CATALOGUE No.
$61-605$

MONTHLY $\frac{\text { C. } 1}{\text { Vol. 7, No. } 9}$

## DOMINION BUREAU OF STATISTICS

 OTTAWA - CANADA OF Statistics Published by Authority of the Minister of Trade and Capppeng 1967 Price PROREETYSQFOTHGear $\begin{gathered}\text { LIBRARY }\end{gathered}$INDEX OF INDUSTRIAL PRODUCTION $(1949=100)$

## SEPTEMBER 1967

The seasonally adjusted index of industrial production advanced by 0.1 per cent in September.


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

> National Accounts, Production and Productivity Division Industrial Output Section

November 1967
2205-502
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 advancing by 0.1 per cent to 284.6 from the August level of 284.2 . All of the increase occurred in manufacturing as mining and electric power and gas utilities fell by 0.7 and 1.7 per cent respectively. In terms of contribution the gain of 0.6 per cent in manufacturing was almost equally divided between non-durables and durables, each of which rose by 0.6 per cent.

In durables manufacturing more than 80 per cent of the increase was due to the better than 8 per cent gain in electrical apparatus and supplies. About half of this in turn was due to increased production of auto radios, with most of the remainder being due to increased production of black and white television sets. Iron and steel products, which rose by nearly l per cent, was responsible for about $1 / 6$ of the durables gain. The balance of the durables gain was due to a fractional increase in wood products. Offsetting the above durables gains were declines of from nearly $l$ to better than 3 per cent in non-ferrous metal products, non-metallic mineral products, and transportation equipment. The largest of these, that in transportation equipment, ( $-3 \%$ ) was almost entirely due to a better than 6 per cent decrease in motor vehicle production. This in turn was primarily due to the effects on Canadian production of labour disputes south of the border. Primary iron and steel rose by 0,4 per cent.

In non-durables manufacturing 9 of the 11 major components rose. Only tobacco, ( $-2 \%$ ) and chemicals and allied products, (-1\%) fell. The decline in the latter was in part due to labour disputes. Paper products $(+1 \%)$, products of petroleum and coal, ( $+3 \%$ ), and printing, publishing and allied industries $(+2 \%)$, were the major factors in the non-durables gain, accounting for nearly 70 per cent of it between them. Increases in the remaining major components ranged from fractional to nearly 2 per cent.

A 2 per cent decline in fuels was the major factor in the mining decrease of 0.7 per cent, accounting for better than 70 per cent of the decrease. The latter drop was confined to petroleum, $(-1 \%)$, and coal, $(-11 \%)$, as natural gas was virtually unchanged. In metals, which fell fractionally. gains of 17 per cent in nickel, 3 per cent in zinc and 2 per cent in copper, were more than offset by declines ranging from 1 to 11 per cent in the remaining components. In non-metals, ( $+5 \%$ ), both components shared in the increase.

In electric power and gas utilities, (-1.7\%), both components contributed to the deciine, electric power falling fractionally and gas utilities by nearly 8 per cent.

With the third quarter of 1967 now complete the following percentage changes are shown; in column 1 for the third quarter of 1967 from the second on a seasonally adjusted basis, and in column 2 for the first nine months of 1967 over the first nine months of 1966 . Column 3 presents 1946-66 growth rates calculated by the least squares of logarithms method.

|  | IIQ'67-IIIQ'67 | lst 9 mos. '661st 9 mos. ' 67 | $\begin{gathered} 1946-1966 \\ \text { Annual } \\ \hline \end{gathered}$ |
| :---: | :---: | :---: | :---: |
|  | Seasona11y | $\frac{\text { djusted Data }}{\%}$ | Growth rates |
| Index of Industrial Production | 1.3 | 2.7 | 5.7 |
| Mining . . . . . | 2.1 | 6.5 | 8.9 |
| Manufacturing | 1.0 | 1.0 | 4.9 |
| Non-durables | 0.3 | 1.8 | 4.9 |
| Durables | 1.8 | - | 4.9 |
| Electric Power and gas utilit | 2.2 | 10.7 | 9.6 |

## NOTE

 tion in table 3 because of small revisions to June which hava no: baan fncorpovacsd in the lattec table.
$(1949=100)$

