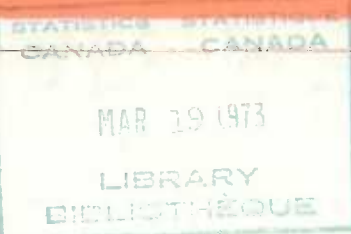


Statistics Canada

weekly



Friday, March 16, 1973

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Consumer Price Movements, February 1973 (62-001, 10¢/\$1.00).

The Consumer Price Index for Canada (1961=100) advanced 0.6% to 145.3 in February from 144.5 in January, recording an increase similar to those between January and February in the preceding three years. The latest index reflects prices in effect just prior to the recent budget measures. Food prices, which increased 1.1%, again were the major contributors to the latest month's advance. The level of prices for all-items other than food rose 0.4 %, mainly because of a 0.7% advance in the housing index. Other components recording increases were health and personal care (0.6%), recreation and reading (0.4%), tobacco and alcohol (0.3%) and transportation (0.2%). The clothing index declined 0.2%. Between February 1972 and February 1973, the all-items index advanced 5.8%.

The food index rose 1.1% to 151.6 in February from 150.0 in January. This increase compared with an average January-to-February advance of almost 0.9% for the preceding three years. In the latest

month, restaurant meal prices rose 1.6%, reflecting increases in many cities across the country. The price level of food consumed at home rose 1.0% mainly in response to higher prices for beef (4.5%), pork (6.1%), and poultry (3.5%). Since February 1972, the meat, fish and poultry index advanced almost 17% with pork prices increasing, on average, over 26%. In the latest month, the fruit index, which normally advances at this time of year, rose 3.0% as higher prices were registered for most fresh, canned and frozen varieties. In contrast, the vegetable index, which also normally rises between January and February, fell 1.7% in response to lower prices for such fresh items as tomatoes and lettuce. Since February 1972, the fruit and vegetable indexes advanced 10.2% and 9.3%, respectively. In the latest month, egg prices edged down by only 0.7%, a smaller than normal decline for this time of year, leaving the egg index over 40% above its level of a year earlier. Between January and February, the price of fresh milk rose 0.5% as higher quotations were registered in Vancouver and Victoria as well as in several Ontario cities and in St. John's, Nfld. On the

(continued)



other hand, cheese and ice cream prices edged down, on average, due to specials in some centres, particularly Toronto. The bakery and cereal products index increased 0.4% as most baked goods, including bread, registered advances. Among other food-stuffs, sugar prices remained relatively stable for the fourth consecutive month; soft drinks on the other hand, advanced in price nearly 3% at the beginning of February to retail more than 6% higher than three months earlier. Though peanut butter moved up in price 2.5% in the latest month, it was among the few items which were selling at about the same price as twelve months previous. Another such item was tea bags which moved down nearly 2% in price between January and February to retail slightly below twelve months earlier. Since February 1972, the food index advanced 10.2% with the price of food consumed at home increasing 10.3% and that for restaurant meals 9.3%.

The housing index advanced 0.7% to 149.0 in February from 148.0 in January as a result of increases of 0.7% in the shelter and 0.6% in the household operation components. Within shelter, the homeownership element advanced 1.1% chiefly because of higher dwelling insurance rates in a number of cities together with an increase in the new houses index; rents moved up 0.2%. The main factors in the household operation rise were increased fuel oil prices in most cities across the country, and higher household effects insurance rates in a number of centres. Household textiles prices rose 0.8% with increased quotations for most items surveyed, particularly woollen blankets and curtains. On the other hand, furniture prices dipped 0.2% chiefly because of scattered sales on bedroom suites and mattresses. Among other household operation items, glassware, dishes, carpets and most cleaning supplies were higher in price, while scouring powder and light bulb quotations were lower. Between February 1972 and February 1973, the housing index advanced 5.7%.

The clothing index decreased 0.2% to 134.4 in February from 134.7 in January mainly because of a 0.9% decline in the index for men's wear. Seasonal sale prices on suits, ski parkas, overcoats and business shirts were the major factors in the fall in the men's wear index; higher quotations were registered for slacks, topcoats, undershirts and pyjamas. The children's wear component dipped 0.2% as sale prices on boys' parkas and shirts, and girls' dresses outweighed some price rises for girls' hosiery and infants' diapers. On the other hand, the women's wear index rose 0.1% partly as a result of higher prices for girdles and pyjamas. Footwear quotations were unchanged on average. In the twelve months to February 1973, the clothing index rose 3.5%.

