluded
(1949=100)

Industry or industry group	1949 weights	MCD	Seasonally adjusted						
			1965						
			Jan.	Feb.	Mar.	Apr.	May	June	
NON-DURABLE MANUFACTURES - Concluded:									
Printing,publishing and allied industries	1.273	4	167.8	175.6	170.2	177.0	174.5	186.7	
Products of petroleum and coal	0.513	3	325.9	315.1	310.7	302.6	323.9	324.0	
Petroleum products	0.454	3	352.8	342.0	336.2	326.9	350.9	351.7	
Chemicals and allied products	1.359	2	288.2	284.8	287.6	293.3	301.4	302.2	
Acids, alkalies, salts and fertilizers	0.346	2	346.5	350.4	336.3	342.8	356.6	374.1	
Miscellaneous manufactures	0.524	1	266.1	264.2	266.4	269.7	266.6	265.0	
DURABLE MANUFACTURES	12.598	3	203.9	203.1	211.8	208.6	208.5	211.1	
Wood products	2.108	2	168.0	164.3	167.6	173.2	169.0	165.2	
Saw and planing mills	1.444	3	180.5	173.6	176.2	183.4	177.9	173.2	
Veneers and plywoods	0.122	3	409.0	398.9	404.5	394.9	377.0	378.2	
Sawmills	0.994	4	167.6	158.5	162.0	174.7	168.9	163.2	
Furniture	0.460	2	164.6	169.9	176.1	178.8	177.6	176.1	
Iron and steel products	4.026	2	193.8	188.2	193.9	193.6	195.1	198.6	
Machinery	0.851	1	194.3	194.0	196.7	198.3	198.2	200.6	
Iron castings	0.387	3	184.0	171.5	189.5	180.7	183.5	206.4	
Primary iron and steel	0.845	2	250.6	248.6	260.7	260.8	267.0	268.2	
Sheet metal products	0.359	1	178.8	173.0	173.5	179.1	180.7	178.4	
Transportation equipment	2.651	4	210.4	214.5	238.9	225.8	228.9	237.2	
Aircraft and parts	0.203	1	265.6	258.9	264.3	240.3	232.0	280.1	
Motor vehicles	1.035	4	295.4	305.6	359.1	329.9	340.9	351.7	
Motor vehicle parts	0.462	2	229.2	236.8	249.5	247.1	250.3	257.1	
Railway rolling stock	0.621	1	50.4	49.5	50.5	52.0	50.8	49.4	
Shipbuilding and repairs	0.261	1	201.4	197.8	204.6	207.1	198.8	194.2	
Non-ferrous metal products	1.601	3	165.6	168.0	175.9	172.1	168.4	170.2	
Brass and copper products ...	0.241	1	163.2	160.1	160.9	157.3	143.4	136.6	
Smelting and refining	1.028	3	177.5	182.6	193.6	188.1	185.4	190.0	
Electrical apparatus and supplies	1.418	2	256.0	256.3	264.4	267.3	272.3	268.2	
Heavy electrical machinery ..	0.489	1	169.3	170.9	172.6	176.0	176.7	176.8	
Telecommunication equipment	0.142	3	674.9	650.9	666.1	671.3	694.3	674.8	
Refrigerators and appliances	0.227	3	231.6	240.3	256.1	252.5	267.7	252.6	
Non-metallic mineral products	0.794	2	313.6	319.8	307.3	290.3	280.1	289.8	
Concrete products	0.098	4	995.6	996.1	908.5	871.0	799.9	859.5	
Hydraulic cement	0.117	5	350.8	326.3	344.6	301.2	292.3	282.3	
Domestic clay products	0.083	3	168.0	156.2	164.2	160.4	143.9	136.6	
ELECTRIC POWER AND GAS UTILITIES	1.646	2	429.6	437.4	441.8	435.8	433.0	433.5	
Electric power	1.480	2	395.3	403.3	404.3	395.4	396.9	397.5	
Gas	0.166	3	735.2	741.0	776.6	795.8	754.6	754.9	