| Industry or industry group | $1949$ <br> percentage weights | Seasonally adjusted |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1967 |  |  |  |  |  |
|  |  | Apr. | May | June | July | Aug. | Sept. |
| INDEX OF INDUSTRIAL PRODUCTION | 32.231 | 280.7 | 280.0 | 280.8 | 283.6 | 284.2 | 284.6 |
| MINING | 3.245 | 411.4 | 415.4 | 424.2 | 428.4 | 425.8 | 423.0 |
| Metals | 1.925 | 269.8 | 269.7 | 264.1 | 263.6 | 265.8 | 264.2 |
| Gold | 0.575 | 66.9 | 67.7 | 70.9 | 69.6 | 66.0 | 62.9 |
| Copper | 0.352 | 241.7 | 235.3 | 219.3 | 214.1 | 216.9 | 220.1 |
| Iron ore | 0.099 | 1,348.2 | 1,237.5 | 1,214.8 | 1,297.4 | 1,303.7 | 1,242.2 |
| Nickel ... | 0.333 | 189.1 | 197.9 | 194.9 | 177.0 | 190.7 | 223.5 |
| Non-metals | 0.268 | 437.1 | 458.8 | 472.9 | 472.6 | 451.8 | 472.2 |
| Asbestos | 0.189 | 293.9 | 293.4 | 308.3 | 281.3 | 273.8 | 280.5 |
| Fuels | 0.915 | 695.4 | 707.9 | 752.0 | 771.5 | 757.2 | 745.8 |
| Coal ........................ . . . | 0.553 | 53.9 | 54.9 | 55.4 | 52.4 | 59.3 | 53.0 |
| Natural gas ............... | 0.035 | 1,726.8 | 1,840.3 | 1,839.2 | 1,909.2 | 1,822.2 | 1,823.0 |
| Petroleum | 0.327 | 1,670.0 | 1,690.9 | 1,813.8 | 1,865.8 | 1,823.4 | 1,802.3 |
| manuFacturing, TOTAL | 27.340 | 249.7 | 246.9 | 247.3 | 249.0 | 250.4 | 251.9 |
| MON-DURABLE MANUFACTURES . . . . . | 14.742 | 244.5 | 242.7 | 245.1 | 243.8 | 244.6 | 246.0 |
| Foods and beverages ......... | 3.814 | 214.7 | 212.1 | 213.5 | 216.1 | 213.8 | 214.5 |
| Foods . | 2.896 | 202.8 | 196.2 | 201.4 | 203.8 | 202.0 | $203.3$ |
| Meat products ............ | 0.523 | 212.6 | 211.4 | 214.2 | 213.7 | 207.2 | $206.0$ |
| Dairy products .............. | 0.450 | 210.0 | 200.9 | 208.3 | 215.4 | 212.4 | 214.4 |
| Canning and processing .... | 0.453 | 210.0 | 195.0 | 210.0 | 212.8 | 208.9 | 210.3 |
| Grain mill products .. | 0.322 | 214.4 | 212.4 | 215.3 | 217.5 | 215.0 | 226.5 |
| Bakery products ... | 0.558 | 158.6 | 155.6 | 156.1 | 154.8 | 156.7 | 158.7 |
| Miscellaneous foods ........ | 0.590 | 218.6 | 209.5 | 213.5 | 218.2 | 220.0 | 216.4 |
| Beverages .................... | 0.918 | 252.2 | 262.4 | 251.6 | 254.7 | 250.8 | 249.8 |
| Carbonated beverages ...... | 0.231 | 242.5 | 249.7 | 260.5 | 241.2 | 249.9 | 256.0 |
| Breweries | 0.463 | 211.2 | 213.3 | 199.1 | 223.8 | 218.5 | $223.5$ |
| Distilleries ............. | 0.203 | 354.6 | 387.6 | 357.8 | 339.6 | 325.3 | 302.8 |
| Tobacco and tobacco products. | 0.248 | 264.1 | 252.1 | 260.0 | 257.0 | 254.5 | 249.7 |
| Rubber products . ............ | 0.430 | 251.7 | 228.7 | 247.3 | 287.3 | 263.4 | 265.4 |
|  | 0.508 | 127.9 | 127.3 | 130.6 | 137.2 | 130.0 | 132.5 |
| Boots and shoes ............ | 0.307 | 130.1 | 129.1 | 132.7 | 142.4 | 134.7 | 139.3 |
| Textiles .................... | 1.623 | 240.7 | 233.5 | 235.1 | 215.3 | 238.5 | 239.3 |
| Cotton goods | 0.507 | 167.7 | 144.9 | 146.6 | 138.8 | 130.0 | 142.9 |
| Woollen goods . ............ | 0.300 | 79.5 | 84.2 | 82.6 | 81.6 | 85.6 | 83.4 |
| Synthetic textiles and silk | 0.429 | 454.0 | 449.6 | 450.1 | 384.6 | 478.8 | 465.5 |
| Clothing .................... | 1.801 | 172.5 | 170.8 | 172.4 | 171.3 | 167.9 | 168.3 |
| Paper products ... | 2.649 | 214.7 | 217.7 | 212.0 | 215.4 | 215.8 | 218.6 |
| Pulp and paper ........... | 2.108 | 207.5 | 210.6 | 203.9 | 209.2 | 209.1 | 212.5 |


