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## INDEX OF INDUSTRIAL PRODUCTION $(1949=100)$

SEPTEMBER 1966
The seasonally adjusted index of industrial production advanced by 0.6 per cent in September.


This issue contains indexes of non-agricultural real output for the latest available quarter (2nd quarter 1966).

Industrial Output Section
National Accounts and Balance of Payments Division
 the revised August level of 274.0 . Both manufacturing and electric power and gas utilities contributed to the increase, advancing by 1.0 and 1.1 per cent reapectively. Mining declined by 1.7 per cent. In manufacturing the whole of the gain came from a 2.6 per cent increase in durables as non-durables fell by 0.4 per cent.

In durable manufactures 4 of the 6 major groups rose. Advancing, in order of contribution to the gain, were iron and steel products ( $+4 \%$ ), non-ferrous metal products $(+9 \%)$, transportation equipment ( $+3 \%$ ), and non-metallic mineral products $(+1 \%)$. Electrical apparatus and supplies and wood products fell by l per cent.

Within the detail all except one component of iron and steel products rose, with the bulk of the increase being due to gains of 10 per cent and 12 per cent respectively in primary iron and steel and iron castings. Gains in other components ranged from 1 to 4 per cent. The September incresse in primary iron and steel marks its first gain after a month long decline. In non-ferrous metal products nearly all of the 9 per cent gain was due to a 15 per cent rise in smelting and refining as that industry recovered from August industrial disputes. Motor vehicles, which rose by 3 per cent, was the major factor in the transportation equipment gain. In electrical apparatus and supplies the decline centred in telecommanication equipment and refrigerators and appliances. Declines of 2 per cent and 7 per cent respectively in these two industries were only partially offset by increases in the other members of the group that ranged from small to 5 per cent.

Non-durable manufacturing presented a mixed picture in September as it fell by 0.4 per cent. Declines ranging from fractional to 8 per cent in foods and beverages, chemical and aliled praducts, paper products, printing, publishing and allied industries, and rubber products were only partially offaet by gains of up to 11 per cent in the remaining 5 major groups. Within the detall, the decline in foods and beversges of 0.3 per cent was entirely due to a near 5 per cent drop in beverages, as foods, led by a 7 per cent rise in canning and processing, moved upwards by 2 per cent. While all beverages components fell, distilleries, with an 8 per cent decline, was the major contributor to the drop. In paper products, which fell by 2 per cent, nearly all of the decrease was due to a 3 per cent decline in pulp and paper. In chemicals and allied products ( $-0.6 \%$ ) the major factor in the fall was the 8 per cent drop in acids, alkalies, salts and fertilizers. This wes only partially offset by generally sizeable increases in all but one of the remaining components. In textiles ( $+1.6 \%$ ) the gain was entirely due to a 35 per cent rise in cotton goods as that industry recovered from seversl months of labour disputes. The other group components fell by amounts ranging from fractional to nearly 8 per cent.

In mining, which fell by 1.7 per cent, metals rose by 5 per cent but fuels and non-metals fell by 4 and 5 per cent respectively. There were sizeable movements within the metal mining detail. Sizeable strike recovery-induced gains occurred in both nickel and copper; on the other hand, both lead and zinc were considerably lower. In fuels, natural gas rose by nearly 4 per cent while coal and petroleum fell by 11 and 4 per cent respectively. The declines in both coal and petroicuia marked returns to more normal levels. In non-metals ( $-5 \%$ ) both components fell.

Both components contributed to the 1 per cent rise in electric power and gas utilities, electric power advanctals fractionally and gas riaing by 6 per cent

With 1966 now three quarters over, the following changes are show; in columi for the third quarter of 1966 from the second quarter on seasonally adjusted basis, and in column 2 for the first nine months of 1966 over the first 9 months of 1965:

|  | II Q.' 66 - III Q.' 66 Seasonally adjusted | $\begin{aligned} & \text { lst } 9 \text { months '65 } \\ & \text { 1st } 9 \text { months ' } 66 \end{aligned}$ |
| :---: | :---: | :---: |
|  | Per cent change | Per cent change |
| Index of industrial production | - 0.1 | + 8.4 |
| Mining | - 2.9 | + 6.4 |
| Manufacturing | + 0.1 | + 8.2 |
| Non-durable | - | + 8.0 |
| Durable | + 0.3 | + 8.4 |
| Electric power and gas utilities | +2.3 | $+13.2$ |

