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INDEX OF INDUSTRIAL PRODUCTION (1949=100)

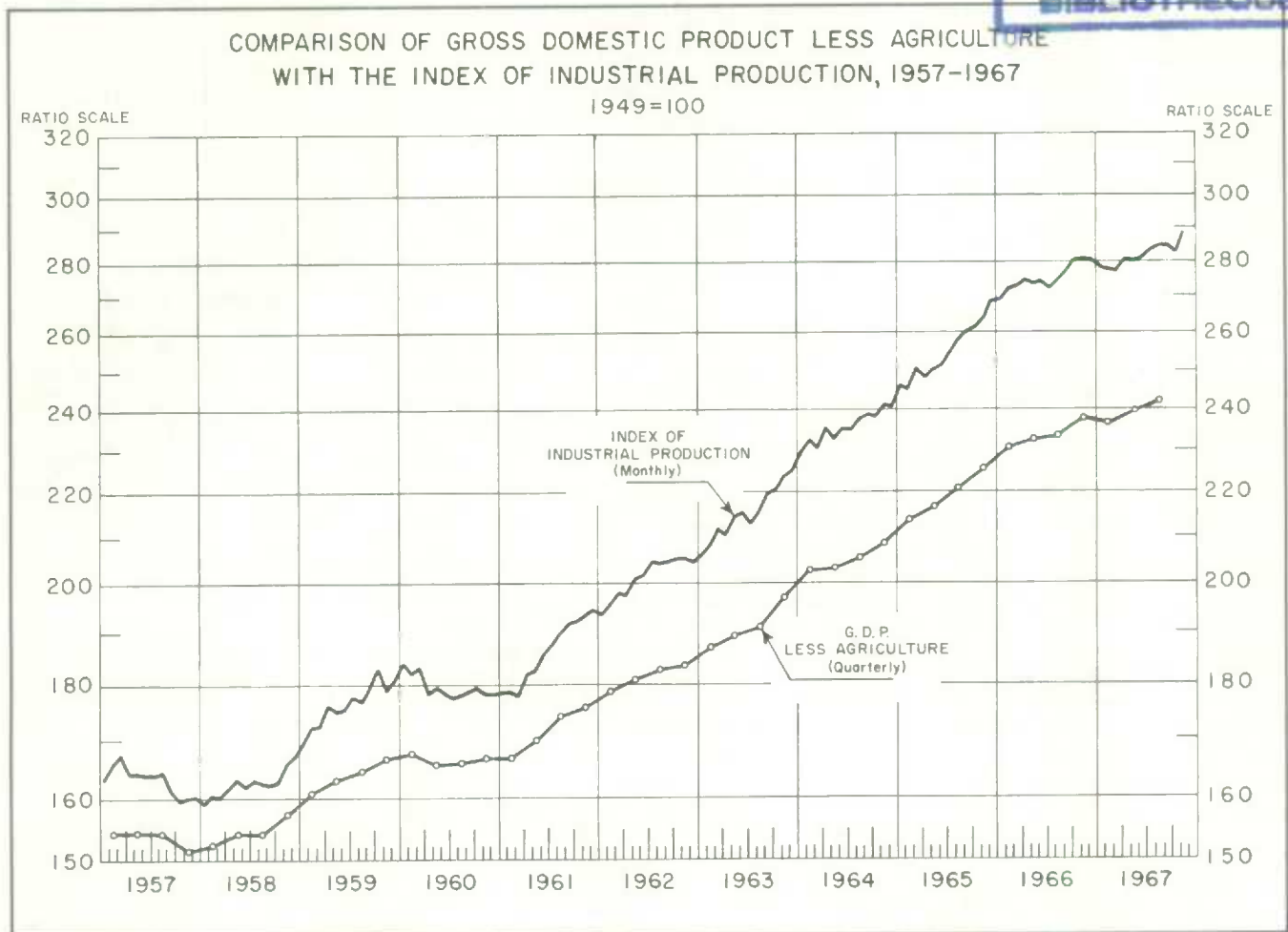
NOVEMBER 1967

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The seasonally adjusted index of industrial production advanced by 2.5 per cent in November.



This issue contains indexes of non-agricultural real output for the latest available quarter (3rd quarter 1967).

National Accounts, Production and Productivity Division
Industrial Output Section

January 1968

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NOVEMBER INDEX OF INDUSTRIAL PRODUCTION

The seasonally adjusted Index of Industrial Production rose by 2.3 per cent in November, advancing to 288.9 from the revised October level of 282.3. Gains of 3.4 per cent in manufacturing and 1.0 per cent in electric power and gas utilities were partially offset by a 1.9 per cent drop in mining. Most of the gain in the Index was due to the rise in manufacturing, which in turn was concentrated in durables, (up 6.1%). Non-durables rose by 1.0 per cent.

The major factors in the durables' gain were a 16 per cent increase in transportation equipment, (nearly 60 per cent of the durables' gain), a 7 per cent increase in iron and steel products, (one third of the durables' gain), and a 3 per cent increase in wood products, (5 per cent of the durables' gain).

In transportation equipment, virtually all of the increase was due to the 33 per cent advance in motor vehicles where production was recovering from labor disputes.

In iron and steel products about 40 per cent of the gain originated in each of iron castings, (+ 35%) and primary iron and steel, (+ 9%). Both of these latter increases were largely associated with increasing pipeline construction activity. The bulk of the remainder of the increase in the iron and steel products group occurred in the heating and cooking apparatus industry, and was mainly related to the introduction of new models.

Textiles were the major factor in the non-durable gain, accounting for nearly 50 per cent of the increase. Most of the textiles' rise, (+ 7%), was accounted for by a large gain in synthetic textiles and silk. Chemicals and allied products were responsible for almost 30 per cent of the non-durables' increase. All components shared in this gain, rising by amounts ranging from fractional to 6 per cent. The balance of the non-durables' increase was distributed amongst products of petroleum and coal, miscellaneous manufacturers, clothing, leather products, printing, publishing and allied industries, and tobacco and tobacco products. These groups rose by amounts ranging from fractional to 2 per cent.

Partially offsetting the gains in most non-durable groups were declines in rubber products, foods and beverages, and paper products which ranged from 5 per cent to fractional.

Mining fell by 1.9 per cent. Declines of 6 per cent in fuels and nearly 5 per cent in non-metals were only partially offset by a 3 per cent increase in metals. In fuels more than 95 per cent of the decline was due to the near 7 per cent fall in petroleum. In turn this was in part due to lack of pipe-line capacity to carry western petroleum production to eastern markets. In non-metals both components contributed to the decline. Virtually all of the metals gain was due to a 19 per cent increase in iron ore as all other components with the exception of nickel, (which advanced only fractionally), declined.

Electric power and gas utilities rose by 1 per cent. All of this gain originated in gas utilities, (+ 7%), as electric power fell fractionally.

NOTE

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 Sept. which have not been incorporated in the latter table.