| Industry or industry group | 1949 percentage welghts | Seasonally adjusted |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1967 |  |  |  |  |  |
|  |  | Apr. | May | June | July | Aug. | Sept. |
| NON - DURABLE MANUFACTURES Concluded: |  |  |  |  |  |  |  |
| Printing, publishing and allied industries | 1.273 | 248.9 | 245.0 | 257.4 | 246.6 | 248.5 | 252.5 |
| Products of petroleum and coal | 0.513 | 372.6 | 374.6 | 391.4 | 381.3 | 393.3 | 403.8 |
| Petroleum products. | 0.454 | 406.1 | 407.7 | 426.7 | 415.8 | 428.4 | 441.1 |
| Chemicals and allied products <br> Acids, alkalies, salts and fertilizers | 1.359 | 386.9 | 393.0 | 394.5 | 394.2 | 390.7 | 387.5 |
|  | 0.346 | 531.8 | 553.3 | 571.7 | 549.9 | 563.3 | 536.5 |
| Miscellaneous manufactures | 0.524 | 464.2 | 461.7 | 464.0 | 455.2 | 453.5 | 455.8 |
| DURABLE MANUFACTURES . . . . . . . . . . | 12.598 | 255.7 | 251.8 | 249.9 | 255.2 | 257.2 | 258.7 |
| Wood products | 2.108 | 195.8 | 187.0 | 189.7 | 187.7 | 187.4 | 187.8 |
| Saw and planing rills | 1.444 | 197.7 | 185.1 | 188.8 | 186.1 | 186.0 | 185.2 |
| Veneers and plywoodsSawnills | 0.122 | 443.5 | 466.2 | 497.0 | 450.8 | 428.8 | 409.3 |
|  | 0.994 | 197.9 | 177.1 | 178.8 | 181.2 | 183.8 | 185.3 |
| Furniture | 0.460 | 234.0 | 233.7 | 235.4 | 235.4 | 233.1 | 236.8 |
| Iron and steel products | 4.026 | 251.5 | 249.7 | 242.7 | 242.1 | 240.2 | 242.3 |
| Machinery .......... | 0.851 | 283.1 | 277.1 | 276.6 | 270.1 | 270.1 | 277.3 |
| Iron castings ........ | 0.387 | 223.4 | 211.1 | 199.5 | 211.0 | 213.8 | 201.0 |
| Primary iron and steel ...... | 0.845 | 315.8 | 323.7 | 313.4 | 310.1 | 298.8 | 299.9 |
| Sheet metal products ....... | 0.359 | 290.8 | 289.5 | 295.7 | 291.9 | 291.7 | 292.4 |
| Transportation equipment <br> Aircraft and parts <br> Motor vehicles ............. <br> Motor vehtcle parts <br> Railway rolling stock <br> Shipbuilding and repairs .... | 2.651 | 266.9 | 274.8 | 288.2 | 298.0 | 307.9 | 297.6 |
|  | 0.203 | 487.8 | 489.7 | 492.4 | 501.0 | 476.3 | 472.5 |
|  | 1.035 | 360.7 | 378.8 | 397.9 | 411.9 | 435.7 | 408.8 |
|  | 0.462 | 317.2 | 325.0 | 341.4 | 363.9 | 378.2 | 381.8 |
|  | 0.621 | 62.7 | 60.1 | 59.4 | 57.7 | 57.0 | 56.3 |
|  | 0.261 | 139.9 | 140.0 | 166.4 | 166.3 | 165.8 | 165.8 |
| Non-ferrous metal products .... <br> Brass and copper products ... <br> Smelting and refining ....... | 1.601 | 202.0 | 204.0 | 198.4 | 190.2 | 207.2 | 205.5 |
|  | 0.241 | 170.3 | 167.2 | 163.9 | 165.9 | 167.5 | 163.3 |
|  | 1.028 | 203.6 | 207.1 | 199.0 | 188.7 | 214.8 | 213.5 |
| Electrical apparatus and |  |  |  |  |  |  |  |
| supplies ................... | 1.418 | 381.4 | 349.2 | 331.9 | 381.7 | 358.9 | 388.7 |
| Heavy electrical machinery .. Telecommuntcation equipment | 0.489 | 272.7 | 250.9 | 240.8 | 269.5 | 274.1 | 278.7 |
|  | 0.142 | 1,077.4 | 1,013.7 | 1,069.5 | 1,204.9 | 930.7 | 1,233.7 |
| Refrigerators and appliances | 0.227 | 347.5 | 321.0 | 289.7 | 343.6 | 343.2 | 353.6 |
| Non-metallic mineral products | 0.794 | 282.6 | 279.8 | 276.2 | 263.5 | 278.7 | 276.2 |
| Concrete products ......... | 0.098 | 784.2 | 799.2 | 742.0 | 704.8 | 764.8 | 766.9 |
| Hydraulic cement . . . . . . . . . . | 0.117 | 265.3 | 271.2 | 293.5 | 276.6 | 303.0 | 304.1 |
| Domestic clay products ..... | 0.083 | 143.8 | 121.8 | 133.3 | 125.2 | 139.2 | 145.5 |
| ELEGTRIC POWER AND GAS UTILITIES | 1.646 | 539.1 | 563.2 | 555.1 | 572.9 | 565.5 | 555.8 |
|  | 1.480 | 496.7 | 503.2 | 501.6 | 512.7 | 510.8 | 509.3 |
| Gas ........ | 0.166 | 917.8 | 1,097.8 | 1,032.7 | 1,110.0 | 1,053.4 | 970.3 |