[^0]$(1949=100)$

| Industry or industry group | 1949 percentage weights | Seasonally adjusted |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1966 |  |  |  |  |  |
|  |  | Apr . | May | June | July | Aug. | Sept. |
| INDEX OF INDUSTRIAL PRODUCTION | 32.231 | 274.1 | 274.0 | 273.3 | 270.8 | 274.0 | 275.7 |
| MINING | 3.245 | 393.5 | 397.8 | 391.5 | 376.3 | 389.6 | 383.1 |
| Metals | 1.925 | 261.7 | 259.7 | 258.5 | 224.5 | 241.9 | 246.1 |
| Gold | 0.575 | 74.4 | 80.0 | 69.4 | 74.2 | 66.1 | 69.5 |
| Copper | 0.352 | 186.0 | 206.6 | 194.4 | 165.5 | 162.2 | 179.8 |
| Iron ore | 0.099 | 1,327.1 | 1,260.3 | 1,257.2 | 733.3 | 1,237.6 | 1,273.1 |
| Nickel | 0.333 | 203.3 | 182.4 | 208.3 | 151.2 | 141.8 | 199.3 |
| Non-metals | 0.268 | 409.6 | 409.9 | 376.0 | 388.4 | 430.9 | 407.9 |
| Asbestos | 0.189 | 292.9 | 293.3 | 281.5 | 295.3 | 324.9 | 299.1 |
| Fuels | 0.915 | 652.2 | 671.1 | 658.5 | 678.1 | 674.8 | 649.3 |
| Coal | 0.553 | 52.1 | 56.9 | 55.5 | 49.9 | 61.7 | 55.0 |
| Natural gas | 0.035 | 1,597.1 | 1,691.5 | 1,632.8 | 1,560.1 | 1,557.7 | 1,613.3 |
| Petroleum | 0.327 | 1,565.9 | 1,600.7 | 1,573.9 | 1,646.0 | 1,617.2 | 1,551.2 |
| MANUFACTURING, TOTAL | 27.340 | 247.2 | 245.5 | 245.3 | 244.8 | 245.8 | 248.3 |
| non-durable manufactures | 14.742 | 240.3 | 239.7 | 240.2 | 240.2 | 240.4 | 239.5 |
| Foods and beverages | 3.814 | 202.8 | 201.9 | 207.8 | 208.6 | 204.8 | 204.2 |
| Poods | 2.896 | 196.2 | 194.7 | 197.9 | 198.2 | 192.2 | 195.0 |
| Meat products | 0.523 | 190.2 | 195.7 | 196.4 | 190.2 | 184.9 | 184.5 |
| Dairy products | 0.450 | 196.6 | 195.5 | 199.1 | 203.1 | 196.9 | 199.6 |
| Canning and processing | 0.453 | 224.6 | 207.2 | 216.9 | 212.8 | 209.0 | 223.0 |
| Grain mill products | 0.322 | 208.3 | 203.0 | 201.5 | 210.6 | 202.7 | 205.5 |
| Bakery products | 0.558 | 155.9 | 157.0 | 157.9 | 158.7 | 159.0 | 158.7 |
| Miscellaneous foods | 0.590 | 211.1 | 214.9 | 219.8 | 221.2 | 207.9 | 207.6 |
| Beverages | 0.918 | 223.6 | 224.3 | 239.0 | 241.3 | 244.3 | 233.3 |
| Carbonated beverages | 0.231 | 209.4 | 217.8 | 225.5 | 235.1 | 227.2 | 218.0 |
| Breweries | 0.463 | 197.3 | 186.4 | 195.2 | 208.8 | 212.6 | 208.3 |
| Distilleries | 0.203 | 300.1 | 321.2 | 357.5 | 324.6 | 340.5 | 312.4 |
| Tobacco and tobacco products | 0.248 | 261.8 | 252.6 | 241.4 | 233.7 | 241.6 | 267.4 |
| Rubber products | 0.430 | 265.4 | 250.3 | 237.5 | 261.7 | 261.7 | 240.1 |
| Leather products | 0.508 | 137.9 | 137.9 | 140.2 | 133.1 | 137.3 | 139.0 |
| Boots and shoes | 0.307 | 136.9 | 138.7 | 143.3 | 131.7 | 136.5 | 141.1 |
| Textiles | 1.623 | 226.4 | 221.7 | 225.9 | 223.9 | 232.5 | 236.2 |
| Cotton goods | 0.507 | 128.0 | 121.5 | 117.7 | 108.8 | 110.1 | 148.7 |
| Woollen goods | 0.300 | 93.8 | 94.6 | 101.4 | 89.2 | 98.5 | 91.1 |
| Synthetic Textiles and Silk | 0.429 | 428.7 | 417.8 | 431.7 | 440.1 | 465.9 | 440.0 |
| Clothing .................. | 1.801 | 182.5 | 180.6 | 180.0 | 179.1 | 173.0 | 178.5 |
| Paper products. | 2.649 | 214.3 | 221.5 | 219.3 | 214.2 | 219.0 | 214.4 |
| Pulp and paper ......... | 2.108 | 208.6 | 216.2 | 213.3 | 207.0 | 213.9 | 207.2 |

TABLE 1. Seasonally Adjusted Index of Industrial Production - Concludud
$(1949=100)$