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

Industry or industry group	Annual averages		Without seasonal adjustment					
			1964			1965		
	1963	1964	Apr.	May	June	Apr.	May	June
INDEX OF INDUSTRIAL PRODUCTION	195.9	213.3	212.0	213.1	220.5	224.1	228.2	234.9
MINING,	294.4	326.5	309.7	328.4	345.5	328.9	337.4	352.0
Metals	193.8	210.7	215.6	221.2	236.0	208.7	227.4	232.6
Gold	95.5	91.0	96.0	88.9	89.3	94.0	85.7	89.7
Copper	174.0	186.4	176.9	180.9	198.3	189.6	213.0	193.5
Iron ore	670.8	834.2	736.9	1,043.3	1,077.3	695.1	945.6	999.8
Nickel	171.0	181.2	185.6	193.0	182.1	220.9	215.8	203.2
Non-metals	228.1	324.9	325.8	329.4	329.5	378.1	385.6	412.2
Asbestos	239.1	259.9	272.1	264.5	266.4	281.3	268.6	280.8
Fuels	513.6	554.7	498.6	533.8	548.4	561.2	528.1	554.0
Coal	52.0	55.1	51.6	48.8	55.3	55.6	49.4	51.7
Natural gas	1,179.8	1,382.3	1,382.6	1,253.5	1,196.8	1,476.5	1,425.4	1,312.5
Petroleum	1,221.6	1,300.8	1,158.4	1,275.5	1,311.5	1,318.3	1,241.7	1,322.2
MANUFACTURING, TOTAL	173.9	188.2	188.0	189.7	196.7	197.5	204.2	211.4
NON-DURABLE MANUFACTURES	172.2	184.5	181.5	180.9	189.1	185.8	191.6	196.9
Foods and beverages	162.1	174.1	159.7	171.1	187.2	162.6	176.2	190.1
Foods	157.2	170.0	152.6	163.9	177.1	158.7	170.3	180.9
Meat products	163.6	182.8	181.0	172.7	175.5	186.6	185.5	178.9
Dairy products	163.5	171.5	166.2	191.2	216.6	169.0	190.7	220.0
Canning and processing	165.4	174.9	91.7	140.2	176.0	103.1	148.3	179.5
Grain mill products	145.9	182.5	179.7	183.4	185.7	181.1	182.5	183.5
Bakery products	138.8	147.7	141.2	145.0	152.9	144.4	147.9	155.4
Miscellaneous foods	164.3	169.3	159.9	160.7	167.3	170.1	172.7	176.5
Beverages	177.6	187.3	181.8	193.9	219.2	175.0	194.8	219.3
Carbonated beverages	178.7	181.0	173.0	181.0	213.6	155.9	199.1	215.2
Breweries	159.9	168.2	179.3	185.5	213.3	175.6	202.7	214.7
Distilleries	220.3	242.5	205.1	236.6	249.8	202.4	180.5	245.1
Tobacco and tobacco products	207.7	214.0	211.5	218.3	249.9	218.4	235.6	257.6
Rubber products	190.5	213.8	227.7	213.2	250.3	213.6	235.2	220.7
Leather products	127.0	130.9	136.6	131.1	132.0	131.2	123.5	125.1
Boots and shoes	136.9	139.3	149.3	139.9	140.6	143.1	130.9	130.9
Textiles	159.5	172.2	183.0	171.3	181.9	174.7	188.2	193.4
Cotton goods	109.6	120.1	139.0	118.9	120.7	115.4	126.4	117.4
Wool goods	89.8	89.8	100.5	93.1	95.0	76.9	90.2	102.0
Synthetic textiles and silk	281.0	306.8	318.8	302.5	338.7	331.5	359.1	380.9
Clothing	137.0(1)	135.8	128.7	110.9	112.0	134.9	114.3	109.1
Paper products	164.3	179.0	179.8	176.0	178.4	184.6	189.5	190.8
Pulp and paper	163.8	180.0	183.0	178.2	178.3	186.3	191.6	191.5

(1) See page 2 footnote (2).

TABLE 2. Index of Industrial Production - Concluded

(1949=100)