$(1949=100)$

| Industry or industry group | Anmual <br> averages |  | Without seasonal adjustment |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | 1966 |  |  | 1967 |  |  |
|  | 1965 | 1966 | July | Alug. | Sept. | July | Aug. | Sept. |
| INDEX OF INDUSTRLAL PRODUCTION | 254.9 | 275.1 | 255.5 | 264.1 | 280.6 | 261.5 | 274.0 | 290.3 |
| MINING | 365.6 | 393.6 | 370.2 | 399.3 | 409.3 | 414.5 | 433.3 | 436.7 |
| Metals | 249.5 | 256.0 | 221.0 | 259.3 | 273.3 | 266.3 | 276.7 | 277.0 |
| Gold | 80.6 | 73.9 | 72.0 | 69.4 | 72.6 | 66.1 | 64.7 | 63.6 |
| Copper | 195.6 | 192.9 | 168.9 | 178.5 | 183.8 | 218.6 | 216.9 | 217.9 |
| Iron ore | 1,236.8 | 1,322.7 | 979.5 | 1,632.0 | 1,798.1 | 1,572.5 | 1,589.2 | 1,570.2 |
| Nickel | 209.9 | 185.6 | 133.6 | 135.2 | 174.1 | 162.8 | 202.1 | 205.6 |
| Non-metals | 377.2 | 405.3 | 368.4 | 426.8 | 421.5 | 366.5 | $442.6$ | $483.9$ |
| Asbestos | 269.4 | 293.4 | 272.0 | 324.9 | 301.8 | $247.5$ | $282.8$ | $281.6$ |
| Fuels | 592.8 | 665.7 | 649.7 | 654.1 | 657.4 | 734.1 | 747.0 | 745.2 |
| Coal | 56.3 | 54.6 | 34.9 | 39.8 | 55.5 | 36.4 | 45.1 | 53.7 |
| Natural gas | 1,476.4 | 1,598.0 | 1,362.8 | 1,362.5 | 1,354.8 | 1,621.0 | 1,559.8 | 1,542.3 |
| petroleum. | 1,405.5 | 1,599.4 | 1,613.1 | 1,617.2 | 1,600.7 | 1,819.2 | 1,847.1 | 1,829.3 |
| YANUFACTURING, TOTAL | 230.1 | 247.2 | 232.4 | 237.5 | 254.2 | 231.3 | 242.6 | 260.5 |
| NON-DURABLE MANUFACTURES . . . . . | 224.1 | 240.4 | 228.0 | 244.6 | 250.6 | 232.4 | 249.2 | 256.8 |
| Foods and beverages | 193.1 | 204.9 | 222.4 | 231.6 | 230.7 | 230.5 | 240.8 | 241.3 |
| Foods | 187.4 | 196.4 | 212.5 | 218.8 | 225.9 | 219.6 | 227.3 | 233.4 |
| Meat products | 192.3 | 193.4 | 176.3 | 178.1 | 189.5 | 196.6 | 202.6 | 213.8 |
| Dairy products | 196.0 | 202.2 | 233.6 | 220.3 | 217.5 | 248.4 | 236.4 | 231.1 |
| Canning and processing | 197.2 | 216.0 | 313.9 | 360.9 | 380.6 | 313.9 | 354.9 | 364.1 |
| Grain mill products .. | 189.3 | 207.3 | 197.0 | 194.0 | 203.1 | 204.2 | 202.9 | 222.2 |
| Bakery products ... | 151.7 | 155.7 | 166.6 | 165.2 | 162.8 | 163.5 | 163.9 | 164.2 |
| Miscellaneous foods | 201.9 | 212.0 | 202.5 | 208.8 | 218.0 | 207.2 | 217.5 | 223.7 |
| Beverages ................... | 211.0 | 231.7 | 253.8 | 272.1 | 245.6 | 264.7 | 283.3 | 266.4 |
| Carbonated beverages ...... | 186.2 | 221.0 | 301.9 | 287.9 | 240.0 | 306.8 | 316.2 | 281.6 |
| Breweries . . . . . . ......... | 191.1 | 201.8 | 256.8 | 230.2 | 179.1 | 282.0 | 237.9 | 196.7 |
| Distilleries | 284.8 | 312.9 | 196.7 | 356.2 | 384.2 | 180.0 | 353.9 | 387.3 |
| Tobacco and tobacco products | 243.4 | 258.1 | 170.6 | 248.6 | 282.4 | 184.5 | 256. 2 | 266.6 |
| Rubber products | 237.4 | 258.5 | 200.2 | 198.6 | 261.9 | 216.9 | 199.9 | 278.4 |
| Leather products ............. | 135.2 | 137.9 | 99.1 | 142.3 | 145.0 | 98.8 | $133.9$ | $139.4$ |
| Boots and shoes ........... | 134.3 | 139.9 | 89.0 | 145.6 | 149.0 | 92.7 | $140.8$ | $147.4$ |
| Textiles | 220.6 | 233.1 | 175.7 | 219.5 | 244.6 | 168.6 | 238.1 |  |
| Cotton goods | 149.7 | 140.8 | 72.9 | 109.9 | 156.1 | 93.4 | 130.9 | 164.3 |
| Woollen goods ............ | 89.6 | 92.1 | 71.5 | 91.7 | 100.7 | 62.0 | 85.6 | 93.4 |
| Synthetic textiles and silk | 391.3 | 440.5 | 318.2 | 426.3 | 460.2 | 279.6 | 478.8 | 487.3 |
| Clothing ................... | 171.2 | 179.2 | 175.2 | 180.9 | 185.0 | 168.4 | 170.4 | 173.7 |
| Taper products ............. | 198.3 | 216.1 | 209.2 | 223.4 | 216.9 | 208.7 | 220.9 | 219.6 |
| Pulp and paper .......... | 192.8 | 210.2 | 199.5 | 216.5 | 207.2 | 199.3 | 212.5 | 210.0 |

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


## Rowl Donestic Product less Agriculture

## WOLe te 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 commity, 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. 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 Agricniture

Second Quarter, 1967

Seasonally adjusted real domestic product less agriculture for the second quarter of 1967 rose by 1.5 per cent, following the decline of 0.3 per cent that occurred in the first quarter of this year. This rise can be compared with the quarter-to-quarter gains of 2.2 per cent, 1.0 per cent, 0.2 per cent, and 1.8 per cent that were realized during 1966 , and the gains of $2.4,1.4,2.0$ and 2.1 per cent that occurred in 1965.