$(1949=100)$

| Industry or industry group | Annual averages |  | Without seasonal adjustment |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | 1965 |  |  | 1966 |  |  |
|  | 1964 | 1965 | July | Aug. | Sept. | July | Aug. | Sept. |
| INDEX OF INDUSTRIAL PRODUCTION | 235.3 | 254.9 | 241.0 | 247.5 | 263.7 | 254.9 | 262.9 | 279.9 |
| MINING | 346.4 | 365.6 | 358.7 | 379.3 | 399.4 | 367.1 | 393.8 | 403.7 |
| Metals | 245.7 | 249.5 | 252.8 | 254.4 | 276.3 | 219.6 | 255.1 | 270.6 |
| Gold | 85.9 | 80.6 | 73.2 | 80.5 | 79.0 | 70.5 | 67.2 | 69.7 |
| Copper | 187.8 | 195.6 | 206.2 | 192.1 | 197.0 | 167.0 | 166.9 | 182.7 |
| Iron ore | 1,185.3 | 1,236.8 | 1,540.7 | 1,503.5 | 1,505.1 | 953.3 | 1,591.5 | 1,756.9 |
| Nickel | 181.0 | 209.9 | 198.2 | 207.3 | 189.8 | 137.6 | 139.0 | 178.0 |
| Non-metals | 312.8 | 377.2 | 358.7 | 399.6 | 387.4 | 368.4 | 426.8 | 421.5 |
| Asbestos | 259.9 | 269.4 | 246.7 | 268.4 | 270.0 | 272.0 | 324.9 | 301.8 |
| Fuels | 557.7 | 592.8 | 550.2 | 603.5 | 630.5 | 641.9 | 643.3 | 644.9 |
| Coal | 55.1 | 56.3 | 40.3 | 36.1 | 56.3 | 34.9 | 39.8 | 55.5 |
| Natural gas | 1,382.3 | 1,476.4 | 1,247.3 | 1,292.4 | 1,276.9 | 1,313.6 | 1,322.5 | 1,387.4 |
| Petroleum | 1,319.2 | 1,405.5 | 1,337.8 | 1,489.3 | 1,532.3 | 1,596.6 | 1,591.3 | 1,562.1 |
| MANUFACTURING, TOTAL | 211.9 | 230.1 | 219.3 | 223.6 | 239.0 | 232.1 | 236.7 | 254.2 |
| NON-DURABLE MANUFACTURES | 211.2 | 224.1 | 212.3 | 230.3 | 239.3 | 228.1 | 244.1 | 251.0 |
| Foods and beverages | 185.6 | 193.1 | 202.6 | 219.6 | 222.4 | 222.4 | 230.8 | 230.7 |
| Foods | 180.6 | 187.4 | 198.0 | 214.6 | 219.7 | 212.5 | 217.8 | 226.1 |
| Meat products | 182.6 | 192.3 | 185.9 | 189.8 | 201.0 | 176.3 | 178.1 | 189.5 |
| Dairy products | 189.6 | 196.0 | 220.2 | 225.5 | 217.1 | 233.6 | 220.3 | 217.6 |
| Canning and processing | 190.0 | 197.2 | 267.1 | 341.1 | 344.9 | 313.9 | 356.4 | 379.1 |
| Grain mill products | 184.1 | 189.3 | 175.8 | 183.4 | 195.3 | 197.0 | 193.8 | 204.1 |
| Bakery products .... | 151.3 | 151.7 | 158.7 | 157.7 | 156.4 | 166.6 | 165.4 | 163.9 |
| Miscellaneous foods | 190.6 | 201.9 | 188.0 | 201.7 | 215.4 | 202.5 | 207.2 | 218.6 |
| Beverages | 201.3 | 211.0 | 217.0 | 235.6 | 230.7 | 253.8 | 271.7 | 245.1 |
| Carbonated beverages | 181.0 | 186.2 | 221.5 | 236.3 | 215.6 | 301.9 | 287.9 | 240.0 |
| Breweries | 185.7 | 191.1 | 227.1 | 202.3 | 161.6 | 256.8 | 230.2 | 179.1 |
| Distilleries | 262.1 | 284.8 | 192.3 | 313.5 | 389.0 | 196.7 | 356.2 | 384.2 |
| Tobacco and tobacco products | 232.1 | 243.4 | 179.1 | 248.0 | 257.6 | 170.6 | 248.6 | 282.4 |
| Rubber products | 232.8 | 237.4 | 175.4 | 180.6 | 263.0 | 200.2 | 198.6 | 261.9 |
| Leather products | 137.3 | 135.2 | 97.4 | 138.6 | 142.0 | 98.5 | 140.9 | 144.1 |
| Boots and shoes | 136.9 | 134.3 | 88.1 | 139.5 | 142.7 | 88.0 | 143.5 | 146.9 |
| Textiles | 203.3 | 220.6 | 173.9 | 214.7 | 245.5 | 175.7 | 219.7 | 246.6 |
| Cotton goods | 141.2 | 149.7 | 100.3 | 150.0 | 176.0 | 72.9 | 109.9 | 156.1 |
| Woollen goods | 91.2 | 89.6 | 71.7 | 85.6 | 109.1 | 71.5 | 91.7 | 100.7 |
| Synthetic textiles and silk | 338.4 | 391.3 | 292.2 | 374.2 | 435.2 | 318.2 | 426.3 | 460.2 |
| Clothing .................... | 163.4 | 171.2 | 168.4 | 179.2 | 178.0 | 175.2 | 180.3 | 185.6 |
| Paper products | 186.3 | 198.3 | 192.9 | 205.3 | 203.7 | 209.3 | 223.4 | 217.4 |
| Pulp and paper ............ | 182.0 | 192.8 | 184.2 | 197.1 | 194.2 | 199.5 | 216.5 | 207.2 |

TABLE 2. Index of Industrial Production, without Seasonal Adjustment - Concluded
$(1949=100)$