Industry or industry group	Annual averages		Without seasonal adjustment					
			1964			1965		
	1963	1964	Apr.	May	June	Apr.	May	June
NON-DURABLE MANUFACTURES -								
Concluded:								
Printing, publishing and allied industries	156.7	164.6	174.5	180.3	169.3	179.7	180.3	189.8
Products of petroleum and coal	296.0	304.2	283.3	279.7	307.9	282.6	300.8	316.9
Petroleum products	319.7	329.5	305.5	301.0	332.7	304.3	324.6	343.3
Chemicals and allied products	249.1	279.0	278.6	280.4	285.0	306.4	314.3	314.0
Acids, alkalies, salts and fertilizers	302.0	331.7	340.3	335.3	319.9	373.7	380.1	369.2
Miscellaneous manufactures	246.6	261.9	249.4	254.0	260.7	261.1	261.0	263.7
DURABLE MANUFACTURES	175.9	192.7	195.5	200.1	205.7	211.2	218.9	228.4
Wood products	159.0	165.1	155.7	161.8	169.6	160.9	166.6	180.0
Saw and planing mills	172.1	179.3	167.9	175.9	186.4	168.4	176.3	195.5
Veneers and plywoods	358.8	399.3	424.9	391.7	395.0	415.0	378.5	382.7
Sawmills	162.3	167.0	149.7	165.5	177.9	153.7	168.9	194.2
Furniture	153.0	157.9	150.9	152.9	154.4	170.9	171.9	172.4
Iron and steel products	161.8	182.4	182.9	187.7	188.7	195.5	202.7	213.0
Machinery	160.2	179.2	171.3	174.7	179.7	196.3	198.2	203.2
Iron castings	151.1	180.7	198.5	217.1	212.7	200.0	203.7	243.7
Primary iron and steel	216.9	244.9	257.2	258.4	255.8	268.6	285.7	288.1
Sheet metal products	156.9	164.3	154.9	159.9	172.3	172.7	180.5	190.3
Transportation equipment	181.4	198.5	234.2	234.9	239.6	258.9	267.1	271.6
Aircraft and parts	233.8	270.9	265.0	269.6	276.2	238.7	230.1	278.7
Motor vehicles	257.6	276.1	368.7	364.2	374.3	409.1	430.9	436.4
Motor vehicle parts	179.5	215.6	222.3	227.8	223.1	257.5	262.6	258.1
Railway rolling stock	41.1	47.3	45.5	46.3	47.7	50.7	49.8	49.4
Shipbuilding and repairs	197.2	187.6	180.6	190.2	199.1	213.3	209.5	207.0
Non-ferrous metal products	148.8	162.0	163.3	162.2	164.6	175.4	170.7	171.8
Brass and copper products ...	133.4	149.6	146.4	150.3	153.2	155.6	144.5	140.0
Smelting and refining	161.6	176.0	179.6	176.5	179.2	194.5	189.3	191.7
Electrical apparatus and supplies	223.5	239.2	227.3	227.8	234.3	258.1	261.5	267.0
Heavy electrical machinery ..	154.3	161.0	156.7	158.4	160.7	172.8	174.8	177.9
Telecommunication equipment	546.9	584.0	517.4	520.2	511.9	606.9	618.6	629.6
Refrigerators and appliances	221.6	233.8	238.2	236.0	249.8	258.6	268.8	272.8
Non-metallic mineral products	243.0	277.6	243.3	275.6	306.6	253.3	300.0	335.7
Concrete products	652.3	849.6	688.8	859.2	994.4	722.9	933.5	1,072.7
Hydraulic cement	246.0	277.5	254.8	310.8	350.0	250.0	336.2	383.9
Domestic clay products	136.7	146.1	146.0	160.4	159.4	144.4	155.1	160.5
ELECTRIC POWER AND GAS UTILITIES	367.4	405.6	419.7	374.2	368.5	459.7	412.6	394.6
Electric power	339.2	371.5	370.5	349.2	346.1	399.7	384.2	376.0
Gas	620.1	711.0	861.2	598.4	569.3	994.8	665.6	560.9