Table A shows the percentage changes in the major industry groupings from the first to the second quarter of 1967 , and their effect on the increase in non-agricultural output.

TABLE A.


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 second quarter of 1967 and each of the preceding three quarters.

The increase in total non-agricultural output in the second quarter of this year was almost entirely the result of an expansion in the service-producing industries, which rose by 2.8 per cent, compared to the 0.3 per cent increase that was recorded for the goods-producing industries. The size of the expansion in the service-producing industries is illustrated in Table $D$ on page ll, which shows that the percentage increase for these industries in the second quarter of 1967 has been exceeded only twice since the first quarter of 1946. Effects of Expo and centennial celebrations can be seen in certain of the service industries in the second quarter, and were probably factors in the increases registered in other service-producing industries.

Within the service-producing industries, wholesale and retall trade showed the largest advance, with an increase of 4.5 per cent. This increase amounted to a contribution of 43 per cent toward the second-quarter increase in total non-agricultural output. Retail trade rose by 3.7 per cent, to account for 23 per cent of the increase in total non-agricultural output. With the exception of very small declines in output that were experienced by a few components, all retail trade components conttibuted to the second-quarter increase. Sales of motor vehicle dealers, which rose by 9.3 per cont (in line with a 10.8 per cent expansion in motor vehicle production), made the largest contribution, followed by goverment liquor stores. Other significant contributions were made by the furniture and appliances, variety stores, and clothing components.

Wholesale trade rose by 5.7 per cent, to account for 20 per cent of the increase in tutal nonagricultural output. Although some of the components in this group declined, most showed large increases over their first-quarter levels. Included in the components that expanded were groceries and Eood specialties, industrial and transportation equipment and supplies, and construction materials and supplies.

The commity, recreation, business and personal service grouping expanded by 3.5 per cent, to record the second-largest contribution to the second-quarter increase. Within this grouping the personal service group rose by 7.2 per cent, and contributed 15 per cent to the second-quarter increase. Expo affected both the personal service group and the business component, which recorded an increase of 4.2 per cent.

The transportation, storage and commination grouping accounted for 21 per cent of the increase in total non-agricultural output. Although gains were registered for storage in grain elevators and for telephone commoication, an increase of 3.2 per cent in this grouping was concentrated in the transportation components. Within transportation there were two major factors. Statistics for the carriage of passengers indicate that travel to and from Expo was one of these factors; and an 8.5 per cent increase in transportation by pipeline was the other one - this increase seems to have been partially caused by greater ofl shipments to the U.S. brought about by the Middle East crisis. With the exception of the strike-affected third quarter of 1966 , the output of the transportation industries has been rising since mid-1963.

Of the remaining service-producing industries, public administration and defence rose by 1.4 per cent in the second quarter of 1967, while the finance, insurance and real estate grouping was at almost exactly the same level as it was during the first quarter of this year.

TABLE B.

|  | IQ'61-IIIQ'66 |  | IQ'61-IVQ'66 |  | IQ'61-IQ'67 |  | IQ'61-IIQ'67 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{aligned} & \% \\ & i \\ & i \end{aligned}$ | Effect on GDP less Agriculture |  | ```Effect on GDP less Agr1- culture``` |  | $\begin{gathered} \text { Effect on } \\ \text { GDP less } \\ \text { Agri- } \\ \text { culture } \end{gathered}$ |  | Effect on GDP less Agriculture |
| Real domestic product less agriculture .... | 39.8 | 39.8 | 42.4 | 42.4 | 42.1 | 42.1 | 44.2 | 44.2 |
| Forestry | 30.7 | .6 | 33.7 | . 6 | 47.5 | . 9 | 45.8 | . 8 |
| Fishing and trapping .. | - 0.4 | - | - 7.5 | - | - 4.9 | - | - 13.7 | -. 1 |
| Mining ............. | 43.5 | 2.5 | 51.1 | 3.0 | 50.4 | 2.9 | 54.6 | 3.2 |
| Manufacturing | 54.3 | 16.0 | 56.7 | 16.7 | 54.2 | 16.0 | 54.8 | 16.1 |
| Non-durable | 43.0 | 7.1 | 45.2 | 7.5 | 44.2 | 7.4 | 45.5 | 7.6 |
| Durable ... | 69.2 | 8.8 | 71.5 | 9.2 | 67.2 | 8.6 | 67.1 | 8.6 |
| Construction ........ | 37.2 | 2.5 | 39.6 | 2.7 | 38.9 | 2.7 | 34.5 | 2.3 |
| Electric power and gas utilities ........... | 67.5 | 2.3 | 71.1 | 2.4 | 77.2 | 2.6 | 81.5 | 2.7 |
| Other goods, n.e.c. ... | 20.0 | . 2 | 19.7 | . 2 | 19.5 | . 2 | 19.5 | . 2 |
| Transportation, storage and communication ... | 42.8 | 4.0 | 48.8 | 4.6 | 49.5 | 4.7 | 54.3 | 5.1 |
| Transportation ..... | 45.4 | 3.1 | 51.7 | 3.6 | 53.3 | 3.6 | 58.3 | 4.0 |
| Trade ................ | 33.6 | 5.1 | 35.3 | 5.3 | 33.4 | 5.1 | 39.3 | 6.0 |
| Wholesale | 46.0 | 2.4 | $48.7$ | 2.5 | $41.0$ | $2.1$ | $49.0$ | 2.6 |
| Retad1............. | 27.2 | 2.7 | 28.3 | 2.8 | 29.4 | 2.9 | 34.1 | 3.4 |
| Finance, insurance and real estate ......... | 29.9 | 3.2 | 31.8 | 3.4 | 33.3 | 3.5 | 33.3 | 3.5 |
| Public administration and defence ......... | 8.3 | . 5 | 9.2 | . 5 | 8.7 | . 5 | 10.2 | .6 |
| Community, recreation, business and personal service | 29.1 | 3.0 | 29.8 | 3.1 | 30.5 | 3.1 | 35.1 | 3.6 |