| Industry or industry group | Arnual averages |  | Without seasonal adjustment |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | 1965 |  |  | 1966 |  |  |
|  | 1964 | 1965 | July | Aug. | Sept. | July | Aug. | Sept. |
| NON-DURABLE MANUFACTURES Concluded: |  |  |  |  |  |  |  |  |
| Printing, publishing and allied <br> industries ................... $207.4 \quad 223.3 \quad 205.9 \quad 212.4 \quad 222.8 \quad 221.0 \quad 230.3 \quad 238.4$ |  |  |  |  |  |  |  |  |
| Products of petroleum and coal | 330.1 | 345.9 | 359.9 | 361.5 | 347.6 | 385.5 | 378.6 | 369.8 |
| Petroleum products ......... | 357.9 | 375.5 | 391.2 | 393.0 | 377.3 | 419.7 | 412.8 |  |
| Chemicals and allfed products Acids, alkalies, salts and | 312.7 | 344.7 | 315.6 | 336.8 | 355.6 | 342.5 | 365.0 | 374.5 |
| fertilizers .......... | 416.5 | 469.0 | 390.5 | 426.0 | 488.3 | 439.1 | 484.2 | 479.4 |
| Miscellaneous manufactures | 386.5 | 407.3 | 411.1 | 418.9 | 432.2 | 450.7 | 463.3 | 479.6 |
| durable manufactures | 212.7 | 237.2 | 227.6 | 215.8 | 238.7 | 236.8 | 228.1 | 257.9 |
| Wood products | 174.3 | 181.7 | 178.7 | 189.7 | 195.3 | 189.3 | 192.0 | 193.3 |
| Saw and planing mills | 180.0 | 182.8 | 178.7 | 193.5 | 199.0 | 187.1 | 189.6 | 189.0 |
| Veneers and plywoods | 397.7 | 403.8 | 296.5 | 427.7 | 429.2 | 370.3 | 454.8 |  |
| Sawnills | 172.8 | 177.1 | 181.6 | 185.8 | 194.3 | 189.1 | 181.0 | 181.3 |
| Furniture | 192.6 | 216.3 | 215.2 | 219.5 | 227.1 | 234.7 | 241.3 | 248.5 |
| Iron and steel products | 215.2 | 239.1 | 233.9 | 243.1 | 253.0 | 240.9 | 249.0 | 266.4 |
| Machinery | 213.1 | 248.1 | 251.8 | 255.0 | 259.2 | 273.6 | 275.9 | 281.9 |
| Iron castings | 199.3 | 218.9 | 208.3 | 177.8 | 230.5 | 162.4 | 191.5 | 231.7 |
| Primary iron and steel | 291.2 | 320.0 | 306.5 | 330.0 | 339.6 | 302.2 | 307.8 | 346.0 |
| Sheet metal products | 248.1 | 274.2 | 294.7 | 294.3 | 296.1 | 299.9 | 304.7 | 307.9 |
| Transportation equipment | 210.5 | 250.0 | 230.4 | 125.5 | 197.1 | 223.3 | 146.8 | 234.2 |
| Aircraft and parts | 336.3 | 319.3 | 322.9 | 310.6 | 258.1 | 414.7 | 423.8 | 438.6 |
| Motor vehicles | 274.2 | 347.6 | 305.9 | 44.9 | 226.7 | 255.9 | 62.7 | 275.2 |
| Motor vehicle parts | 262.2 | 317.2 | 299.8 | 289.9 | 312.1 | 323.8 | 317.9 | 332.3 |
| Railway rolling stock ....... | 58.9 | 62.6 | 63.6 | 63.2 | 62.9 | 60.4 | 57.1 | 56.9 |
| Shipbuilding and repairs .... | 148.7 | 161.9 | 155.6 | 154.5 | 160.9 | 163.7 | 162.7 | 169.4 |
| Non-ferrous metal products .... | 174.2 | 186.9 | 179.7 | 182.1 | 188.9 | 184.0 | 180.1 | 200.2 |
| Brass and copper products ... | 155.6 | 162.7 | 141.9 | 146.8 | 175.2 | 179.6 | 178.9 | 182.9 |
| Smelting and refining ....... | 176.5 | 188.9 | 181.6 | 183.6 | 185.6 | 175.2 | 168.0 | 196.3 |
| Electrical apparatus and |  |  |  |  |  |  |  |  |
| supplies | 279.1 | 319.2 | 279.0 | 320.9 | 341.1 | 323.9 | 368.2 | 393.1 |
| Heavy electrical machinery .. | 213.0 | 241.6 | 245.2 | 240.3 | 244.2 | 274.2 | 275.0 | 280.4 |
| Telecomunication equipment | 744.5 | 895.1 | 579.9 | 990.4 | 971.8 | 718.8 | 1,091.5 | 1,185.4 |
| Refrigerators and appliances | 274.9 | 301.9 | 262.2 | 257.9 | 342.3 | 300.0 | 340.3 | 391.2 |
| Non-metallic mineral products | 268.2 | 286.9 | 321.2 | 329.1 | 337.1 | 338.2 | 336.7 | 340.2 |
| Concrete products | 814.1 | 858.0 | 1,022.3 | 1,071.9 | 1,088.7 | 1,055.0 | 1,090.4 | 1,106.6 |
| Hydraulic cement | $277.5$ | $298.8$ | 375.0 | 359.2 | 358.4 | 423.5 | 380.1 | 385.5 |
| Domestic clay products ...... | 138.3 | 142.8 | 151.5 | 150.6 | 165.1 | 158.5 | 140.0 |  |
| ELEGTRIC POWER AND GAS UTILITIES | 405.7 | 448.3 | 368.5 | 384.8 | 406.8 | 412.4 | 438.8 | 463.9 |
| Electric power | 371.5 | 408.8 | 358.3 | 375.7 | 388.4 | 405.7 | 432.8 | 447.3 |
| Gas ........................... | 711.0 | 800.6 | 459.2 | 465.7 | 570.4 | 472.0 | 492.6 | 612.4 |

## 

## NEES CO USG:S

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 commancation; trade; finance, insurance and real estate; public administration and defence; and commnity, 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 the 1966 Annual Supplement to the Index of Industrial Production publication. For a detailed description of concepts and methods used as well as other relevant material, see D.B.S. Occassional Paper 61-505, "Indexes of Real Domestic Product by Industry of Origin, 1935-61".