Real Domestic Product less Agriculture

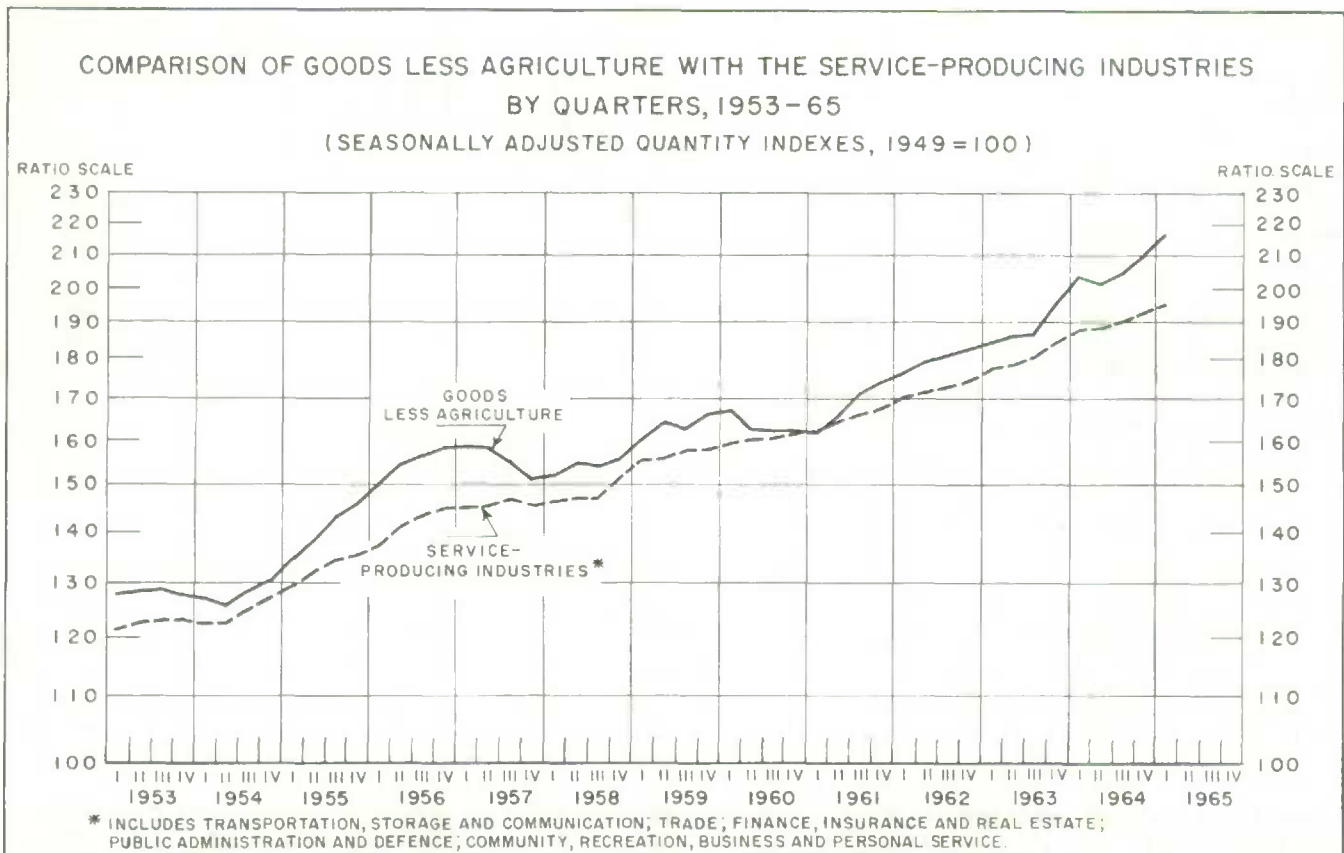
Note to Users

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, FIRST QUARTER, 1965

The seasonally adjusted index of non-agricultural real output for the first quarter of 1965 was 2.2 per cent above the fourth quarter level, with most of the major industry divisions contributing to this increase.

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 first quarter of 1965, the expansion was in its sixteenth quarter, and non-agricultural real output had reached a level 27 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 (in 9 quarters) made during the 1957-60 cyclical upturn.