[^0]Within the goods-producing industries, mining, with an increase of 2.8 per cent, contributed 12 per cent to the second-quarter increase in total non-agricultural output. Crude petroleum mining, with an expansion of 7.0 per cent, provided the major impetus to this grouping, and made a contribution of 12 per cent to the second-quarter increase. The advance in this type of mining more than offset the large drop of 14.7 per cent in the iron ore component. Movements within the other components of the metal, fuel, and non-metal mining groups were mixed.

Manufacturing advanced by only 0.4 per cent, and, in contrast to most quarters, made but a relatively minor contribution to the change in total non-agricultural output in the second quarter. All of this contribution, of 9 per cent, came from the manufacturing of non-durables, which rose by 0.9 per cent. The textile products group had the largest contribution, of 7 per cent, most of which came from the 10.2 per cent increase in synthetic textiles and silk, supplemented by the additional output of cotton goods. Although recovering from a drop of 11.6 per cent in the first quarter, the synthetic textiles and silk industry had not quite regained the level of output it had achieved since its period of almost uninterrupted expansion began, in 1961. The foods and beverages group had the second largest contribution, of 5 per cent, chiefly from the beverage products components (notably distilleries, whose output rose considerably). With the exception of the paper products group, movements in the remaining non-durables groups were mixed, but had relatively little effect on the secondquarter increase. Paper products fell by 2.3 per cent, because of some cut-backs in pulp and paper production.

Although durables manufacturing was unchanged from its first-quarter level, there were fairly large offsetting movements within this area. The largest contribution to the second-quarter increase was 12 per cent, which came from the manufacture of motor vehicles, which rose by 10.8 per cent. When included with the other motor-vehicle-related series (manufacture of motor vehicle parts and accessories, and retall sales of motor vehicle dealers), the effect of the recovery in motor vehicle manufacturing from the decline in the previous quarter was to contribute about one-fifth of the increase in total non-agricultural production. The electrical apparatus and supplies group slipped by 6.7 per cent, Which was the largest negative effect in durables manufacturing. Each of the five components of this group fell from their second-quarter levels; the greatest declines were in those components that were affected by strikes. Even though the iron and steel products group decreased by 1.4 per cent this quarter, the production of primary iron and steel rose by 2.1 per cent. The wood products, non-me sallitc mineral products, and non-ferrous metal products groups all made small contributions to the secondquarter increase.

Electric power and gas utilities rose by 2.5 per cent. The contribution of this grouping, which was 7 per cent, was divided almost evenly between the two components, although gas utilities expanded by 7.2 per cent while electric power increased by only 1.6 per cent.

Construction, which was affected by strikes in Ontario and Quebec, was the only industry to show a significant drop in terms of weighted index points in the second quarter. This drop was greater than the contribution to the second-quarter increase which was made by the manufacturing industry and only slightly less than the contribution of the transportation groups. The decrease of 3.2 per cent in the construction industry was the result of a fractional decline in private construction and a 9.3 per cent fall in public construction. Within the private construction component an 18.7 per cent increase in housing, which represented a recovery to the levels of the first half of 1966 , was more than offset by a decrease in non-residential construction. The large increase in private residential construction was sparked by the doubling of the number of housing units, of both the single-and multipledwelling type, that were started in the second quarter. This very large increase in housing starts was affected by the direct loans to home builders that were provided by Central Mortgage and Housing Corporation in April and May. Within the public construction component, a big upward movement in residential and non-residential construction was completely outweighted by an even bigger downward movement in highway construction.

Although fishing and trapping declined by 9.3 per cent due to a decline in sea fishing, and forestry decreased by 1.1 per cent from a very high first-quarter level, these two industries had only a very minor dampening effect on the second-quarter rise in total non-agricultural output.