TABLE 1. Seasonally Adjusted Index of Industrial Production

(1949=100)

Industry or industry group	1949 percentage weights	Seasonally adjusted					
		1967					
		June	July	Aug.	Sept.	Oct.	Nov.
INDEX OF INDUSTRIAL PRODUCTION	32.231	280.8	283.6	284.6	284.3	282.3	288.9
MINING	3.245	424.2	428.4	426.2	421.9	431.1	422.8
Metals	1.925	264.1	263.6	266.4	266.5	275.2	283.2
Gold	0.575	70.9	69.6	66.0	62.9	63.9	60.6
Copper	0.352	219.3	214.1	221.2	232.5	232.8	215.5
Iron ore	0.099	1,214.8	1,297.4	1,290.3	1,242.2	1,355.7	1,614.8
Nickel	0.333	194.9	177.0	190.7	223.5	207.8	208.4
Non-metals	0.268	472.9	472.6	451.8	472.2	471.7	450.4
Asbestos	0.189	308.3	281.3	273.8	280.5	291.7	280.7
Fuels	0.915	752.0	771.5	757.2	736.0	746.9	705.3
Coal	0.553	55.4	52.4	59.3	53.0	58.4	55.2
Natural gas	0.035	1,839.2	1,909.2	1,822.2	1,950.5	1,812.7	1,884.4
Petroleum	0.327	1,813.8	1,865.8	1,823.4	1,761.0	1,797.1	1,678.5
MANUFACTURING, TOTAL	27.340	247.3	249.0	250.9	251.7	247.5	255.8
NON-DURABLE MANUFACTURES	14.742	245.1	243.8	245.0	246.0	246.2	248.7
Foods and beverages	3.814	213.5	216.1	214.2	215.2	216.4	215.4
Foods	2.896	201.4	203.8	202.6	204.6	201.9	202.3
Meat products	0.523	214.2	213.7	206.6	206.2	208.6	209.1
Dairy products	0.450	208.3	215.4	212.4	213.6	214.3	210.6
Canning and processing	0.453	210.0	212.8	211.8	214.8	210.7	215.4
Grain mill products	0.322	215.3	217.5	215.0	226.9	211.2	215.3
Bakery products	0.558	156.1	154.8	157.8	160.6	159.7	158.7
Miscellaneous foods	0.590	213.5	218.2	220.0	217.9	214.7	213.8
Beverages	0.918	251.6	254.7	250.8	248.5	262.2	256.9
Carbonated beverages	0.231	260.5	241.2	249.9	256.0	298.9	281.1
Breweries	0.463	199.1	223.8	218.5	223.5	218.0	209.7
Distilleries	0.203	357.8	339.6	325.3	297.6	325.9	340.5
Tobacco and tobacco products ..	0.248	260.0	257.0	254.5	249.7	258.6	263.3
Rubber products	0.430	247.3	287.3	263.4	265.4	275.9	261.0
Leather products	0.508	130.6	137.2	130.0	132.5	136.1	137.4
Boots and shoes	0.307	132.7	142.4	134.7	139.3	142.2	143.5
Textiles	1.623	235.1	215.3	240.7	241.4	236.2	252.0
Cotton goods	0.507	146.6	138.8	130.0	142.9	142.4	148.5
Woollen goods	0.300	82.6	81.6	85.6	80.9	74.6	80.9
Synthetic textiles and silk ..	0.429	450.1	384.6	486.4	473.5	460.5	511.7
Clothing	1.801	172.4	171.3	168.1	168.7	168.7	169.9
Paper products	2.649	212.0	215.4	216.0	218.8	220.2	219.0
Pulp and paper	2.108	203.9	209.2	209.1	212.5	213.1	210.8

TABLE 1. Seasonally Adjusted Index of Industrial Production - Concluded

(1949=100)

Industry or industry group	1949 percentage weights	Seasonally adjusted					
		1967					
		June	July	Aug.	Sept.	Oct.	Nov.
NON-DURABLE MANUFACTURES -							
Concluded:							
Printing, publishing and allied industries	1.273	257.4	246.6	248.6	252.7	248.7	252.3
Products of petroleum and coal	0.513	391.4	381.3	393.3	399.0	399.3	400.5
Petroleum products	0.454	426.7	415.8	428.4	435.7	435.0	435.9
Chemicals and allied products	1.359	394.5	394.2	390.4	384.3	382.8	393.4
Acids, alkalies, salts and fertilizers	0.346	571.7	549.9	565.0	536.5	540.7	544.0
Miscellaneous manufactures	0.524	464.0	455.2	454.5	455.8	457.3	460.0
DURABLE MANUFACTURES	12.598	249.9	255.2	257.7	258.3	249.0	264.2
Wood products	2.108	189.7	187.7	187.2	186.9	180.5	185.2
Saw and planing mills	1.444	188.8	186.1	186.2	185.7	177.2	184.9
Veneers and plywoods	0.122	497.0	450.8	428.8	409.9	415.5	433.5
Sawmills	0.994	178.8	181.2	183.8	185.3	173.0	182.9
Furniture	0.460	235.4	235.4	231.6	232.0	230.1	229.2
Iron and steel products	4.026	242.7	242.1	240.0	239.4	240.0	255.9
Machinery	0.851	276.6	270.1	270.1	270.8	265.6	265.9
Iron castings	0.387	199.5	211.0	213.8	201.0	208.3	280.7
Primary iron and steel	0.845	313.4	310.1	298.8	297.2	307.5	334.6
Sheet metal products	0.359	295.7	291.9	290.0	293.3	289.8	293.1
Transportation equipment	2.651	288.2	298.0	308.2	298.1	268.6	310.8
Aircraft and parts	0.203	492.4	501.0	480.2	489.4	527.3	534.4
Motor vehicles	1.035	397.9	411.9	435.7	408.8	335.2	445.9
Motor vehicle parts	0.462	341.4	363.9	378.5	375.1	355.2	350.7
Railway rolling stock	0.621	59.4	57.7	56.9	56.9	56.4	54.3
Shipbuilding and repairs	0.261	166.4	166.3	165.9	166.8	164.9	161.0
Non-ferrous metal products	1.601	198.4	190.2	207.6	206.6	201.7	206.1
Brass and copper products ...	0.241	163.9	165.9	168.0	165.1	170.0	173.8
Smelting and refining	1.028	199.0	188.7	214.8	213.5	202.8	207.6
Electrical apparatus and supplies	1.418	331.9	381.7	362.6	389.8	375.8	374.3
Heavy electrical machinery ..	0.489	240.8	269.5	274.4	276.7	274.2	274.0
Telecommunication equipment	0.142	1,069.5	1,204.9	931.6	1,228.8	1,128.1	1,136.0
Refrigerators and appliances	0.227	289.7	343.6	343.2	356.2	335.6	320.3
Non-metallic mineral products	0.794	276.2	263.5	279.8	279.4	280.5	280.5
Concrete products	0.098	742.0	704.8	764.8	766.9	806.4	818.2
Hydraulic cement	0.117	293.5	276.6	303.0	304.1	274.8	274.0
Domestic clay products	0.083	133.3	125.2	139.2	145.5	137.9	-
ELECTRIC POWER AND GAS UTILITIES	1.646	555.1	572.9	565.5	555.8	568.0	573.5
Electric power	1.480	501.6	512.7	510.8	509.3	520.6	519.9
Gas	0.166	1,032.7	1,110.0	1,053.4	970.3	990.0	1,059.5