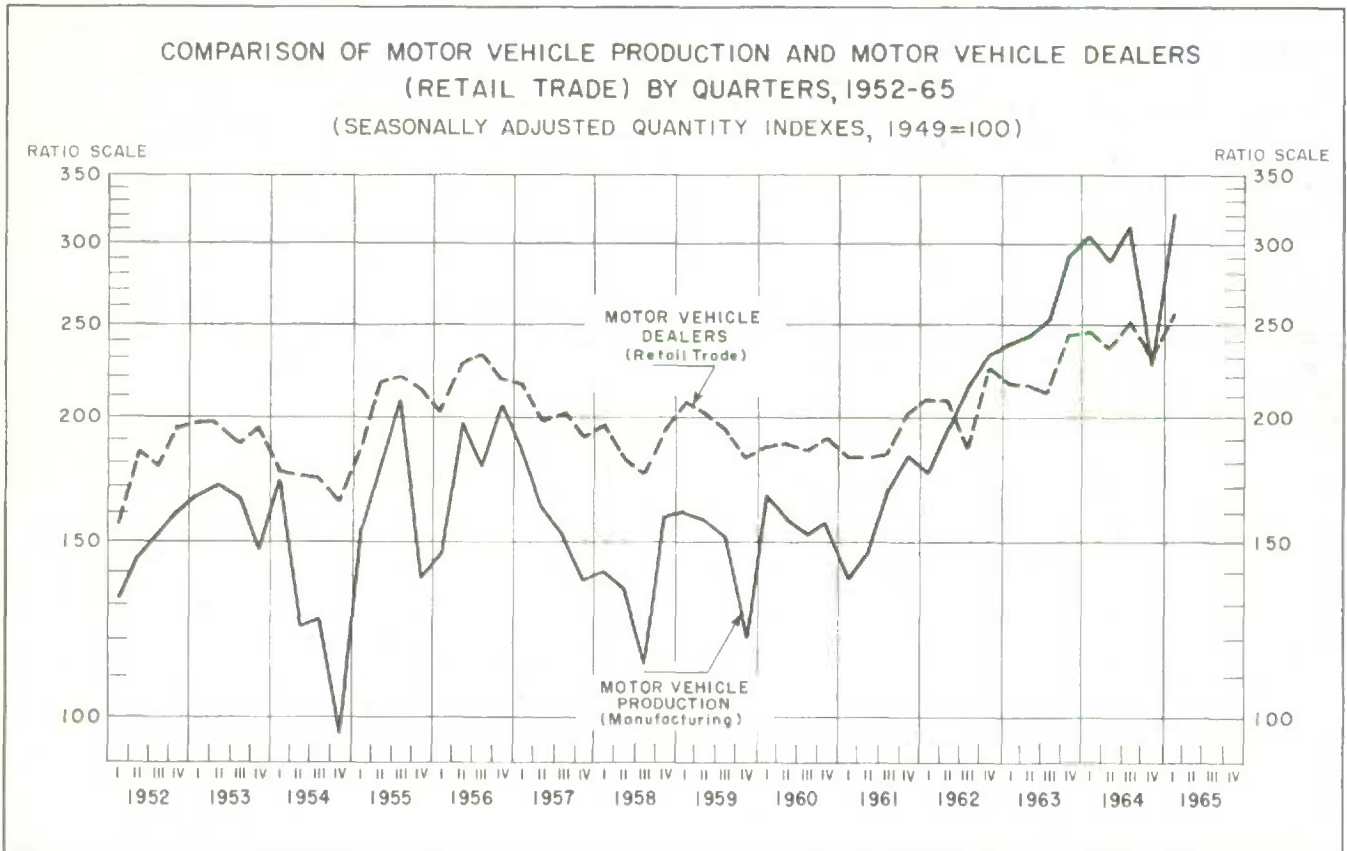
	IQ'61 - IQ'64		IQ'61 - IIQ'64		IQ'61 - IIIQ'64		IQ'61 - IVQ'64		IQ'61 - IQ'65	
	% △	Effect on GDP less Agri- culture	% △	Effect on GDP less Agri- culture	% △	Effect on GDP less Agri- culture	% △	Effect on GDP less Agri- culture	% △	Effect on GDP less Agri- culture
Gross domestic product										
less agriculture	20.7	20.7	20.2	20.2	21.4	21.4	23.9	23.9	26.6	26.6
Forestry	25.2	.5	18.9	.4	29.1	.6	21.3	.4	31.3	.6
Fishing and trapping ..	- 7.6	--	- 18.3	- .1	- 15.6	- .1	- 3.5	--	- 10.9	- .1
Mining	31.3	1.8	29.7	1.7	26.9	1.5	33.6	1.9	37.9	2.1
Manufacturing	25.9	7.3	26.5	7.4	28.2	7.9	30.5	8.5	33.7	9.4
Non-durable	17.9	2.8	19.6	3.1	19.8	3.1	24.1	3.8	23.9	3.7
Durable	36.0	4.5	35.2	4.3	38.5	4.8	38.4	4.7	46.0	5.7
Construction	23.5	1.7	14.6	1.0	15.8	1.1	25.6	1.8	33.1	2.3
Electric power and gas										
utilities	28.4	1.0	31.4	1.1	34.5	1.2	40.6	1.4	43.5	1.5
Other goods, n.e.c. ...	11.2	.1	13.1	.1	14.1	.1	14.1	.1	14.1	.2
Transportation, storage										
and communication ...	21.6	2.1	24.2	2.3	25.3	2.5	27.1	2.6	27.6	2.7
Transportation	23.0	1.6	25.5	1.8	26.3	1.9	28.8	2.0	28.9	2.0
Trade	19.2	3.0	17.4	2.7	18.7	2.9	19.8	3.1	23.4	3.6
Wholesale	29.1	1.6	26.3	1.4	26.2	1.4	27.7	1.5	36.4	1.9
Retail	14.0	1.4	12.8	1.3	14.7	1.5	15.6	1.6	16.6	1.7
Finance, insurance and										
real estate	15.9	1.7	16.5	1.8	17.7	1.9	19.2	2.1	20.2	2.2
Public administration										
and defence	4.3	.2	4.1	.2	3.7	.2	3.8	.2	4.9	.3
Community, recreation,										
business and personal										
service	13.0	1.4	14.2	1.5	15.4	1.6	16.3	1.7	17.0	1.8

Manufacturing, trade and construction were the largest contributors to the first quarter gain in non-agricultural output, with manufacturing accounting for almost one third of the advance and the other two groups for about one fifth each.