## First Half of 1967

Table $C$ shows that non-agricultural real output in the first six months of this year rose by 3.0 per cent over the first six months of 1966 , on a seasonally unadjusted basis. The contrast between this increase and the post-war average rate of growth of 4.8 per cent was the result of a decline of 0.3 per cent (on a seasonally-adjusted basis) in total non-agricultural output in the firat. quarter. In that quarter the monthly Index of Industrial Production fell by 0.9 per cent, on a season-ally-adjusted basis. Manufacturing and construction have been the major dampening influences on industrial growth this year.

An assumption of a one per cent increase, on a seasonally adjusted basis, in each of the last two quarters of 1967 would result in a 3.4 per cent increase for 1967 as a whole, while a 2 per cent increase would result in a 4.2 per cent increase for the year. If production declines by one per cent in each of the remalning quarters, the increase for the year would be only 1.8 per cent.

TABLE C.
Percentage Changes In Major Industry Groupings
for the First Six Months of 1967 Compared With the First Six Months of 1966 (Not seasonally adjusted)

Per cent

Per cent

change

change

| Real domestic product, less agriculture | 3.0 | Iransportation, storage and comunication | 7.3 |
| :---: | :---: | :---: | :---: |
| Forestry | 9.9 | Transportation. | 7.4 |
| Fishing and trapping | 0.6 | Trade | 3.3 |
| Mining . ....... | 5.3 | Wholesale | 0.6 |
| Manufacturing | 1.1 | Retail ............................................... | 4.9 |
| Non-durable | 1.9 | Finance, insurance and real estate | 4.9 |
| Durable | 0.2 | Public administration and defence.................. | 3.4 |
| Construction | -8.9 | Community, recreation, business and personal service | 5.0 |
| Electif power and gas utilities | 10.8 |  |  |

TABLE D.
Quarter-to-Quarter Changes in the Service-Producing Industries,
1946 - 2nd Quarter of 1967
(Seasonally adjusted indexes, $1949=100$ )


TABLE 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 - Continued $1949=100$