The transportation index rose 0.2% to 133.5 in February from 133.3 in January as increases in the automobile operation and local transportation ele-

ments outweighed a seasonal decline in the train fares index. Generally higher gasoline prices together with increased Edmonton automobile insurance rates were chiefly responsible for a 0.2% rise in the automobile operation component. The local transportation element also rose 0.2% as a result of an effective increase in Saskatoon local transit fares and increased taxi fares in Moncton, Hamilton, Windsor, Thunder Bay, Saskatoon and Edmonton. In the twelve months to February 1973, the transportation index rose 0.9%.

The health and personal care index advanced 0.6% to 152.8 in February from 151.9 in January as a result of increases of 0.7% in personal care and 0.5% in health care. The personal care advance chiefly resulted from a 1.1% increase in personal care service charges which was due to higher men's haircut and women's hairdressing charges in a number of cities. Personal care supplies' prices rose 0.2% mainly because of higher quotations for toothbrushes, sanitary napkins, face cream and cleansing tissues. The health care advance reflected 1.2% higher pharmaceutical prices with increased quotations for most items surveyed. Between February 1972 and February 1973, the health and personal care index rose 3.8%.

The recreation and reading index rose 0.4% to 142.1 in February from 141.5 in January as higher motion picture admission prices in many cities across the country, and increased newspaper subscription rates in Montreal, outweighed some lower camera film (including processing) prices. In February 1973, the recreation and reading index stood 2.9% above its level of February 1972.

The tobacco and alcohol index rose 0.3% to 135.7 in February from 135.3 in January. A 0.6% advance in tobacco product prices reflected higher cigarette quotations in many cities across the country, and some increased liquor prices in Nova Scotia and Manitoba moved the alcoholic beverages element up 0.1%. Between February 1972 and February 1973, the tobacco and alcohol index increased 4.7%.

Consumer price movements, when classified by commodities and services, offer another view of the incidence of price change. Between January and February, the services index advanced 0.5% because of higher household and automobile insurance rates, increased prices for theatre admission, men's haircuts and women's hairdressing and higher taxi and local transit fares. The total commodities index advanced 0.6% mainly as a result of the 1.1% rise in food prices. Prices for non-durable commodities other than food moved up 0.4% as increased quotations for fuel oil, gasoline, tobacco products, pharmaceuticals, toiletries, cleaning supplies and alcoholic beverages outweighed reduced clothing prices. No change was recorded in the durables index. In the twelve months to February 1973, commodities prices advanced 5.9% while the services index increased 5.7%.

(see table on next page)

Consumer Price Index and Main Components
(1961=100)

	Component weight*	Index			Change	
		1973		1972	Feb. 1973 from	
		Feb.	Jan.	Feb.	Jan. 1972	Feb. 1972
					%	
All-items	100	145.3	144.5	137.3	0.6	5.8
Food	27	151.6	150.0	137.6	1.1	10.2
Restaurant meals		182.0	179.1	166.5	1.6	9.3
Food at home		147.6	146.1	133.8	1.0	10.3
Housing	32	149.0	148.0	140.9	0.7	5.7
Shelter		165.1	163.9	154.8	0.7	6.7
Household operation		127.4	126.7	122.2	0.6	4.3
Clothing	11	134.4	134.7	129.8	-0.2	3.5
Transportation	12	133.5	133.3	132.3	0.2	0.9
Health and Personal Care	7	152.8	151.9	147.2	0.6	3.8
Recreation and Reading	5	142.1	141.5	138.1	0.4	2.9
Recreation		133.7	133.2	129.3	0.4	3.4
Reading		167.1	166.3	164.3	0.5	1.7
Tobacco and Alcohol	6	135.7	135.3	129.6	0.3	4.7
Tobacco		146.3	145.4	138.2	0.6	5.9
Alcohol		128.6	128.5	123.8	0.1	3.9
Supplementary Classification						
All-items	100	145.3	144.5	137.3	0.6	5.8
Total commodities	70	136.2	135.4	128.6	0.6	5.9
Food	27	151.6	150.0	137.6	1.1	10.2
Non-durables (excluding food)	31	133.0	132.5	128.0	0.4	3.9
Durables**	12	109.6	109.6	109.2	-	0.4
Total Services	30	166.4	165.5	157.5	0.5	5.7
Purchasing power of the 1961 consumer dollar	-	0.69	0.69	0.73		

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All-items Consumer Price Index Converted to 1949=100 187.7

* Component weights indicate the relative importance of item groups.