The 2.5 per cent gain in manufacturing output resulted from a 6 per cent increase in the durables component, as the non-durables group declined fractionally. Within durable manufacturing, most major industry groups showed increases in the quarter, ranging from 0.1 per cent in iron and steel products to 23 per cent in transportation equipment. This latter increase accounted for about four fifths of the gain in durables and can be traced to the attainment of new high levels in motor vehicle and parts production. The next largest contributions to the gain in durables came from electrical apparatus and supplies (up 4%) and non-metallic mineral products, which increased by 5 per cent. The output of the cement and concrete products components of the non-metallic group continued to increase in the first quarter. This is in contrast to the production of many other building materials industries, such as paints and varnishes, roofing paper and wire products, which declined from very high fourth quarter levels. Wood products was the only major industry group to show a decline (-1%), mainly as a result of a drop in the output of sawmills.

The most important single influence in durable manufacturing output in the first quarter was the increase in motor vehicle and parts production. In the fourth quarter of 1964 output in these industries had declined by 27 and 16 per cent, respectively. At that time strikes and layoffs in the automobile industry both in Canada and the United States affected levels of production in these industries particularly strongly. The subsequent increases in motor vehicle output in the first quarter (an all time high was reached in March), resulted in a 41 per cent advance from fourth quarter levels and a 2.3 per cent gain from the previous peak attained in the third quarter of 1964. The output of the motor vehicle parts industry advanced by 18 per cent in the first quarter. Jointly the gains in motor vehicle and parts production accounted for almost one third of the advance in total non-agricultural output during the first quarter. In fact, the tremendous expansion in motor vehicle production since early 1961 has been at the base of the growth in durables output during this period, as can be seen by comparing chart 1 with that depicting durable and non-durable manufacturing (chart 2). During most of the period iron and steel products also contributed strongly to the expansion in durable manufacturing.

CHART-1



Within non-durables, increases ranging from one-half to 3 per cent in textiles, paper and petroleum products and printing and publishing were more than offset by declines in all the other major groups. The 3 per cent decrease in chemical products was the largest contributor to the decline in non-durables. Of its components, paints, varnishes and lacquers showed the sharpest drop, following an increase of about the same magnitude in the preceding quarter. Foods and beverages were about one per cent below fourth quarter levels, with the declines concentrated in foods, such as meat products. Declines of 2 to 3 per cent also occurred in tobacco, rubber, leather and clothing products.

As can be seen from charts 2 and 3 below, there are strong similarities in the output movements between durable manufacturing and wholesale trade and between those of non-durables and retail trade. The last two industries are less cyclically sensitive and have not achieved the strong gains shown by the former two during the 1961-65 expansion. In the first quarter the pattern is similar. The 3 per cent gain in trade is largely the result of a 7 per cent increase in wholesale trade, while retail trade

advanced by about one per cent. As in manufacturing, motor vehicles exercised the strongest single influence both on wholesale and on retail trade, as exemplified by an 11 per cent advance in motor vehicle dealer sales in retail trade (see Chart 1). In comparing the growth patterns of motor vehicle production and motor vehicle dealer sales, however, it should be remembered that motor vehicle production includes the 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. Elsewhere at the retail trade level, declines occurred in the sales of grocery and combination stores and lumber and building material dealers, as well as department stores. A similar pattern prevailed in wholesale trade.

The transportation, storage and communication group advanced by half of one per cent in the first quarter, mainly as a result of an increase in the output of the communications industries, which, however, was partially offset by a 4 per cent decline in storage. Transportation showed no change from its fourth quarter level, following more than a year of uninterrupted expansion at high levels of activity. Within transportation, declines occurred in railway, air and water transportation, while the rest of the transportation industries showed gains in the first quarter.