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

Industry or industry group	Annual averages		Without seasonal adjustment					
			1966			1967		
	1965	1966	Sept.	Oct.	Nov.	Sept.	Oct.	Nov.
INDEX OF INDUSTRIAL PRODUCTION	254.9	275.1	280.6	287.2	291.3	290.0	289.9	298.5
MINING	365.6	393.6	409.3	418.6	414.3	435.4	441.5	430.6
Metals	249.5	256.0	273.3	278.0	254.1	279.2	292.2	278.8
Gold	80.6	73.9	72.6	70.2	67.7	63.6	65.0	61.8
Copper	195.6	192.9	183.8	205.6	203.2	230.1	232.8	234.9
Iron ore	1,236.8	1,322.7	1,798.1	1,672.3	1,305.9	1,570.2	1,721.8	1,511.4
Nickel	209.9	185.6	174.1	189.7	181.7	205.6	203.0	198.0
Non-metals	377.2	405.3	421.5	438.6	423.4	483.9	515.2	478.6
Asbestos	269.4	293.4	301.8	309.0	307.4	281.6	315.6	295.3
Fuels	592.8	665.7	657.4	675.0	732.2	734.3	715.6	724.9
Coal	56.3	54.6	55.5	58.1	66.6	53.7	61.9	67.4
Natural gas	1,476.4	1,598.0	1,354.8	1,593.2	1,800.1	1,650.1	1,745.6	2,014.4
Petroleum	1,405.5	1,599.4	1,600.7	1,620.0	1,743.5	1,787.4	1,710.9	1,698.6
MANUFACTURING, TOTAL	230.1	247.2	254.2	259.3	260.9	260.4	256.6	264.2
NON-DURABLE MANUFACTURES	224.1	240.4	250.6	252.1	251.8	256.9	255.6	257.2
Foods and beverages	193.1	204.9	230.7	227.8	218.3	242.4	234.8	228.4
Foods	187.4	196.4	225.9	221.4	205.2	235.3	222.0	207.9
Meat products	192.3	193.4	189.5	226.6	225.6	214.1	225.7	236.7
Dairy products	196.0	202.2	217.5	203.9	181.8	230.3	210.4	184.9
Canning and processing	197.2	216.0	380.6	284.7	202.3	372.4	274.9	195.9
Grain mill products	189.3	207.3	203.1	222.5	224.5	222.7	219.5	225.0
Bakery products	151.7	155.7	162.8	161.8	158.8	166.1	165.0	161.8
Miscellaneous foods	201.9	212.0	218.0	237.1	240.6	225.1	242.3	243.6
Beverages	211.0	231.7	245.6	248.0	259.7	264.6	275.1	292.9
Carbonated beverages	186.2	221.0	240.0	188.9	215.7	281.6	245.1	268.5
Breweries	191.1	201.8	179.1	199.3	213.4	196.7	203.2	220.2
Distilleries	284.8	312.9	384.2	410.1	416.2	380.6	462.8	492.8
Tobacco and tobacco products	243.4	258.1	282.4	267.9	277.7	266.6	266.9	274.6
Rubber products	237.4	258.5	261.9	263.9	292.1	278.4	286.9	286.6
Leather products	135.2	137.9	145.0	137.3	139.2	139.4	137.9	140.2
Boots and shoes	134.3	139.9	149.0	139.0	142.1	147.4	142.8	143.7
Textiles	220.6	233.1	244.6	247.3	249.0	256.2	244.2	262.6
Cotton goods	149.7	140.8	156.1	168.3	168.6	164.3	153.5	160.0
Woollen goods	89.6	92.1	100.7	94.9	89.9	90.6	78.3	85.8
Synthetic textiles and silk	391.3	440.5	460.2	458.2	467.8	495.7	469.7	527.1
Clothing	171.2	179.2	185.0	182.7	178.5	174.1	172.7	168.9
Paper products	198.3	216.1	216.9	222.5	224.6	219.9	226.0	224.9
Pulp and paper	192.8	210.2	207.2	215.0	219.0	210.0	217.1	217.1

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

Industry or industry group	Annual averages		Without seasonal adjustment					
			1966			1967		
	1965	1966	Sept.	Oct.	Nov.	Sept.	Oct.	Nov.
NON-DURABLE MANUFACTURES -								
Concluded:								
Printing, publishing and allied industries	223.3	239.7	237.9	244.7	250.6	250.0	259.4	265.1
Products of petroleum and coal	345.9	371.6	370.9	370.7	390.2	397.3	394.1	399.5
Petroleum products	375.5	404.5	403.3	403.2	426.2	433.5	429.0	435.0
Chemicals and allied products	344.7	377.5	373.5	384.3	382.9	384.1	384.5	396.7
Acids, alkalies, salts and fertilizers	469.0	516.3	479.4	516.2	525.8	526.3	529.9	561.9
Miscellaneous manufactures	407.3	448.8	483.0	486.6	484.2	478.6	480.6	478.4
DURABLE MANUFACTURES	237.2	255.2	258.5	267.6	271.5	264.4	257.9	272.5
Wood products	181.7	189.2	195.5	185.7	182.8	196.9	181.4	177.4
Saw and planing mills	182.8	187.3	193.4	178.6	174.1	198.1	175.9	170.4
Veneers and plywoods	403.8	428.1	433.7	403.0	435.9	422.6	419.7	442.2
Sawmills	177.1	183.7	190.9	174.4	164.3	200.1	169.4	159.2
Furniture	216.3	235.5	245.5	246.1	247.2	238.2	237.5	237.2
Iron and steel products	239.1	253.1	266.0	260.5	256.6	249.1	245.2	258.6
Machinery	248.1	275.4	282.8	285.8	287.8	274.6	269.9	270.4
Iron castings	218.9	213.0	231.7	214.3	210.0	206.4	194.2	267.2
Primary iron and steel	320.0	324.8	345.9	329.6	319.6	311.8	315.8	341.3
Sheet metal products	274.2	289.1	302.5	291.4	289.1	308.8	296.5	289.5
Transportation equipment	250.0	273.8	233.9	275.9	310.3	282.2	271.7	325.2
Aircraft and parts	319.3	423.6	446.8	461.6	472.7	482.6	525.2	534.9
Motor vehicles	347.6	372.3	275.2	369.0	447.1	376.1	345.3	477.1
Motor vehicle parts	317.2	345.6	329.4	348.9	360.2	360.1	350.6	359.1
Railway rolling stock	62.6	60.5	55.6	59.3	61.5	56.8	56.6	55.2
Shipbuilding and repairs	161.9	170.1	168.6	166.5	171.4	164.8	161.9	162.3
Non-ferrous metal products	186.9	195.7	194.2	199.7	198.2	205.4	204.1	210.4
Brass and copper products ...	162.7	181.2	181.3	177.8	176.8	167.2	171.6	175.8
Smelting and refining	188.9	191.9	187.8	195.1	193.5	209.4	203.8	211.7
Electrical apparatus and supplies	319.2	368.8	403.9	428.9	434.8	410.3	406.7	406.6
Heavy electrical machinery ..	241.6	272.0	283.1	286.9	280.7	276.7	278.9	276.2
Telecommunication equipment	895.1	1,051.6	1,240.5	1,449.3	1,528.2	1,346.7	1,387.6	1,417.7
Refrigerators and appliances	301.9	352.5	387.2	397.6	379.1	385.4	339.0	319.9
Non-metallic mineral products	286.9	296.3	339.5	343.0	310.1	320.5	321.8	305.2
Concrete products	858.0	878.6	1,106.6	1,100.5	918.0	958.6	999.9	923.8
Hydraulic cement	298.8	320.8	385.5	376.1	327.1	368.9	334.1	288.0
Domestic clay products	142.8	145.3	154.7	173.4	152.3	161.4	151.7	-
ELECTRIC POWER AND GAS UTILITIES	448.3	504.2	463.9	491.9	553.0	496.9	542.7	607.2
Electric power	408.8	464.2	447.3	463.4	506.3	477.2	511.3	549.6
Gas	800.6	861.1	612.4	746.3	969.2	672.4	822.7	1,120.9