** Includes items as new passenger cars, refrigerators, stoves, vacuum cleaners, sewing machines, television and radio sets, furniture, floor coverings, and dishes.

Note: For comprehensive detail on these and other price statistics, see *Prices and Price Indexes*, (62-002, 40¢/\$4).

The Labour Force, February 1973 - Advance Information.

Employment increased to an estimated 8.28 million in February from 8.19 million the previous month, and 7.93 million a year earlier. Unemployment decreased to 655,000 from 688,000, but was still higher than the 627,000 unemployed in February 1972. The total work force increased to 8.94 million from 8.88 million and 8.56 million.

The seasonally adjusted unemployment rate decreased to 5.9 in February from 6.2 in January, to

reach the lowest level since April 1972. The rate for married men 25-54 years of age, decreased to 3.6 in February from 4.0 in January and for persons 14-24 to 10.6 from 11.2. It decreased to 8.8 from 9.5 in the Atlantic Region, to 7.9 from 8.4 in Quebec, to 4.1 from 4.2 in Ontario, to 4.2 from 4.7 in the Prairies and to 7.5 from 8.0 in British Columbia.

Seasonally adjusted employment increased for the fifth consecutive month to 8.64 million in February from 8.53 million in January.

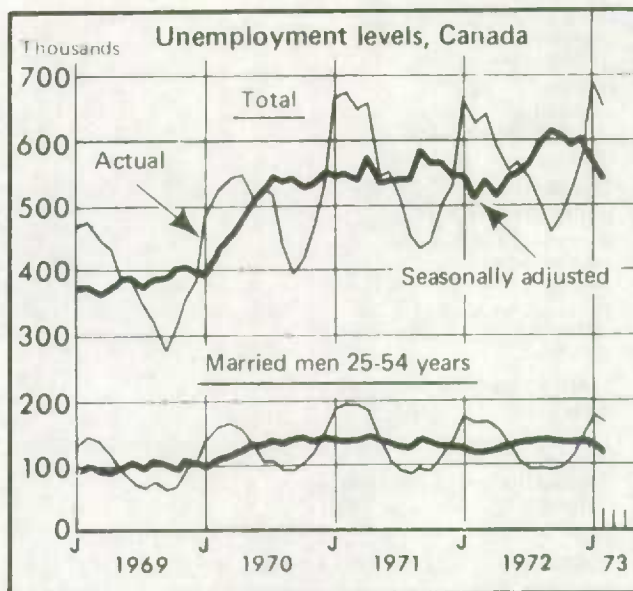
For further information order *The Labour Force*, February 1972 (71-001, 30¢/\$3).

(see graphs on next page)

Weekly Railway Carloadings, February 28, 1973 - Advance Information.

Railways in Canada loaded 4.16 million tons of revenue carload freight during the 7-day period ending February 28. This was 4.3% less than in the comparable period of 1972. Year-to-date loadings increased 15.2%. There were 5 working days in the 1973 period compared with 6 in the 1972 period.

For further information order the February issue of *Railway Carloadings* (52-001, 20¢/\$2).



Prices and Price Indexes, March 1973 - Advance Information.

Weekly Security Price Indexes

Index	Number stocks priced	March 8/73 This week	March 1/73 Week ago 1961=100	Feb. 8/73 Month ago
Investors price index	114	191.3	186.8	192.2
Industrials	80	203.7	197.3	203.8
Utilities	20	156.3	154.7	156.9
Finance	14	182.0	182.8	186.8
Mining stock price index	24	128.9	128.0	122.0
Uraniums price index	4	223.3	217.5	182.2
Primary oils and gas	6	497.9	491.6	556.7

For further information, order the March issue of *Prices and Price Indexes* (62-002, 40¢/\$4), or contact Mr. J. Boulet (613-992-8270), Prices Division, Statistics Canada, Ottawa K1A 0V6.

Gross National Product, Annual Review 1972 - Advance Information (Released March 12).

A second year of brisk economic activity, supported by continuing strong domestic demand carried the Gross National Product over the \$100-billion mark in 1972. Preliminary estimates indicate the same real rate of growth of 5.5% as in 1971, in spite of certain adverse factors including a number of work interruptions and a decline in agricultural production. The output growth was accompanied by the largest employment gains since 1969, although almost equally large increases in the labour force prevented the unemployment rate from falling significantly. The expansion of production was accompanied by renewed price pressure, as reflected in the sharpest increase in the overall implicit price index in many years.