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 | 21.4 | 9.0 | 38.2 | 23.1 | 10.5 | 39.0 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Forestry | 19.0 | 1.3 | 23.9 | 17.9 | 33.7 | 38.8 |
| Fishing and trapping ......... | 1.8 | - 18.4 | 41.5 | 3.9 | - 7.4 | - 13.7 |
| Mining . | 55.5 | 24.7 | 38.9 | 48.6 | 16.2 | 46.6 |
| Manufacturing | 20.1 | 6.1 | 49.5 | 24.4 | 12.8 | 53.6 |
| Non-durable | 19.3 | 12.9 | 43.9 | 19.4 | 14.6 | 43.0 |
| Durable | 21.1 | - 1.2 | 56.3 | 30.1 | 10.9 | 67.4 |
| Construction | 27.8 | -0.9 | 35.7 | 34.0 | - 3.9 | 43.8 |
| Electric power and ges utilities ....................... | 44.4 | 38.1 | 69.5 | 33.9 | 28.9 | 63.6 |
| Other goods industries, n, e.c. | 9.7 | - 4.1 | 16.7 | 21.2 | 1.5 | 16.8 |
| Transportation, storage and comunication | 26.4 | 7.9 | 47.9 | 34.6 | 9.7 | 44.5 |
| Transportation ............ | 25.7 | 4.7 | 50.8 | 40.1 | 9.0 | 48.2 |
| Trade | 20.7 | 6.9 | 28.0 | 24.5 | 9.7 | 29.9 |
| Wholesale | 20.8 | 11.0 | 33.0 | 31.9 | 16.8 | 42.9 |
| Retall | 20.6 | 4.7 | 25.1 | 20.8 | 6.1 | 23.1 |
| Finance, insurance and real estate | 16.9 | 15.5 | 32.4 | 12.0 | 9.6 | 27.8 |
| Public administration and defence | 10.4 | 9.1 | 11.6 | 7.0 | 5.1 | 6.7 |
| Community, recreation, business and personal service........ | 12.0 | 12.2 | 27.0 | 10.6 | 11.1 | 24.2 |

(1) At the end of the second quarter of 1966 , production was still expanding.

Real Domestic Product less Agrictilure,

Second Quarter, 1966

At an index level of 231.7 for the second quarter of 1966 , seasonally adjusted Real Domestic Product, less agriculture, was 0.8 per cent higher than in the preceding quarter.

Non-agricultural real output for the first six months of 1966 was 7.4 per cent above the comparable 1965 figure. This increase compares favourably with the 4.7 per cent post-war average rate of growth for non-agricultural real output, as production would actually have to decline by about one per cent in each of the third and fourth quarters (on a seasonally adjusted basis) in order to reduce the 1966 gain to 4.8 per cent. A one per cent increase in each of the last two quarters of 1966 would result in a 6.4 per cent increase for the year 1966 as a whole. The following are the percentage changes in the major industry groupings resulting from a comparison of the first six months of 1966 with the first six months of 1965 , on a seasonally unadjusted basis:
Real Domestic Product, less agriculture ..... 7.4
Forestry ..... 4.1
Fishing and trapping ..... 0.4
Mining ..... 8.6
Manufacturing ..... 9.2
Construction ..... 10.8
Electric power and gas utilities ..... 13.2
Transportation, storage and communication ..... 8.7
Trade ..... 4.9
Finance, insurance, real estate ..... 4.9
Public administration and defence ..... 1.8
Community, recreation, busimess and personal service ..... 4.6

Table (A) shows the percentage increases of the major industry grouphes anc thear contributions, over the past four quarters, to the 39.0 per cent advance in non-agricultural real output from the first quarter, 1961, cyclical low. During the 1957-60 and the 1954-56 expansions, non-agricultural real out-put increased by 10.5 per cent and 23.1 per cent, respectively, as measured from the trough to the peak in the cycle in aggregate production (see Table on page 7). The current expansion has been of considerably longer duration than the preceding two, having now lasted for twenty-one quarters.

Turning to the second quarter of 1966, the goods-producing industry group (less agriculture) advanced by 1.3 per cent from the first quarter level and accounted for over 80 per cent of the increase in non=agricultural real output, with all major industry groupings contributing to this gain. The service-producing industry group showed only a fractional increase, 0.2 per cent. This was largely the result of the strong dampening influence of the 2.8 per cent decline in trade upon gains in the other service-producing industries.

The 3.4 per cent advance in the transportation, storage and commnication group was the largest single contributor to the second quarter gain in non-agricultural real output, accounting for about 40 per cent of this increase. Within transportation, storage and commuication, all three components advanced from first quarter levels. The 3.5 per cent increase in transpartation accounted for the larger part of the gain and originated mostly with the strong increases in air, pipeline and truck transport, which showed gains ranging from $61 / 2$ to 7 per cent. The increase in truck transport was probably at least partly due to a recovery from a strike-affected first quarter level. The bus and coach, railway and water transport industries also showed increases in the second quarter. It should be noted that the labour disputes in several Canadian ports during the second quarter do not appear to have had a significant effect on Canadian registered shipping during that period.

The next largest contribution to the second quarter gain in non-agricultural real output came from the 3.0 per cent advance in mining, which accounted for just over one-fifth of the increase. Within mining, the 9.3 per cent gain in fuel mining, originating mostly with crude petroleum mining, accounted for all of the gain, as metal mining and non-metal mining declined by 0.9 and 5.4 per cent, respectivelv. The iron ore component of metal mining showed a particularly large decrese, 10.7 per cent.