Real Domestic Product less Agriculture

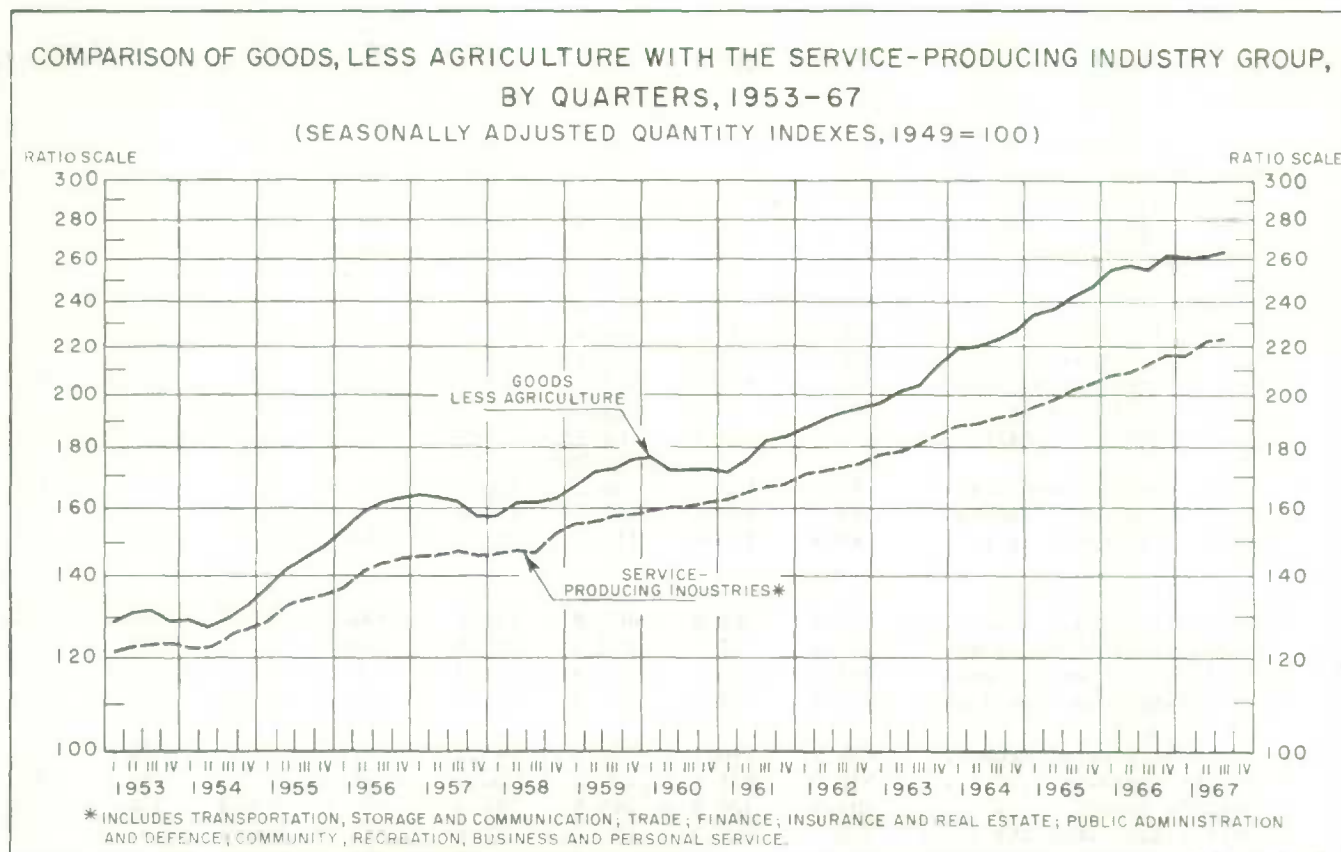
Note to Users

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 the 1967 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. Occasional 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 Gross Domestic Product at Factor Cost

Production by Industry

Seasonally adjusted real domestic product less agriculture increased by 0.9 per cent in the third quarter of 1967. The non-agricultural goods-producing industries rose by 1.2 per cent, while the service-producing industries increased by 0.6 per cent. These changes can be compared with the previous quarter, when the service-producing industries rose by 2.4 per cent and the goods-producing, 0.1 per cent, and with the first quarter of this year, when the goods-producing industries decreased by 0.4 per cent and the service-producing industries were unchanged from their level in the fourth quarter of 1966.

Table A shows the percentage changes in the major industry groupings for the first three quarters of 1967, and their effect on the change in non-agricultural output.

	4th Qtr.'66 - 1st Qtr.'67		1st Qtr.'67 - 2nd Qtr.'67		2nd Qtr.'67 - 3rd Qtr.'67	
	% △	Effect on GDP less Agri- culture	% △	Effect on GDP less Agri- culture	% △	Effect on GDP less Agri- culture
Real domestic product						
less agriculture	- 0.2	- 0.2	1.2	1.2	0.9	0.9
Forestry	10.3	- 0.2	- 3.7	0.1	- 1.7	-
Fishing and trapping ..	2.8	-	- 9.3	-	10.9	-
Mining	- 0.4	-	2.9	0.2	2.2	0.1
Manufacturing	- 1.6	- 0.5	0.4	0.1	1.0	0.3
Non-durable	- 0.7	- 0.1	0.9	0.1	0.3	0.1
Durable	- 2.5	- 0.4	-	-	1.9	0.3
Construction	- 0.1	-	- 4.3	- 0.3	0.7	-
Electric power and gas						
utilities	3.5	0.1	2.4	0.1	2.2	0.1
Other goods, n.e.c. ...	- 0.2	-	0.1	-	0.1	-
Transportation, storage						
and communication ...	0.6	0.1	2.3	0.2	- 0.7	- 0.1
Transportation	1.1	0.1	2.2	0.2	- 1.4	- 0.1
Trade	- 1.4	- 0.2	4.5	0.6	- 0.4	- 0.1
Wholesale	- 5.2	- 0.3	5.8	0.3	0.6	-
Retail	0.9	0.1	3.8	0.3	- 0.9	- 0.1
Finance, insurance and						
real estate	1.2	0.1	-	-	0.9	0.1
Public administration						
and defence	- 0.2	-	1.5	0.1	2.4	0.1
Community, recreation,						
business and personal						
service	0.5	-	2.4	0.2	2.4	0.2

Note: The columns may not add to the total due to rounding.