Gross National Product at market prices rose by 10.6% to \$102.9 billion in 1972. This advance was the largest since 1966. The 1971 increase was 8.9%. Nearly half of the dollar gain reflected higher prices, particularly evident in the food, construction and some merchandise exports components of demand, rather than rising volume of production. The rise in the implicit price index for GNP of 4.9% compared with a rise of 3.3% in 1971 and of 4.5% in each of the inflationary years 1969 and 1970.

In a continuing climate of expansionary fiscal and monetary policies, the forces of demand and production in 1972 generally followed the pattern of the previous year. Consumer outlays accelerated sharply in both years, in line with unusually strong growth in personal disposable income, which was again boosted by record increases in transfer payments in 1972. Housing outlays continued very strong as did government current expenditure, while increases in business investment on plant and equipment remained relatively modest. Domestic demand again outpaced production in 1972, resulting in a further deterioration in the balance of transactions in goods and services with non-residents, from a reduced surplus in 1971 to a deficit in 1972. Highlighting the income side in both years were very sharp increases in corporation profits and accelerated rises in labour income.

Although the economy has been growing strongly in the last two years, the quarterly distribution of the gains has been rather erratic. In 1972, the strength of demand was largely concentrated in the second and in the fourth quarters, which showed volume gains of 2.1% and 2.6% respectively. These gains were in especially sharp contrast with the marginal increase of 0.3% shown by the (revised) third quarter estimate. (The originally published estimate of the third quarter showed a 0.7% decline.) Much of the volatility in aggregate demand was apparently due to

merchandise exports, which were affected by strikes at home and abroad and by other work interruptions, and to the uneven pace of consumer purchases of durable goods, especially automobiles.

In 1972, consumers spent \$6.2 billion more on goods and services than in 1971 - an increase of 11.6%. This was much in excess of any gain recorded in the sixties and compared with a 7.8% increase in 1971. Even after removing the effect of increasing prices, up 3.6% after a small 2.2% increase in 1971, the volume gain of 7.6% was the strongest since 1955. This upsurge in consumer spending was very widely based as all major categories of personal expenditure showed unusually high rates of increase, ranging from 9.6% for services to 15.6% for durable goods. The goods categories as a whole showed a 12.9% increase. The growth in consumer outlays, spectacular as it was, fell short of the 11.9% growth in personal disposable income, resulting in a small increase in the already historically high personal saving ratio (personal saving as a proportion of personal disposable income) from 7.8% to 8.0%.

As in the previous year, expenditure on durable goods paced the advance, but the gains within that group were much more widespread in 1972. Expenditure on new passenger cars continued to increase strongly, up 15 1/2% after a 27% increase in 1971; most other durable goods showed sharp rises, in particular, furniture and household appliances, in line with the continuing boom in new housing. Widespread increase in expenditures were noted in semi-durable goods, up 12.5% and in non-durable goods, up 11.8%. In the latter group, a 13% increase in food outlays was largely due to sharp price rises.

Government current spending on goods and services rose by 11.9%, about the same rate as in 1971. The major increases took place at the provincial and local levels and reflected mainly higher wage and salary payments, including substantial retroactive amounts. The increase in capital outlays of governments, on the other hand, was much smaller than in 1971.

Increases in government transfer payments to persons, mainly at the federal level, had a sharp expansionary effect on the economy. Unemployment insurance benefits more than doubled in 1972. With total expenditures rising more sharply than revenues, the government sector, on a national accounts basis and including the Canada and Quebec Pension Plans, moved from a surplus of \$98 million in 1971 to a deficit of \$1,004 million in 1972.

The housing sector, supported by continuing favourable financing conditions, was another factor contributing strongly to the current economic expansion. Housing starts realized a new record at

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almost 250,000 units. Outlays rose by 18.8% in 1972, following a 23.0% increase in the previous year. However, much of the increase in 1972 reflected sharp price increases, especially of lumber. The increase in the volume of residential construction as measured in constant dollars rose by 9.5% compared with 15.9% in 1971. The increase in 1972 was concentrated in the construction of single dwellings, in contrast with the previous year when apartment construction contributed almost equally to the expansion.