TABLE A.

|  | IQ'61-IIIQ'65 |  | IQ'61-IVQ'65 |  | IQ'61-IQ'66 |  | IQ'61 - IIQ'66 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Effect on GDP less Agriculture |  | Effect on <br> GDP less Agriculture |  | Effect on GDP less Agriculture |  | Effect on GDP less Agriculture |
| Gross domestic product |  |  |  |  |  |  |  |  |
| less agriculture .... | 32.4 | 32.4 | 35.2 | 35.2 | 37.9 | 37.9 | 39.0 | 39.0 |
| Forestry .............. | 20.2 | . 4 | 22.0 | . 4 | 27.9 | . 5 | 38.8 | . 7 |
| Fishing and trapping .. | - 17.7 | -. 1 | - 12.9 | -. 1 | - 15.6 | -. 1 | - 13.7 | -. 1 |
| Mining ................ | 38.4 | 2.3 | 39.2 | 2.3 | 42.3 | 2.5 | 46.6 | 2.7 |
| Manufacturing ......... | 45.3 | 13.3 | 49.3 | 14.5 | 53.0 | 15.6 | 53.6 | 15.8 |
| Non-durable ......... | 34.8 | 5.8 | 37.9 | 6.3 | 41.6 | 6.9 | 43.0 | 7.1 |
| Dursble ............. | 58.9 | 7.5 | 64.2 | 8.2 | 67.8 | 8.7 | 67.4 | 8.6 |
| Construction .......... | 33.7 | 2.3 | 38.5 | 2.6 | 41.0 | 2.8 | 43.8 | 3.0 |
| Electric power and gas utilities ............ | 47.3 | 1. 6 | 55.5 | 1.9 | 61.1 | 2.0 | 63.6 | 2.1 |
| Transportation, storage |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Transportation ...... | 37.4 | 2.6 | 40.4 | 2.8 | 43.2 | 3.0 | 48.2 | 3.3 |
| Trade | 28.7 | 4.3 | 31.4 | 4.8 | 33.6 | 5.1 | 29.9 | 4.5 |
| Wholessle .......... | 41.0 | 2.1 | 45.2 | 2.3 | 43.7 | 2.3 | 42.9 | 2.2 |
| Retall ............. | 22.3 | 2.2 | 24.3 | 2.4 | 28.4 | 2.8 | 23.1 | 2.3 |
| Finance, insurance and real estate ......... | 23.3 | 2.5 | 23.8 | 2.5 | 26.3 | 2.8 | 27.8 | 3.0 |
| lublic administration and defence ......... | 4.4 | . 3 | 5.1 | . 3 | 5.3 | . 3 | 6.7 | .4 |
| Community, recreation, business and personal |  |  |  |  |  |  |  |  |
| service .............. | 20.8 | 2.1 | 22.2 | 2.3 | 23.6 | 2.4 | 24.2 | 2.5 |

Note: The colums may not add to the cotal due to rounding.

Among the other goods-producing industries, increases of about 2 per cent were recorded by construction, electric power and gas utilities and fishing and trapping, while forestry output advanced by 8.6 per cent, largely as a result of substantial increases in pulpwood production.

Manufacturing, which is usually the largest contributor to changes in non-agricultural real output, showed a fractional gain in the second quarter, thus accounting for only about 17 per cent of the total gain. Within manufacturing, a 1.0 per cent increase in non-durable manufacturing was dampened by a 0.2 per cent decline in durables.

The buik of the decline in durables came from a 6.6 per cent drop in motor vehicles and a 3.3 per cent decline in motor vehicle parts production, which resulted in a 3.6 per cent decrease in the transportation equipment group. Almost all of the 1.6 per cent decine in the inon and steel products group (its first since the beginning of the current expansion in aggregate production) came from the primary iron and steel and the irca castings industries which decreased by 3.7 and 8.9 per cent, respectively. The non-metallic minerals group also declined in the second quarter (- $2.1 \%$ ), as a result of sharp drops in its cement and concrete cement products components. Increases ranging from one to 6 per cent were recorded by the wood products, non-ferrous metal and electrical apparatus groups. All of the increase in wood products came from a 3.5 per cent gain in saw mills, while the 2.5 per cent increase in smelting and refining accounted for most of the advance in the non-ferrous metals group. Most notable, however, was the 20.0 per cent increase in the telecomunication equipment component of the electrical apparatus and supplies group, which represented a recovery from a decline earlier in the year.

Within non-durable manufacturing, the output of most industry groups advanced from first quarter levels. The largest increase, 6.5 per cent, was recorded by the petroleum products group, followed by clothing, miscellaneous manufacturing industries, chemicals and foods and beverages, the last mentioned group increasing by 1.4 per cent. Total food products advanced by 1.1 per cent, while beverage products showed a gain of 2.3 per cent. Within chemicals, the 4.9 per cent gain in the acids, alkalies, salts and fertilizers industry contributed the major part of the increase. The output of the tobacco, rubber, and textlle products groups declined from first quarter levels, the last as a result of strikes in the industry.

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CHART-2


Trade was the only major industry grouping to show decline in the second quarter, with most of the decrease coming from a 4.1 per cent decline in retail trade. Wholesale trade showed a fractional decline. Within retall trade, most components recorded decreases from very high first quarter levels. However, the 15 per cent and 4.5 per cent declines in motor vehicle dealer and department store sales were the largest contributors to the drop in retail trade, accounting for about two-thirds of the decline. Clothing stores, furniture and appliances and lumber and building material dealers also showed declines, rangling from 3 to 7 per cent. Food and variety stores and fuel dealers were among the trades to record galns in the second quarter. Within wholesale trade, sales of textiles, clothing and furnishings, construction materlals and supplies, and industrial and transportation equipment and supplies were among the trades to show strong declines from first quarter levels. Substantial increases occurred in wholesale sales of coal and coke and petroleum products.