Table B shows the percentage increases of the major industry groupings and their effect on the changes in total real output less agriculture, as measured from the cyclical low in the first quarter of 1961 to the third quarter of 1967 and each of the preceding three quarters.

Within the goods-producing industries, manufacturing, with a 1.0 per cent increase, contributed almost two-fifths of the third-quarter increase in total non-agricultural output.

The increase in manufacturing came mainly from the manufacture of durables, which increased by 1.9 per cent, while the manufacture of non-durables showed only a fractional positive change. Within durables manufacturing, the transportation equipment group rose by 9 per cent, which is a more-than-one-third contribution to the third-quarter increase in total non-agricultural output.

This rise came from the motor vehicles and motor vehicle parts and accessories components, which recorded advances of 10 and 14 per cent, respectively. Both of these industries continued to be affected by rising exports under the Canadian-U.S. auto trade pact. The advance in the manufacture of motor vehicles pushed the output of this component to a level higher than the previous record, established in the first quarter of 1966. If this industry is combined with the other motor-vehicle-related series (manufacture of motor vehicle parts and accessories and retail sales of motor vehicle dealers) and deducted from the aggregate, the effect is to lower the third-quarter increase in total non-agricultural output from 0.9 per cent to 0.6 per cent. Movements in these series are illustrated in Chart A. Electrical apparatus and supplies was the other group within durables manufacturing to make a significant contribution to the third-quarter increase in total non-agricultural output. This contribution, of almost one-fifth, was partly accounted for by recoveries from strike effects and by increased production of auto radios. The most significant decline in any of the groups within durables manufacturing was registered for the iron and steel products group, which fell by 3 per cent. The two largest components, in terms of 1949 industry weights, within this group - primary iron and steel, and machinery and machine shops - fell by 5 and 3 per cent, respectively. Another component, bridge and structural steel, declined by 10 per cent.

The 0.3 per cent increase in non-durables manufacturing is a continuation of the fractional changes which have been recorded for these activities so far this year. Within non-durables manufacturing, rubber products rose by 12 per cent. The other groups showed only relatively small changes in weighted index points. Petroleum products, with a 3 per cent increase, was among these.

Also within the goods-producing industries, mining, which rose by 2.2 per cent, contributed nearly one-fifth of the third-quarter increase in total non-agricultural output. This was the third largest contribution among the eleven major industry groupings. The rise in mining was largely due to a 6 per cent advance in crude petroleum fuel mining, which can be linked to increased oil exports to the U.S. Crude petroleum mining output reached a peak in July and then slowly declined in August and September. The other mining components showed mixed movements, including a 19 per cent drop in lead mining and a 4 per cent decrease in copper mining (despite the copper strike in the U.S.).

The other two goods-producing industries that made positive contributions to the third-quarter increase in total non-agricultural output were electric power and gas utilities, and fishing and trapping. Electric power and gas utilities increased by 2.2 per cent, thus contributing less than one-eighth of the third-quarter increase in total non-agricultural output. Most of this increase came from the electric power component. Fishing and trapping rose by 10.9 per cent, because of a 13 per cent advance in fishing from a low second-quarter level. This rise, however, represented only a small contribution to the third-quarter increase in total non-agricultural output.

Forestry was the only one of the goods-producing industries to have a dampening effect on the third quarter. The decline in this industry, of 1.7 per cent, originated with decreases in cuttings of pulpwood and other wood. Cuttings were affected by closure of some of the B.C. forests due to excessive fire hazards.

Construction, the remaining goods-producing industry, was fractionally higher than its second-quarter level. This change was the result of an increase in public construction being lowered by a decrease in private construction. After an 11 per cent drop in the second quarter of this year, public construction began to recover to the level of activity that lasted from the second quarter of last year to the first quarter of this year. This recovery has been led by the public residential and non-residential construction component. The highway construction component of public construction has been declining following the surge of road-building that took place for Centennial year and EXPO. The decrease in private construction was the result of a 10 per cent increase in residential construction being more than offset by a decline in non-residential construction. Private residential construction was at a level higher than any quarter has been since the first quarter of 1964. This high level was established because of a 17 per cent increase in the number of housing units under construction and a 6 per cent increase in the number of completions, both of which reflected the very large increase in the number of units started in the first quarter. In contrast to the strong improvement in the private residential index, private non-residential construction had slipped to a level that is only somewhat higher than that of the second quarter of 1965. During the third quarter of this year the construction industry continued to be affected by strikes, mainly in Ontario.

TABLE B.

	IQ'61 - IVQ'66		IQ'61 - IQ'67		IQ'61 - IIQ'67		IQ'61 - IIIQ'67	
	% △	Effect on GDP less Agri- culture	% △	Effect on GDP less Agri- culture	% △	Effect on GDP less Agri- culture	% △	Effect on GDP less Agri- culture
Real domestic product								
less agriculture	42.4	42.4	42.1	42.1	43.9	43.9	45.1	45.1
Forestry	33.7	.6	47.5	.9	42.0	.7	39.5	.7
Fishing and trapping ..	- 7.5	-	- 4.9	-	- 13.7	- .1	- 4.4	-
Mining	51.1	3.0	50.4	2.9	54.8	3.2	58.1	3.4
Manufacturing	56.7	16.7	54.2	15.9	54.9	16.2	56.5	16.6
Non-durable	45.2	7.5	44.2	7.3	45.5	7.6	45.9	7.6
Durable	71.5	9.2	67.2	8.6	67.1	8.6	70.3	9.0
Construction	39.6	2.7	39.4	2.7	33.3	2.3	34.2	2.3
Electric power and gas utilities	71.1	2.4	77.2	2.6	81.4	2.8	85.4	2.9
Other goods, n.e.c. ...	19.7	.2	19.5	.2	19.5	.2	19.7	.2
Transportation, storage and communication ...	48.8	4.6	49.8	4.7	53.2	5.0	52.1	4.9
Transportation	51.7	3.6	53.5	3.7	56.8	3.9	54.6	3.7
Trade	35.3	5.3	33.4	5.1	39.4	6.0	38.9	5.9
Wholesale	48.7	2.5	41.0	2.1	49.2	2.5	50.0	2.6
Retail	28.3	2.8	29.4	2.9	34.3	3.4	33.0	3.3
Finance, insurance and real estate	31.8	3.4	33.4	3.5	33.4	3.6	34.6	3.7
Public administration and defence	9.2	.5	9.0	.5	10.7	.6	13.3	.8
Community, recreation, business and personal service	29.8	3.1	30.4	3.1	33.6	3.4	36.7	3.7

Note: The columns may not add to the total due to rounding.