In contrast with housing, the increase in business plant and equipment spending remained relatively modest in 1972. These outlays rose by 6.4% compared with 5.8% in 1971. Spending on non-residential construction, affected by strikes, slowed considerably from a 10.1% increase in 1971 to 2.7% in 1972. This represented a decline in real terms. Spending on machinery and equipment, on the other hand, rose by 10.0%, the highest increase of the last three years. Outlays on commercial vehicles, passenger vehicles for business use, farm implements and non-farm imported machinery were especially strong.

The rate of investment in non-farm business inventories rose from \$87 million to \$444 million. This was the first increase in such investment since 1969. For the year as a whole, the major part of the investment was concentrated in dealer holdings of durable goods. Stocks of manufacturers, on the other hand, were drawn down considerably and the stock-to-shipments ratio in 1972 was much below the ratio of the preceding year. Over half of the investment in non-farm business inventories took place in the first quarter, due to a sharp increase in the stocks of retail dealers. In 1972, new orders rose much more sharply than shipments, leaving at year end a high backlog of unfilled orders at the manufacturing level.

In the external sector, both exports and imports of goods and services in total rose at accelerated rates, however, the faster rate of increase in imports resulted in a sharp deterioration in the balance from a surplus of \$66 million in 1971 to a deficit of \$776 million. Most of the swing occurred in the merchandise account. Although merchandise exports rose by 11.5% — almost twice the rate of the previous year — merchandise imports rose even faster, by 18.4%.

Among exports, notable increases were recorded in crude petroleum and lumber. In imports, there were notable increases in machinery and equipment, in line with strong rises in this type of investment. An extended shutdown of a major automobile plant in Canada in the third quarter to switch its product line also contributed to the swing of the merchandise balance.

Most income components displayed sizable gains in 1972. Labour income, which accounts for over half

of GNP rose by \$5.6 billion, or 10.9%, to a level of \$56.9 billion. This was the largest percentage increase since 1969 and compared with gains of less than 10% in the two previous years. The acceleration was entirely due to widespread sharp increases in the service producing industries, especially in trade, up 13.0% compared with 8.6% in 1971 and in public administration, which showed the same high rate of advance, 14.6%, as in the previous year. The growth of wages and salaries in the goods producing industries, up 8.4% compared with 8.1% in 1971, was slowed by industrial disputes in construction and mining. However, wages and salaries in manufacturing rose by 9.8% — a significant acceleration over the previous two years and slightly above the rate recorded in 1969.

Preliminary estimates of corporation profits indicate an increase of nearly 20%. This gain, the largest since 1955, occurred on top of an already sizable increase of 15.9% in 1971. Although industrial detail is not yet available, there are indications that the gains were widespread. As a proportion of GNP, corporation profits declined to low levels in 1969 and 1970, but sharp gains in 1971 and 1972, re-established this proportion at 10.5%, only slightly less than that of 10.7% in 1968. A larger proportion of the increase in business income in the last two years reflected sharp gains in inventory valuation, due to rising prices. The inventory valuation adjustment, a negative correction to GNP in periods of rising prices, to remove that part of the increased value of stocks not due to current production, rose sharply in the last two years.

Price Movements

The implicit price index of gross national expenditure rose 4.9% for the year, a considerable acceleration from the 3.3% experienced in 1971. The implicit price index for personal expenditure rose by 3.6% compared with 2.2% in 1971. This acceleration stemmed mainly from food prices, which were 8.0% higher in the year, the largest rate of increase in over a decade. This was reflected in a jump in the implicit price index for non-durable goods from a 1.7% increase in 1971 to a 5.1% increase in 1972. In other categories, the most important price acceleration occurred in semi-durables, from 1.8% to 2.8%. In durable goods, an accelerated rise in the price of furniture was largely offset by a moderation in the rate of increase of car prices.

Prices of exports which had remained flat in 1971 rose by 3.1% in 1972. Most components of the merchandise price index accelerated, with particularly sharp rises in prices of food and lumber products. Most metals, on the other hand, showed price deceleration. The service component, which has a

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lower weight in the overall price index, rose by a strong 5.8%. The price rise in the import index of 2.2% remained moderate, in large part due to price moderation in the United States following the adoption of price control measures.

The implicit price for current government expenditure rose 6.6% over the year, equivalent to the 1971 increase. The increase of the wage component of over 7% contributed most to this price rise. Higher retroactive payments in 1972 included in this item would normally result in an acceleration in the price rise compared to 1971, however, strike effects in the second quarter offset the impact of these wage settlements.

The implicit price index for business gross fixed capital formation rose 5.1%, but this upward pressure on prices was concentrated in construction prices, as the machinery and equipment component, reflecting its high import content, rose a modest 2.1%, a lesser rate than in 1971.