The remaining service-industry groups showed increases in the second quarter. Public administration and defence increased by 1.4 per cent, with all three components, federal, provincial and municipal, contributing to the increase. The finance, insurance and real estate and the community, recreation, business and personal service groups advanced by 1.2 and 0.5 per cent, respectively, the latter largely as a result of increases in its community service component.

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


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


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

|  | Manufacturing |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Non-durable manufacturing |  |  | Durable manufacturing |  |  |  |  |
|  | Products of petroleum and coal | Chemicals and allied products | Misce1- <br> laneous manufacturing | Total | Wood products | Iron and steel products | Transportation equipment | Nonferrous metal products |
| 1949 Weights | 0.513 | 1.359 | 0.524 | 12.598 | 2.108 | 4.026 | 2.651 | 1.601 |
| 1963-1 $\begin{array}{r}1 \\ 3 \\ 3 \\ 4\end{array}$ | Seasonally adjusted |  |  |  |  |  |  |  |
|  | $\begin{aligned} & 307.7 \\ & 310.9 \\ & 325.8 \\ & 327.6 \end{aligned}$ | $\begin{aligned} & 273.4 \\ & 280.6 \\ & 286.5 \\ & 290.2 \end{aligned}$ | $\begin{aligned} & 333.5 \\ & 352.4 \\ & 359.8 \\ & 364.9 \end{aligned}$ | $\begin{aligned} & 186.7 \\ & 190.2 \\ & 192.7 \\ & 201.2 \end{aligned}$ | $\begin{aligned} & 163.2 \\ & 166.4 \\ & 167.5 \\ & 171.7 \end{aligned}$ | $\begin{aligned} & 186.9 \\ & 189.7 \\ & 190.4 \\ & 197.0 \end{aligned}$ | $\begin{aligned} & 179.9 \\ & 182.6 \\ & 186.2 \\ & 211.1 \end{aligned}$ | $\begin{aligned} & 157.1 \\ & 158.3 \\ & 161.7 \\ & 162.0 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| 1964-1 $\begin{array}{r}1 \\ 2 \\ 3 \\ 4\end{array}$ | $\begin{aligned} & 327.3 \\ & 329.8 \\ & 327.7 \\ & 335.3 \end{aligned}$ | $\begin{aligned} & 306.7 \\ & 303.6 \\ & 313.4 \\ & 328.7 \end{aligned}$ | $\begin{aligned} & 376.5 \\ & 383.8 \\ & 391.0 \\ & 393.9 \end{aligned}$ | $\begin{aligned} & 209.0 \\ & 211.2 \\ & 217.4 \\ & 215.6 \end{aligned}$ | $\begin{aligned} & 175.8 \\ & 171.4 \\ & 174.4 \\ & 175.9 \end{aligned}$ | $\begin{aligned} & 206.7 \\ & 212.2 \\ & 216.0 \\ & 226.5 \end{aligned}$ | $\begin{aligned} & 218.1 \\ & 215.0 \\ & 229.5 \\ & 191.2 \end{aligned}$ | $\begin{aligned} & 168.4 \\ & 173.9 \\ & 174.0 \\ & 180.3 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| 1965-1 $\begin{array}{r}1 \\ 2 \\ 3 \\ 4\end{array}$ | $\begin{aligned} & 342.1 \\ & 344.8 \\ & 350.6 \\ & 345.7 \end{aligned}$ | $\begin{aligned} & 326.5 \\ & 339.9 \\ & 346.9 \\ & 364.7 \end{aligned}$ | $\begin{aligned} & 397.0 \\ & 403.7 \\ & 411.7 \\ & 415.9 \end{aligned}$ | $\begin{aligned} & 228.0 \\ & 233.7 \\ & 240.1 \\ & 248.1 \end{aligned}$ | $\begin{aligned} & 177.0 \\ & 180.1 \\ & 180.0 \\ & 190.6 \end{aligned}$ | $\begin{aligned} & 229.6 \\ & 236.0 \\ & 243.5 \\ & 247.6 \end{aligned}$ | $\begin{aligned} & 234.3 \\ & 243.3 \\ & 256.2 \\ & 269.8 \end{aligned}$ | $\begin{aligned} & 182.4 \\ & 183.8 \\ & 188.1 \\ & 192.8 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| 1966-1 $\begin{array}{r}1 \\ 2 \\ 3 \\ 4\end{array}$ | $\begin{aligned} & 354.5 \\ & 377.5 \end{aligned}$ | $\begin{aligned} & 375.9 \\ & 381.0 \end{aligned}$ | $\begin{aligned} & 431.9 \\ & 446.6 \end{aligned}$ | $\begin{aligned} & 253.5 \\ & 252.9 \end{aligned}$ | $\begin{aligned} & 186.4 \\ & 188.2 \end{aligned}$ | $\begin{aligned} & 257.2 \\ & 253.2 \end{aligned}$ | $\begin{aligned} & 275.7 \\ & 265.7 \end{aligned}$ | $\begin{aligned} & 194.3 \\ & 198.4 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  | Without seasonal adjustment |  |  |  |  |  |  |  |