Within the service-producing industries, the community, recreation, business and personal service grouping, for the second quarter in a row, recorded the second-largest contribution to the quarterly increase in total non-agricultural output. This contribution, of about one-fourth, was the result of a 2.4 per cent expansion in this industrial grouping. Although the community group made a significant contribution, because of continued advances in the education and health components, the major contributions came from personal and business services, both of which reflected the effects of EXPO and centennial celebrations. The personal service components that increased included hotels, motels, and lodging houses, restaurants, and domestic service. Personal service as a whole grew by 3 per cent, while business service went up by 5 per cent.

Public administration and defence, with an increase of 2.4 per cent, contributed one-eighth of the third-quarter increase in total non-agricultural output. Provincial government administration was responsible for almost half of this contribution, with federal government administration, municipal government administration, and federal government defence sharing the remainder.

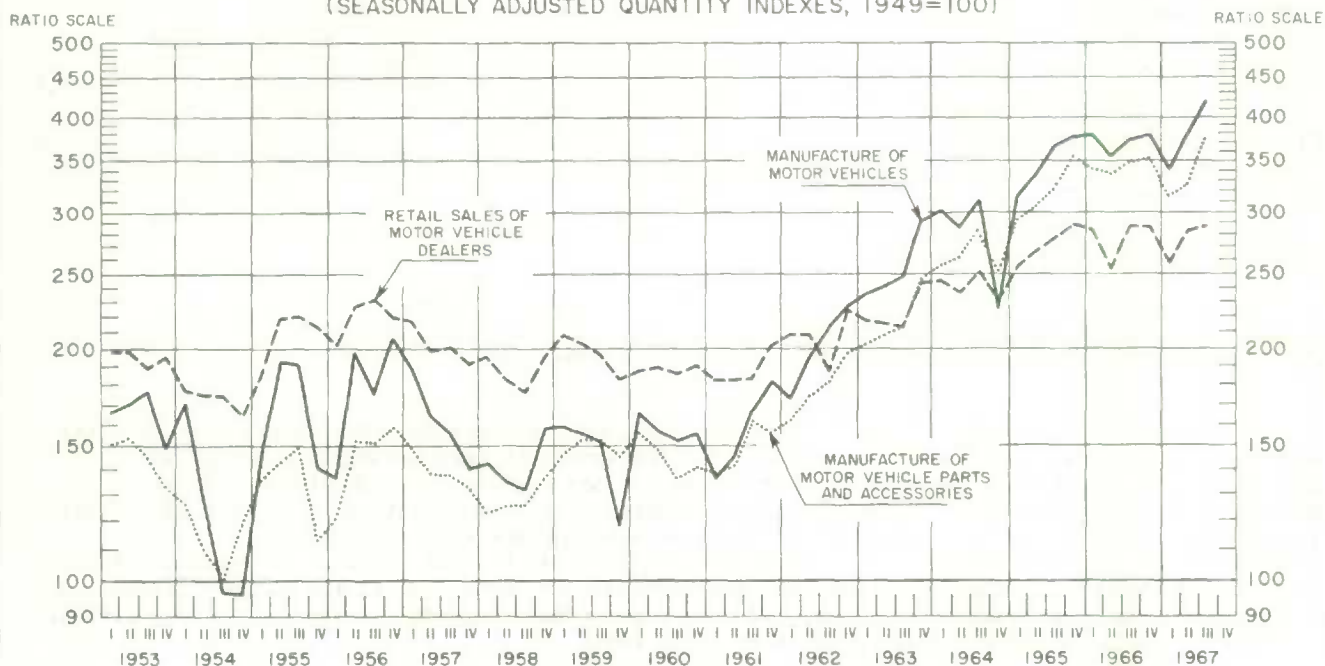
Finance, insurance and real estate was the other service-producing industry to contribute to the increase in total non-agricultural output this quarter. This contribution, of more than one-tenth, came from a 0.9 per cent increase in the grouping, with most of the increase taking place in the rents component.

The two remaining service-producing industry groupings - transportation, storage and communication, and wholesale and retail trade - recorded output levels which were only fractionally below those of the second quarter of 1967. In both instances the levels of the second quarter were new 'highs' which had been attained after large percentage increases. The transportation, storage and communication grouping decline of 0.7 per cent was affected by the shipping strike in August and September, while the trade decline of 0.4 per cent was the result of a slow-down in retail sales in July and August.

Within the transportation, storage and communication grouping, a decrease of 1 1/2 per cent in transportation and a drop of 13 per cent in storage more than offset an increase of 3 per cent in communication. Within transportation, the tendency of EXPO and centennial celebrations to encourage travel was shown in passenger gains recorded for air transportation (5 1/2 per cent), rail (6 per cent), bus (8 per cent), and urban transit (1 per cent). Urban transit transportation was affected by a major strike in Montreal which began on September 21. The water transportation strike from August 17 to September 23 had an even greater effect on the transportation group. This strike, and a decreased demand for exports of grain, were major contributors to the estimated decline of 29 per cent in the output of water freight shipping. Related declines occurred in grain elevators, which were down 17 per cent, and in stevedoring. Railway freight transportation (which has suffered from a 4 1/2 per cent drop in freight carloadings from the beginning of this year to the end of September compared to the same period last year) was also affected by these two conditions, as reflected in a 2 per cent decrease. Truck transportation was also probably affected. Pipelines transportation, which rose by 3 per cent, reflected greater oil exports to the U.S. Communication rose by 3.2 per cent because of increases in the postal and telephone services.

COMPARISON OF THE MOTOR-VEHICLE-RELATED SERIES, BY QUARTERS, 1953-67

(SEASONALLY ADJUSTED QUANTITY INDEXES, 1949=100)



Within the trade grouping, retail trade declined by 0.9 per cent, while wholesale trade increased by 0.6 per cent. Within retail trade, most of the components registered decreases. Among the more significant of these were furniture and appliances (5 per cent), fuel dealers (15 per cent, perhaps affected by warmer-than-usual weather), clothing (3 per cent), and farm implement dealers (13 per cent, linked to a large drop in wholesale sales of farm machinery). One of the few store-types to increase from the previous quarter was motor vehicle dealers, which rose by 2 per cent. This increase, which was the result of expanded sales in September, did not quite reach the record

level of output for this industry which was achieved in the last quarter of 1965, and was considerably below the 10 per cent expansion in the manufacture of motor vehicles. Two other store-types that increased in the third quarter of this year were drug stores (3 per cent) and used car dealers (10 per cent).

Within wholesale trade, wholesalers "proper" rose by 1 1/2 per cent. Most of the components in this category fell, but two of those that rose were automotive parts and accessories (up 3 per cent) and clothing and furnishings (up 6 per cent). Of the components that fell the most significant was construction materials and supplies, with a decrease of 4 per cent. Industrial and transportation equipment and supplies also decreased, by 5 per cent, as did grocery and food specialities, by 2 per cent. Wholesale sales of farm machinery slipped 28 per cent below their second-quarter level. Most of this drop came in July and August, as did the sizeable decrease in retail sales of farm implement dealers. Both of these movements may be a reflection of the effects of the drought-like conditions which prevailed during much of this period in the Prairie Provinces. Also within wholesale trade, petroleum bulk tank stations decreased by one per cent.