With continued strong demand, residential construction prices rose 8.4%, an acceleration from the 6.1 increase in 1971, while non-residential construction prices, where there was relatively weak demand, advanced 6.4%, the same as 1971. Labour prices rose at slightly decelerated rates compared to 1971, so that the main impetus behind the surge in prices was due to higher material costs. The 14.9% increase in lumber prices boosted residential material prices to the highest level of the decade.

Gross National Product – Fourth Quarter 1972

Preliminary estimates of the National Income and Expenditure Accounts reveal a sharp acceleration of the Canadian economy in the fourth quarter following a moderation of the rate of growth in the third quarter. Gross National Product at market prices, seasonally adjusted at annual rates, rose by \$3.3 billion to a level of \$107 billion, a quarterly increase of 3.2% compared with 1.7% in the revised third quarter. The implicit price index of GNP decelerated in the fourth quarter, rising by 0.6% compared with 1.5% in the previous quarter, reflecting mainly weight shifts in demand. After allowing for price changes, the GNP rose by 2.6%, the strongest quarterly gain in 1972. Real growth in the previous quarter was 0.3%.

Strongly rising consumer outlays, especially on durable goods, and government current expenditure on goods and services were the main contributing elements to the strength of domestic demand. As well, foreign demand rose sharply in the quarter, resulting in a substantial lessening in the deficit on goods and services with non-residents. In the capital goods sector, although outlays on machinery and equipment increased strongly, investment in construction weakened markedly, especially in volume terms.

Consumer expenditure on goods and services rose by 3.2% to an annual rate of \$62.8 billion. This was substantially above the previous quarter's increase of 2.1% but slightly lower than the 3.4% increase registered in the second quarter. Unlike the third quarter where the increase was dominated by the service components, more than two-thirds of the increase in the fourth quarter was centered in the goods categories. Within goods, expenditure on durable items rose 6.4% following the third quarter slowdown. The surge was primarily associated with an 11% increase in new and used vehicle sales after a decline of 4.8% in the previous quarter.

Spending on housing weakened during the fourth quarter, from a rate of \$5,596 million in the third quarter to \$5,484 million in the fourth quarter of 1972, a drop of 2.0% compared to an increase of 7.3% in the previous quarter. This was the first drop in more than two years and included all types of new dwellings, particularly apartment construction, which declined by 5.6% compared with an 18.6% increase in the third quarter.

Business investment on plant and equipment rose by 2.1% in the fourth quarter after virtually no change in the third quarter. With non-residential construction increasing marginally, as in the previous quarter, the increase in outlays was concentrated in machinery and equipment spending, which rose by 3.6% after a small decline in the third quarter. Especially notable gains were recorded in investment in commercial vehicles and in passenger cars for business use.

The increase of \$172 million in non-farm business inventory investment occurred mainly in trade. There was a sharp decline in the rate of investment in manufacturers' inventories, from an accumulation of \$128 million in the third quarter to a liquidation of \$524 million in the fourth quarter.

The external sector provided considerable strength in the fourth quarter. The balance on international transactions in goods and services improved sharply by \$504 million, from a deficit of \$936 million in the strike-affected third quarter to one of \$432 million. The improvement of the balance was attributable to merchandise trade with exports growing at 14.3%, the highest quarterly rate in a decade, against a rise of 8.4% in merchandise imports. Among selected exported commodities, automobiles, lumber and industrial machinery registered their largest increases in the last five years, while wheat exports also rose very strongly. Imports of special industrial machinery and of automotive products showed substantial increases.

A \$708-million widening of the services deficit originated in deteriorating balances in most components except freight and shipping. In particular, interest and dividend payments rose sharply, while receipts fell. The travel account was also a source of weakness in the fourth quarter.

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The buoyancy of economic activity in the fourth quarter was reflected in labour income and corporation profits which posted their largest quarterly gains in the year. The rise in labour income was 3.7%, partly due to large retroactive payments by governments. Notable increases in wages and salaries took place in both the goods producing and the service producing industries. Within the goods producing sector, all industries except construction contributed to the marked acceleration of 3.4%. The increase in the service producing industries was 3.9% compared with 2.4% in the third quarter.

Price Movements

The implicit price index for gross national expenditure increased by 0.6% in the fourth quarter, a marked slowdown from the previous quarter, and the lowest for the year. The influence of shifts in the inventory component on the overall price increase accounted for most of the deceleration. Excluding inventory change, implicit prices rose by 1.2% compared with a rise of 1.5% in the third quarter.