| $\begin{array}{ll}1963 \\ 1964 & \ldots \ldots \ldots \\ 1965 & \ldots \ldots\end{array}$ | $\begin{aligned} & 318.0 \\ & 330.1 \\ & 345.9 \end{aligned}$ | $\begin{aligned} & 282.5 \\ & 312.7 \\ & 344.7 \end{aligned}$ | $\begin{aligned} & 353.0 \\ & 386.5 \\ & 407.3 \end{aligned}$ | $\begin{aligned} & 192.9 \\ & 212.7 \\ & 237.2 \end{aligned}$ | $\begin{aligned} & 167.3 \\ & 174.3 \\ & 181.7 \end{aligned}$ | $\begin{aligned} & 191.0 \\ & 215.2 \\ & 239.1 \end{aligned}$ | $\begin{aligned} & 190.2 \\ & 210.5 \\ & 250.0 \end{aligned}$ | $\begin{aligned} & 159.8 \\ & 174.2 \\ & 186.9 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| 1963-1 $\begin{array}{r}1 \\ 2 \\ 3 \\ 4\end{array}$ | $\begin{aligned} & 312.0 \\ & 297.1 \\ & 332.5 \\ & 330.5 \end{aligned}$ | $\begin{aligned} & 273.8 \\ & 292.5 \\ & 277.0 \\ & 286.8 \end{aligned}$ | $\begin{aligned} & 322.1 \\ & 344.7 \\ & 365.8 \\ & 379.4 \end{aligned}$ | $\begin{aligned} & 183.9 \\ & 198.3 \\ & 185.8 \\ & 203.5 \end{aligned}$ | $\begin{aligned} & 163.8 \\ & 167.5 \\ & 176.2 \\ & 161.6 \end{aligned}$ | $\begin{aligned} & 180.9 \\ & 196.2 \\ & 191.6 \\ & 195.5 \end{aligned}$ | $\begin{aligned} & 190.8 \\ & 211.3 \\ & 138.2 \\ & 220.7 \end{aligned}$ | $\begin{aligned} & 156.9 \\ & 159.6 \\ & 158.7 \\ & 164.0 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| 1964-1 $\begin{array}{r}1 \\ 2 \\ 3 \\ 4\end{array}$ | $\begin{aligned} & 333.3 \\ & 314.0 \\ & 333.9 \\ & 339.1 \end{aligned}$ | $\begin{aligned} & 305.9 \\ & 314.9 \\ & 304.5 \\ & 325.4 \end{aligned}$ | $\begin{aligned} & 363.3 \\ & 375.2 \\ & 398.8 \\ & 408.7 \end{aligned}$ | $\begin{aligned} & 206.7 \\ & 220.1 \\ & 206.0 \\ & 217.9 \end{aligned}$ | $\begin{aligned} & 177.1 \\ & 171.3 \\ & 182.5 \\ & 166.4 \end{aligned}$ | $\begin{aligned} & 199.9 \\ & 219.6 \\ & 216.1 \\ & 225.1 \end{aligned}$ | $\begin{aligned} & 233.6 \\ & 248.1 \\ & 161.9 \\ & 198.2 \end{aligned}$ | $\begin{aligned} & 168.3 \\ & 175.5 \\ & 170.2 \\ & 182.7 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| 1965-1 | $\begin{aligned} & 349.4 \\ & 327.5 \\ & 356.3 \\ & 350.2 \end{aligned}$ | $\begin{aligned} & 326.1 \\ & 352.2 \\ & 336.0 \\ & 364.5 \end{aligned}$ | $\begin{aligned} & 382.6 \\ & 394.6 \\ & 420.7 \\ & 431.3 \end{aligned}$ | $\begin{aligned} & 226.2 \\ & 243.2 \\ & 227.4 \\ & 251.9 \end{aligned}$ | $\begin{aligned} & 178.5 \\ & 179.9 \\ & 187.9 \\ & 180.6 \end{aligned}$ | $\begin{aligned} & 222.3 \\ & 244.0 \\ & 243.3 \\ & 246.6 \end{aligned}$ | $\begin{aligned} & 254.7 \\ & 278.7 \\ & 184.3 \\ & 282.3 \end{aligned}$ | $\begin{aligned} & 182.5 \\ & 185.7 \\ & 183.5 \\ & 195.8 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| 1966-1... | $\begin{aligned} & 362.4 \\ & 357.9 \end{aligned}$ | $\begin{aligned} & 376.2 \\ & 394.0 \end{aligned}$ | $\begin{aligned} & 416.0 \\ & 436.3 \end{aligned}$ | $\begin{aligned} & 252.0 \\ & 262.1 \end{aligned}$ | $\begin{aligned} & 188.4 \\ & 188.3 \end{aligned}$ | $\begin{aligned} & 249.0 \\ & 260.2 \end{aligned}$ | $\begin{aligned} & 300.1 \\ & 300.9 \end{aligned}$ | $\begin{aligned} & 194.9 \\ & 200.2 \end{aligned}$ |
| $2 \ldots$ |  |  |  |  |  |  |  |  |
| $4 \ldots$ |  |  |  |  |  |  |  |  |

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


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

(2) lncludes transportation, storage and comonication; trade; finance, insurance and real estate; public administration and defence; comunity, recreation, business and personal service.
(3) Includes public administration and defence; hospitals; education; welfare, religion and other comunity service, n.e.c. and domestic service.


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TABLE B.
Direct Effects of Motor Vehicle Industries(1) on Non-agricultural Keal Output, $1961-66$

(1) Includes the motor vehicles and motor vehicle parts producing industries from the durable manufacturing group, and the motor vehicle dealer industry from retail trade.


[^0]:    NOTES

    1. Users should note that all previously published figures for the Index of Industrial Production and its components have been revised, both on a seasonally unadjusted and adjusted basis, from January, 1949 to date. Tables and charts together with a fuller explanation of these changes can be found in the recently published "Annusl Supplement to the Index of Industrial Production ( $1949=100$ )", D8S Catalogue No. 61-005 May 1966. The revised data to the end of 1965 will be found there. Current issues of this report will provide the figures for 1966.