First Nine Months of 1967

Table C shows that non-agricultural real output in the first nine months of this year rose by 2.8 per cent over the first nine months of 1966, on a seasonally unadjusted basis. This increase is in sharp contrast to the post-war average rate of growth of 4.8 per cent. Construction remained as the major dampening influence on industrial growth during 1967.

An assumption of a one per cent increase, on a seasonally adjusted basis, in total non-agricultural real output in the last quarter of 1967 would result in a 3.1 per cent increase for 1967 as a whole, while a 2 per cent increase would result in a 3.4 per cent increase for the year. If production declines by one per cent in the remaining quarter, the increase for the year would be only 2.6 per cent.

TABLE C.

Percentage Changes in Major Industry Groupings for the First Nine Months of 1967 Compared With the First Nine Months of 1966 (Not seasonally adjusted)

	<u>Per cent change</u>		<u>Per cent change</u>
Real domestic product, less agriculture	2.8	Transportation, storage and communication	6.0
Forestry	6.5	Transportation	5.7
Fishing and trapping	- 2.0	Trade	3.4
Mining	6.6	Wholesale	1.2
Manufacturing	1.2	Retail	4.7
Non-durable	1.9	Finance, insurance and real estate	4.6
Durable	0.4	Public administration and defence	4.1
Construction	- 9.4	Community, recreation, business and personal service	5.0
Electric power and gas utilities	10.4		

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

	Real 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									
1964 - 1	202.8	161.4	131.1	344.3	249.7	294.8	544.8	207.7	206.6
2	203.1	153.3	115.9	350.1	252.6	309.6	558.8	210.7	210.2
3	205.4	166.4	119.7	341.4	239.1	320.4	553.1	214.0	211.2
4	208.5	156.3	136.9	347.8	236.4	324.9	575.5	216.2	216.7
1965 - 1	213.4	168.6	124.4	359.4	253.9	353.2	570.2	223.0	218.7
2	216.4	174.0	117.1	355.7	240.2	366.3	582.6	226.5	220.3
3	220.7	155.0	116.8	372.8	248.5	384.6	618.2	232.6	226.2
4	225.4	157.3	123.6	375.0	256.0	401.5	601.7	239.1	231.4
1966 - 1	230.4	167.0	122.8	386.8	262.0	415.7	622.9	244.6	237.7
2	232.6	180.0	130.3	398.0	261.4	401.7	670.0	246.1	240.0
3	233.1	168.5	141.3	386.6	242.2	406.8	670.3	247.1	239.9
4	237.4	172.3	131.3	407.0	263.5	397.2	702.7	250.8	243.7
1967 - 1	236.9	190.1	135.0	405.2	275.3	412.3	673.8	246.9	242.0
2	239.8	183.0	122.4	417.0	267.9	456.3	718.4	248.0	244.1
3	241.9	179.8	135.7	426.0	265.5	465.5	756.9	250.6	244.9
4									
Without seasonal adjustment									
1964	204.8	159.3	123.6	346.4	245.7	312.8	557.7	211.9	211.2
1965	219.0	160.4	120.4	365.6	249.5	377.2	592.8	230.1	224.1
1966	233.6	171.8	133.6	393.6	256.0	405.3	665.7	247.2	240.4
1967									
1964 - 1	191.1	138.5	78.6	337.9	232.9	272.1	591.8	203.3	200.4
2	206.1	135.9	118.3	350.7	264.1	317.4	530.1	215.8	212.1
3	208.7	195.7	168.2	348.8	253.6	319.0	530.6	209.8	213.1
4	213.4	166.9	129.2	348.2	232.2	342.8	578.1	218.7	219.3
1965 - 1	202.3	144.3	74.7	351.5	233.8	326.3	619.9	218.6	212.1
2	219.2	151.5	118.1	356.2	252.4	376.7	551.6	231.8	222.1
3	223.2	184.9	163.7	379.1	261.2	381.9	594.7	227.3	227.3
4	231.1	161.0	125.2	375.6	250.9	423.7	605.0	242.7	234.8
1966 - 1	219.3	147.7	74.5	374.8	239.9	390.0	664.0	241.2	231.5
2	235.6	164.8	124.8	399.2	274.0	409.4	641.6	251.6	241.9
3	236.0	198.6	198.6	392.9	251.2	405.6	653.7	241.4	241.1
4	243.5	176.3	136.6	407.5	259.1	416.0	703.6	254.7	247.1
1967 - 1	225.2	168.1	86.3	395.0	252.7	388.2	716.7	243.2	235.4
2	242.7	164.6	114.3	420.5	279.6	464.6	701.1	254.8	247.2
3	242.6	211.4	189.2	428.4	274.2	431.0	740.5	245.0	246.0
4									

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								
1964 - 1	182.3	214.0	225.7	135.3	197.5	159.9	182.2	202.6
2	184.2	230.2	234.6	138.3	204.3	163.0	184.1	214.1
3	184.7	240.2	229.0	138.7	205.0	164.3	187.4	201.7
4	190.9	241.1	235.3	137.1	206.4	166.8	192.0	209.8
1965 - 1	192.4	241.3	230.2	135.5	211.1	167.0	194.5	216.8
2	189.6	240.8	227.4	132.9	213.5	168.9	196.1	219.2
3	195.2	238.9	234.9	134.9	228.3	172.1	199.9	223.4
4	197.6	248.1	253.3	137.5	229.3	177.2	202.7	233.9
1966 - 1	201.3	264.9	264.1	137.5	233.6	177.3	213.6	237.5
2	204.8	250.8	254.0	139.6	227.4	180.2	217.0	240.5
3	205.3	249.4	257.8	137.6	228.4	177.8	216.4	241.3
4	207.6	266.2	259.1	136.9	241.5	181.8	217.3	239.3
1967 - 1	209.0	268.0	238.4	129.6	223.1	173.7	219.8	246.9
2	213.4	258.8	242.6	128.6	236.4	171.9	214.8	250.4
3	215.1	253.7	272.0	133.2	232.6	169.4	216.7	249.4
4								
Without seasonal adjustment								
1964	185.6	232.1	232.8	137.3	203.3	163.4	186.3	207.4
1965	193.1	243.4	237.4	135.2	220.6	171.2	198.3	223.3
1966	204.9	258.1	258.5	137.9	233.1	179.2	216.1	239.7
1967								
1964 - 1	158.5	212.1	235.0	144.7	201.8	164.7	176.8	198.8
2	183.3	245.7	250.9	139.1	210.1	160.2	185.2	221.4
3	205.0	228.9	203.1	128.8	189.6	167.7	188.2	194.4
4	195.6	241.7	242.2	136.6	211.5	161.0	194.9	215.2
1965 - 1	166.5	239.3	238.9	144.5	216.1	171.9	189.7	212.3
2	188.1	257.3	243.0	133.4	220.1	165.9	196.8	227.6
3	214.8	228.2	206.3	126.0	211.4	175.2	200.6	213.7
4	203.0	248.9	261.4	137.0	234.9	171.9	206.2	239.7
1966 - 1	175.8	267.8	276.4	146.3	238.9	180.8	210.3	233.4
2	202.4	266.9	267.5	140.0	231.8	177.9	219.0	249.6
3	228.2	233.9	220.2	128.8	213.3	180.4	216.5	229.8
4	213.0	263.9	269.9	136.4	248.3	177.8	218.7	246.0
1967 - 1	181.6	271.5	250.6	138.0	228.5	176.1	216.8	242.8
2	211.7	278.8	257.2	130.8	242.1	169.8	218.7	259.7
3	238.1	235.8	231.8	123.9	221.9	171.0	216.5	237.7
4								