Personal expenditure showed an implicit price increase of 0.7%, after a 1.0% rise in the previous quarter. The slowdown was mainly due to a drop in (see tables on pages 9, 10 & 11)

the price of durable goods where a decline in new car prices had the largest impact. (It should be noted, however, that price increases reflecting quality changes in new cars, such as mandatory safety and pollution devices, are not included in the price index.) The implicit price for non-durable goods decelerated from a 1.5% increase in the third quarter to 1.1% in the fourth quarter. The food component, however, continued to rise strongly, by 2.0%, after a 2.3% rise in the third quarter.

Business gross fixed capital formation showed an implicit price increase of 1.4%, about equal to the third quarter rise. Residential prices rose by 3.1% while non-residential construction prices rose by 1.5%. Machinery and equipment prices remained moderately stable throughout the year.

The implicit price index for exports of goods and services increased by 2.1%, the largest quarterly increase in 1972, with the service component rising more rapidly than the merchandise component. Stronger price rises in lumber, wheat and nickel were partly offset by price declines in motor vehicles and copper. The implicit price index for imports of goods and services increased by 1.2%, with both merchandise and services showing similar increases.

Department Store Sales by Regions, January 1973 - Correction.

January 1973 department store sales were 14.7% higher than a year earlier (not 11.8% as reported on March 2). British Columbia's increase was 25.4% (not 8.1%) and the Atlantic provinces' 15.5% (not 14.5%).

Crude Petroleum and Natural Gas Production, November 1972 - Advance Information.

Crude petroleum production for the month of November increased to 1.80 million B/D, up 19.3% from 1.51 million a year earlier.

Natural gas production for same period averaged 9,793 billion, cf/D, an increase of 22.5% from 7,992.

For further information, order the November issue of *Crude Petroleum and Natural Gas Production* (26-006, 20¢/\$2) or *Energy Service Bulletin* Vol 8 No. 16 (57-002, \$3 a year), or contact Mr. André Côté (613-992-4021) Energy and Minerals Section, Statistics Canada, Ottawa K1A 0V6.

Radio & Television Receiving Sets, January 1973 - Advance Information.

Manufacturers sold 42,507 Canadian-made colour television sets on the domestic market in January, and 22,009 black-and-white sets. A year earlier, their sales were 29,190 and 22,120.

For further information order the January issue of *Radio and Television Receiving Sets* (43-004, 20¢/\$2), or contact Mr. J.S. More (613-992-1853) Manufacturing and Primary Industries Division, Statistics Canada, Ottawa K1A 0V6.

Mineral Production, January 1973 - Advance Information.

January production of primary copper increased to 58,068 tons from 55,966 a year earlier; production of primary nickel increased to 22,600 tons from 22,416.

Production of silver increased to 4.08 million troy ounces from 3.96 million, of refined lead to 18,177 tons from 16,182 tons and of refined zinc to 51,955 tons from 40,746.

The value of gold production was \$6.20 million in January 1973, calculated at the average price paid by the Royal Canadian Mint, up from \$6.03 million in January 1972.

Production decreased to 163,269 troy ounces from 171,269.

For further information, order the January issues of *Copper and Nickel Production* (26-003, 10¢/\$1), *Silver, Lead and Zinc Production* (26-008, 10¢/\$1), *Gold Production* (26-004, 10¢/\$1), or contact Art Symons, (613-992-0491), Primary Industries Division, Statistics Canada, Ottawa K1A 0V6.

Footwear Statistics, January 1973 - Advance Information.

January 1973 production of footwear of all types increased to 3.48 million pairs from 3.46 million a year earlier.

For further information, order the January issue of *Footwear Statistics*, (33-002, 20¢/\$2), or contact John Dornan, (613-992-2231) Manufacturing and Primary Industries Division, Statistics Canada, Ottawa K1A 0V6.