|  | Manufacturing |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Non-durable manufacturing |  |  | Durable manufacturing |  |  |  |  |
|  | Products of petroleum and coal | Chemicals and allied products | Miscel- <br> laneous manu- $\qquad$ | Total | Wood products | Iron and steel products | Transpor tation 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 $\begin{array}{r}1 \\ 2 \\ 3 \\ 4\end{array}$ | 327.3 306.7 |  | 376.5 | 209.0 | 175.8 | 206.7 | 218.1 | 168.4 |
|  |  |  | 383.8 | 211.2217.4 | 171.4 | 212.2 | 215.0 | 173.9 |
|  | $\begin{aligned} & 327.7 \\ & 335.3 \end{aligned}$ | $\begin{aligned} & 313.4 \\ & 328.7 \end{aligned}$ | 391.0393.9 |  | 174.4 | 216.0 | 229.5 | 174.0 |
|  |  |  |  | 217.4 215.6 | 175.9 | 226.5 | 191.2 | 180.3 |
| $\left.1965=\begin{array}{l}1 \\ 2 \\ 3 \\ 4\end{array}\right)$ | $\begin{aligned} & 342.1 \\ & 344.8 \\ & 350.6 \\ & 345.7 \end{aligned}$ | $\begin{aligned} & 326.5 \\ & 339.9 \\ & 346.9 \\ & 364.7 \end{aligned}$ | $\begin{aligned} & 397.0 \\ & 403.7 \\ & 411.7 \\ & 415.9 \end{aligned}$ | 228.0 | 177.0 | 229.6 | 234.3 | 182.4 |
|  |  |  |  | 233.7240.1 | 180.1180.0 | 229.6 236.0 | 243.3 | 183.8 |
|  |  |  |  |  |  | 243.5 | 256.2 |  |
|  |  |  |  | 248.1 | 180.0 190.6 | 247.6 | 269.8 | 192.8 |
| 1966-1 $\begin{array}{r}1 \\ 2 \\ 3 \\ 4\end{array}$ | $\begin{aligned} & 357.2 \\ & 372.7 \\ & 371.1 \\ & 384.3 \end{aligned}$ | $\begin{aligned} & 376.3 \\ & 379.4 \\ & 376.0 \\ & 378.1 \end{aligned}$ | $\begin{aligned} & 430.7 \\ & 444.4 \\ & 455.2 \\ & 463.3 \end{aligned}$ | $\begin{aligned} & 252.8 \\ & 253.2 \\ & 255.6 \\ & 259.1 \end{aligned}$ | $\begin{aligned} & 188.8 \\ & 191.8 \\ & 188.8 \\ & 187.1 \end{aligned}$ | $\begin{aligned} & 256.0 \\ & 252.5 \\ & 251.7 \\ & 252.4 \end{aligned}$ | $\begin{aligned} & 272.0 \\ & 265.8 \\ & 275.5 \\ & 281.6 \end{aligned}$ | $\begin{aligned} & 195.4 \\ & 197.6 \\ & 191.5 \\ & 197.6 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| $1967-1$23 | $\begin{aligned} & 375.7 \\ & 379.5 \end{aligned}$ | $\begin{aligned} & 389.6 \\ & 391.5 \end{aligned}$ | $\begin{aligned} & 463.1 \\ & 462.9 \end{aligned}$ | $\begin{aligned} & 252.6 \\ & 252.5 \end{aligned}$ | $\begin{aligned} & 188.4 \\ & 190.9 \end{aligned}$ | $\begin{aligned} & 251.4 \\ & 247.9 \end{aligned}$ | $\begin{aligned} & 261.3 \\ & 276.7 \end{aligned}$ | $\begin{aligned} & 201.3 \\ & 201.4 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  | Without seasonal adjustment |  |  |  |  |  |  |  |
| $\begin{aligned} & 1964 \\ & 1965 \\ & 1966 \\ & 1967 \end{aligned}$ | $\begin{aligned} & 330.1 \\ & 345.9 \\ & 371.6 \end{aligned}$ | $\begin{aligned} & 312.7 \\ & 344.7 \\ & 377.5 \end{aligned}$ | $\begin{aligned} & 386.5 \\ & 407.3 \\ & 448.8 \end{aligned}$ | $\begin{aligned} & 212.7 \\ & 237.2 \\ & 255.2 \end{aligned}$ | $\begin{aligned} & 174.3 \\ & 181.7 \\ & 189.2 \end{aligned}$ | $\begin{aligned} & 215.2 \\ & 239.1 \\ & 253.1 \end{aligned}$ | $\begin{aligned} & 210.5 \\ & 250.0 \\ & 273.8 \end{aligned}$ | $\begin{aligned} & 174.2 \\ & 186.9 \\ & 195.7 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| $\begin{array}{r} 1964-\frac{1}{2} \\ 3 \\ 4 \end{array}$ | $\begin{aligned} & 333.3 \\ & 314.0 \\ & 333.9 \\ & 339.1 \end{aligned}$ | $\begin{aligned} & 305.9 \\ & 314.9 \\ & 304.5 \\ & 325.4 \end{aligned}$ | $\begin{aligned} & 363.3 \\ & 375.2 \\ & 398.8 \\ & 408.7 \end{aligned}$ | $\begin{aligned} & 206.7 \\ & 220.1 \\ & 206.0 \\ & 217.9 \end{aligned}$ | $\begin{aligned} & 177.1 \\ & 171.3 \\ & 182.5 \\ & 166.4 \end{aligned}$ | $\begin{aligned} & 199.9 \\ & 219.6 \\ & 216.1 \\ & 225.1 \end{aligned}$ | $\begin{aligned} & 233.6 \\ & 248.1 \\ & 161.9 \\ & 198.2 \end{aligned}$ | $\begin{aligned} & 168.3 \\ & 175.5 \\ & 170.2 \\ & 182.7 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| 1965-1 $\begin{array}{r}1 \\ 2 \\ 3 \\ 4\end{array}$ | $\begin{aligned} & 349.4 \\ & 327.5 \\ & 356.3 \\ & 350.2 \end{aligned}$ | $\begin{aligned} & 326.1 \\ & 352.2 \\ & 336.0 \\ & 364.5 \end{aligned}$ | $\begin{aligned} & 382.6 \\ & 394.6 \\ & 420.7 \\ & 431.3 \end{aligned}$ | 226.2 | 178.5 | 222.3 | 254.7 | 182.5 |
|  |  |  |  | 243.2 | 179.9187.9 | 244.0243.3 | 278.7 | 185.7183.5 |
|  |  |  |  | 227.4 |  |  | 184.3 |  |
|  |  |  |  | $\begin{array}{lllllll}350.2 & 364.5 & 431.3 & 251.9 & 180.6 & 246.6 & 282.3\end{array}$ |  |  |  |  |
| 1966-1 | $\begin{aligned} & 362.4 \\ & 357.9 \\ & 378.3 \\ & 387.8 \end{aligned}$ | $\begin{aligned} & 376.8 \\ & 394.2 \\ & 360.4 \\ & 378.6 \end{aligned}$ | $\begin{aligned} & 415.2 \\ & 436.4 \\ & 466.1 \\ & 477.4 \end{aligned}$ | $\begin{aligned} & 252.5 \\ & 262.9 \\ & 241.7 \\ & 263.7 \end{aligned}$ | $\begin{aligned} & 190.5 \\ & 192.0 \\ & 194.9 \\ & 179.3 \end{aligned}$ | $\begin{aligned} & 249.4 \\ & 260.5 \\ & 252.0 \\ & 250.4 \end{aligned}$ | $\begin{aligned} & 300.1 \\ & 300.9 \\ & 201.4 \\ & 292.8 \end{aligned}$ | $\begin{aligned} & 194.9 \\ & 200.2 \\ & 186.2 \\ & 201.4 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| 1967-1 | $\begin{array}{r} 385.0 \\ 364.1 \end{array}$ | $\begin{aligned} & 389.6 \\ & 409.0 \end{aligned}$ | $\begin{aligned} & 446.3 \\ & 454.7 \end{aligned}$ | $\begin{aligned} & 252.3 \\ & 263.8 \end{aligned}$ | $\begin{aligned} & 190.1 \\ & 192.2 \end{aligned}$ | $\begin{aligned} & 246.2 \\ & 255.6 \end{aligned}$ | $\begin{aligned} & 285.9 \\ & 319.5 \end{aligned}$ | $\begin{aligned} & 199.6 \\ & 204.3 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |

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) Includes transpurtation, 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 commity service, n.e.c. and domestic service.


[^0]:    Note: The colums may not add to the total due to rounding.