Among the remaining industry groups, increases of 2 and 8 per cent occurred in electric power and gas utilities and forestry, while mining advanced by 3 per cent. Both the metal and non-metal mining components showed strong gains in the first quarter but the total advance was somewhat dampened by a 2 per cent decline in fuel mining. Construction was up by 6 per cent, with increases in both residential and non-residential construction. Increases of about one per cent were recorded by the remaining service-industry groups, namely, finance, insurance and real estate, public administration and defence (where the increase occurred at the provincial and municipal levels) and community, recreation, business and personal service.

CHART-2

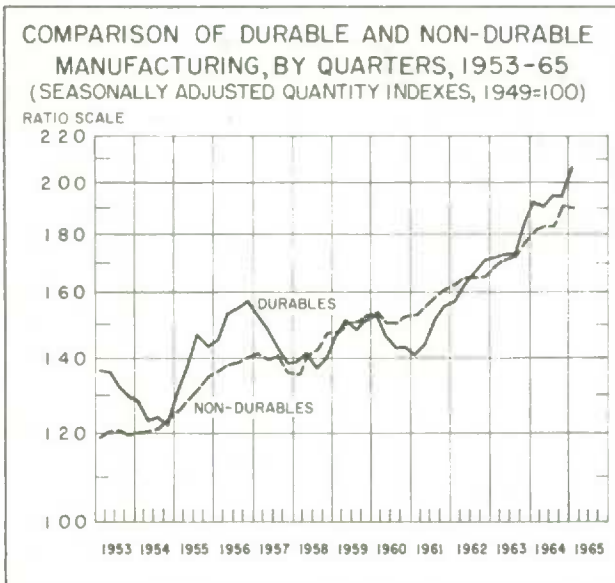


CHART-3

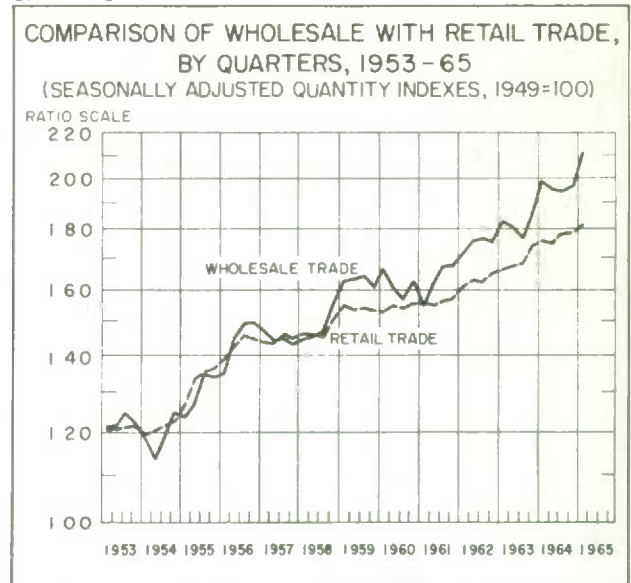


TABLE 3. Indexes of Real Domestic Product, less Agriculture
1949=100

[illegible]

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 (1)	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							
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	170.7	195.8	210.3	128.8	168.0	133.0	174.4	162.1
2	173.6	213.3	214.8	131.7	172.6	132.0	176.4	172.0
3	172.0	223.6	208.0	131.3	172.1	138.2	179.2	158.8
4	181.7	223.5	217.2	131.4	173.8	139.5	185.7	165.6
1965 - 1	180.2	219.1	210.9	127.9	179.0	137.0	186.7	171.2
2								
3								
4								
	Without seasonal adjustment							
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	174.1	214.0	213.8	130.9	172.2	135.8	179.0	164.6
1965								
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	147.1	195.5	215.8	139.0	171.9	133.6	170.0	158.5
2	172.7	226.6	230.4	133.2	178.7	117.2	178.0	174.7
3	188.1	211.1	186.5	122.3	159.6	148.2	180.8	155.3
4	188.6	222.9	222.4	129.2	178.5	144.0	187.1	169.9
1965 - 1	154.6	220.6	219.4	137.6	182.1	136.5	182.2	167.1
2								
3								
4								

(1) An explanation of the discontinuity in the Clothing index is contained in the March, 1964 issue of this report (page 2, note 2).