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								
1964 - 1	327.3	306.7	376.5	209.0	175.8	206.7	218.1	168.4
2	329.8	303.6	383.8	211.2	171.4	212.2	215.0	173.9
3	327.7	313.4	391.0	217.4	174.4	216.0	229.5	174.0
4	335.3	328.7	393.9	215.6	175.9	226.5	191.2	180.3
1965 - 1	342.1	326.5	397.0	228.0	177.0	229.6	234.3	182.4
2	344.8	339.9	403.7	233.7	180.1	236.0	243.3	183.8
3	350.6	346.9	411.7	240.1	180.0	243.5	256.2	188.1
4	345.7	364.7	415.9	248.1	190.6	247.6	269.8	192.8
1966 - 1	357.2	376.3	430.7	252.8	188.8	256.0	272.0	195.4
2	372.7	379.4	444.4	253.2	191.8	252.5	265.8	197.6
3	371.1	376.0	455.2	255.6	188.8	251.7	275.5	191.5
4	384.3	378.1	463.3	259.1	187.1	252.4	281.6	197.6
1967 - 1	375.7	389.6	463.1	252.6	188.4	251.4	261.3	201.3
2	379.5	391.5	463.3	252.5	190.8	248.0	276.6	201.5
3	391.2	389.5	455.1	257.3	187.4	240.7	302.0	201.4
4								
Without seasonal adjustment								
1964	330.1	312.7	386.5	212.7	174.3	215.2	210.5	174.2
1965	345.9	344.7	407.3	237.2	181.7	239.1	250.0	186.9
1966	371.6	377.5	448.8	255.2	189.2	253.1	273.8	195.7
1967								
1964 - 1	333.3	305.9	363.3	206.7	177.1	199.9	233.6	168.3
2	314.0	314.9	375.2	220.1	171.3	219.6	248.1	175.5
3	333.9	304.5	398.8	206.0	182.5	216.1	161.9	170.2
4	339.1	325.4	408.7	217.9	166.4	225.1	198.2	182.7
1965 - 1	349.4	326.1	382.6	226.2	178.5	222.3	254.7	182.5
2	327.5	352.2	394.6	243.2	179.9	244.0	278.7	185.7
3	356.3	336.0	420.7	227.4	187.9	243.3	184.3	183.5
4	350.2	364.5	431.3	251.9	180.6	246.6	282.3	195.8
1966 - 1	362.4	376.8	415.2	252.5	190.5	249.4	300.1	194.9
2	357.9	394.2	436.4	262.9	192.0	260.5	300.9	200.2
3	378.3	360.4	466.1	241.7	194.9	252.0	201.4	186.2
4	387.8	378.6	477.4	263.7	179.3	250.4	292.8	201.4
1967 - 1	385.0	389.6	446.3	252.3	190.1	246.2	285.9	199.6
2	364.1	409.0	455.1	263.8	192.2	255.7	319.5	204.3
3	398.8	371.1	466.3	243.8	193.6	241.5	231.0	196.3
4								

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	Whole- sale
	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	4.995
	Seasonally adjusted								
1964 - 1	265.9	259.5	195.8	390.3	204.6	191.9	233.7	184.7	199.9
2	273.3	263.2	181.7	401.2	208.9	195.8	259.4	181.9	195.5
3	283.9	266.3	183.5	413.4	210.7	197.1	252.7	183.8	195.4
4	292.1	282.3	199.1	422.4	213.8	201.0	215.4	185.6	197.7
1965 - 1	307.3	284.2	203.9	434.5	217.0	203.9	208.8	191.1	211.2
2	318.6	281.5	207.6	436.5	220.6	207.9	224.2	195.5	213.6
3	321.3	288.9	211.9	448.8	226.8	214.4	241.1	199.4	218.2
4	331.1	293.5	219.6	473.6	231.9	219.0	241.1	203.6	224.7
1966 - 1	338.2	305.7	225.8	488.2	235.5	223.7	237.6	206.3	223.3
2	359.1	300.3	227.9	498.8	242.3	230.3	255.1	202.7	222.4
3	378.0	296.6	217.4	510.1	240.2	226.8	254.0	207.0	226.0
4	396.9	286.5	221.2	521.2	250.3	236.7	255.5	209.6	230.2
1967 - 1	379.9	275.4	220.9	539.7	251.9	239.4	240.8	206.6	218.3
2	354.1	279.5	211.3	552.5	257.6	244.6	265.2	216.0	230.9
3	378.1	274.2	212.7	564.8	255.9	241.2	231.0	215.1	232.2
4									
	Without seasonal adjustment								
1964	279.1	268.2	190.4	405.7	209.3	196.4	239.6	183.8	197.2
1965	319.2	286.9	211.2	448.3	224.8	212.2	230.4	197.6	217.1
1966	368.8	296.3	226.0	504.2	242.5	229.8	251.4	206.3	225.3
1967									
1964 - 1	262.8	206.5	127.5	439.5	186.4	169.6	196.8	170.0	202.3
2	266.8	266.1	188.1	387.6	213.0	202.1	257.6	188.4	206.2
3	278.9	305.6	230.2	357.0	222.6	214.3	261.9	175.9	182.5
4	308.0	294.6	215.8	438.7	215.3	199.6	242.0	200.9	197.8
1965 - 1	303.8	226.2	142.2	491.3	198.7	181.4	174.0	177.8	217.1
2	311.0	284.0	208.1	421.9	226.0	215.8	222.1	203.0	226.7
3	313.7	329.1	255.3	386.7	240.2	233.2	254.4	189.8	201.1
4	348.2	308.1	239.0	493.3	234.2	218.4	271.2	220.0	223.5
1966 - 1	333.5	245.4	163.7	555.4	213.6	196.6	187.9	192.4	230.2
2	352.9	301.8	235.8	480.2	248.5	239.4	257.2	207.3	231.6
3	366.5	338.1	266.1	438.4	255.2	247.6	276.9	197.3	208.2
4	422.5	299.9	238.5	542.9	252.6	235.5	283.5	228.1	231.3
1967 - 1	374.1	225.5	151.2	616.2	228.9	210.9	191.4	192.0	224.8
2	347.0	280.5	210.6	530.7	265.2	255.3	268.8	220.6	240.2
3	365.2	311.0	241.5	479.9	266.5	256.8	251.8	204.5	212.9
4									