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							
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	304.6	274.5	256.7	192.2	167.3	177.4	207.5	156.7
2	306.3	269.7	261.2	191.1	162.2	180.4	201.1	161.7
3	303.0	278.3	266.2	195.7	164.4	181.7	217.3	159.3
4	308.6	295.6	263.0	195.5	168.1	191.5	179.6	168.6
1965 - 1	317.3	286.9	265.6	206.3	166.6	191.7	221.2	169.8
2								
3								
4								
	Without seasonal adjustment							
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	279.0	261.9	192.7	165.1	182.4	198.5	162.0
1965								
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	306.3	273.4	247.5	188.2	168.3	170.4	222.1	156.4
2	290.3	281.3	254.7	200.4	162.4	186.4	236.2	163.4
3	308.0	272.2	269.7	185.6	172.8	182.7	149.4	158.0
4	312.2	289.0	275.6	196.4	156.9	189.9	186.2	170.0
1965 - 1	320.8	288.1	257.2	203.8	168.5	186.0	241.4	169.9
2								
3								
4								

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

[illegible]

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

	Trade	Finance, in- surance and real estate	Public adminis- tration and defence	Com- munity, recre- ation, business and personal service	Special Industry Indexes				
	Retail				Goods less agri- culture	Service- pro- ducing indus- tries(2)	Commercial indus- tries, less agri- culture	Non- com- mercial indus- tries(3)	Index of In- dustrial Pro- duction
1949 Weight	9.567	9.127	4.666	10.202	42.366	46.920	81.015	8.271	32.231
Seasonally adjusted									
1962 - 1	160.4	179.7	186.7	156.0	176.9	170.4	172.4	184.2	181.5
2	162.0	182.8	189.9	156.8	179.6	171.9	174.4	186.9	185.5
3	161.5	183.3	189.3	159.3	181.0	172.9	175.7	187.8	188.1
4	164.7	185.5	185.7	160.5	182.4	174.1	177.1	186.9	189.5
1963 - 1	165.4	190.1	186.6	162.7	184.6	177.6	180.2	187.5	191.7
2	166.7	192.9	187.7	164.4	186.6	178.6	181.7	189.4	194.2
3	168.2	195.9	189.2	165.6	186.9	180.1	182.6	191.2	195.0
4	173.3	198.9	189.2	167.1	195.8	184.7	189.7	192.3	203.8
1964 - 1	176.7	200.6	190.3	168.4	203.7	188.3	195.8	193.9	210.9
2	174.8	201.6	190.0	170.2	201.7	188.8	194.9	194.9	211.7
3	177.8	203.7	189.3	172.0	204.0	190.4	197.0	195.5	213.5
4	179.2	206.4	189.5	173.3	210.3	192.4	201.4	196.1	219.0
1965 - 1	180.7	208.0	191.5	174.3	216.9	195.0	206.2	197.8	224.7
2									
3									
4									
Without seasonal adjustment									
1962	162.6	182.9	187.9	158.2	179.7	172.4	174.8	186.5	186.0
1963	168.8	194.5	188.1	165.0	188.2	180.4	183.6	188.7	195.9
1964	176.8	203.0	189.8	171.0	204.6	189.9	197.0 ^r	195.1	213.3
1965									
1962 - 1	138.7	176.7	181.5	151.8	163.2	160.3	159.7	181.0	179.2
2	166.5	183.8	189.8	157.4	181.0	175.1	177.0	187.0	187.8
3	158.9	186.7	195.5	163.2	188.5	175.7	180.8	191.5	186.4
4	186.4	184.4	184.9	160.6	185.8	178.4	181.5	186.4	190.7
1963 - 1	143.6	186.5	181.0	158.3	170.9	167.6	167.8	182.8	188.4
2	171.4	194.4	188.0	164.4	188.3	181.8	184.5	188.3	196.7
3	164.5	199.3	196.0	170.0	193.7	182.9	187.4	193.9	192.7
4	195.6	197.7	187.5	167.1	199.7	189.1	194.6	189.7	205.8
1964 - 1	153.1	196.9	183.8	164.1	189.2	178.2	182.8	189.8	207.7
2	179.1	202.8	190.3	170.3	204.5	191.8	198.1	195.2	215.2
3	172.5	206.9	197.1	176.3	209.6	192.5	200.7	200.2	208.8
4	202.5	205.3	187.9	173.5	215.0	197.1	206.7 ^r	195.1	221.3
1965 - 1	157.2	201.6	184.8	169.7	202.4	184.7	192.9	193.6	222.0
2									
3									
4									

(?) Includes transportation, storage and communication; trade; finance, insurance and real estate; public administration and defence; community, recreation, business and personal service.

(3) Includes public administration and defence; hospitals; education; welfare, religion and other community service, n.e.c. and domestic service.

^r Revised figures.

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