National Income and Gross National Product, by Quarters, 1971-1972
Seasonally Adjusted at Annual Rates
(\$ millions)

	1971					1972				
	I	II	III	IV	Year	I	II	III	IV	Year
Wages, salaries and supplementary labour income . . .	48,932	50,980	51,996	53,132	51,260	54,816	55,944	57,264	59,388	56,853
Military pay and allowances	908	900	888	936	908	956	960	944	988	962
Corporation profits before taxes ¹	7,860	8,660	9,752	9,928	9,050	10,276	10,720	10,820	11,508	10,831
Deduct: Dividends paid to non-residents ²	-848	-852	-848	-1,380	-982	-868	-856	-756	-1,016	-874
Interest, and miscellaneous investment income ³	3,788	3,756	3,776	3,920	3,810	4,004	4,140	4,312	3,932	4,097
Accrued net income of farm operators from farm production ⁴	1,408	1,392	1,612	1,784	1,549	1,380	1,868	1,672	1,984	1,726
Net income of non-farm unincorporated business including rent ⁵	5,412	5,564	5,712	5,808	5,624	5,848	6,040	6,236	6,300	6,106
Inventory valuation adjustment ⁶	-428	-756	-808	-552	-636	-792	-764	-1,224	-1,232	-1,008
NET NATIONAL INCOME AT FACTOR COST . . .	67,032	69,664	72,080	73,576	70,583	75,620	78,052	79,268	81,832	78,693
Indirect taxes less subsidies	12,028	12,172	12,492	12,640	12,333	13,532	13,156	13,788	14,200	13,669
Capital consumption allowances and Miscellaneous valuation adjustments	10,276	10,456	10,728	11,004	10,616	11,032	11,412	11,504	11,732	11,420
Residual error of estimate	-28	-444	-656	-624	-438	-1,192	-656	-832	-708	-847
GROSS NATIONAL PRODUCT AT MARKET PRICES	89,308	91,828	94,644	96,596	93,094	98,992	101,964	103,728	107,056	102,935
(Gross national product at market prices excluding accrued net income of farm operators).	(87,900)	(90,436)	(93,032)	(94,812)	(91,545)	(97,612)	(100,096)	(102,056)	(105,072)	(101,209)

¹ Excludes profits of government business enterprises.

² Includes the withholding tax applicable to this item.

³ Includes profits (net of losses) of government business enterprises and other government investment income.

⁴ Includes an arbitrary smoothing of crop production, and standard seasonal adjustment for withdrawals of grain from farm stocks and for the change in farm-held livestock and other inventories. Because of the arbitrary element, too precise an interpretation should not be given the seasonally adjusted figures of accrued net income of farm operators.

⁵ Includes net income of independent professional practitioners.

⁶ See footnote 4, on the following table.

Gross National Expenditure, by Quarters, 1971-1972
Seasonally Adjusted at Annual Rates
(\$ millions)

	1971					1972				
	I	II	III	IV	Year	I	II	III	IV	Year
Personal expenditure on consumer goods and services	51,440	53,512	54,748	56,152	53,963	57,624	59,580	60,828	62,784	60,204
Government current expenditure on goods and services ¹	17,328	18,020	18,720	19,376	18,361	19,564	19,908	20,876	21,804	20,538
Gross fixed capital formation	18,912	19,972	20,564	21,064	20,128	21,028	22,008	22,472	22,536	22,011
Government ²	3,424	3,660	3,808	3,872	3,691	3,788	4,012	4,092	4,004	3,974
Residential construction	24	24	24	28	25	32	20	36	36	31
Non-residential construction	3,036	3,252	3,372	3,420	3,270	3,340	3,552	3,628	3,524	3,511
Machinery and equipment	364	384	412	424	396	416	440	428	444	432
Business ³	15,488	16,312	16,756	17,192	16,437	17,240	17,996	18,380	18,532	18,037
Residential construction	4,020	4,344	4,620	4,764	4,437	4,784	5,216	5,596	5,484	5,270
Non-residential construction	5,696	5,932	6,048	6,048	5,931	6,028	6,092	6,112	6,136	6,092
Machinery and equipment	5,772	6,036	6,088	6,380	6,069	6,428	6,688	6,672	6,912	6,675
Value of physical change in inventories	712	-484	-112	432	137	1,080	52	-344	-344	111
Government	-44	-24	-96	4	-40	16	40	-12	20	16
Business										
Non-farm ⁴	432	-512	-12	440	87	1,068	152	192	364	444
Farm and grain in commercial channels ⁵	324	52	-4	-12	90	-4	-140	-524	-728	-349
Exports of goods and services	21,652	21,988	22,552	22,708	22,225	22,568	24,268	23,864	26,640	24,335
Deduct: Imports of goods and services	-20,764	-21,628	-22,484	-23,760	-22,159	-24,064	-24,508	-24,800	-27,072	-25,111
Residual error of estimate	28	448	656	624	439	1,192	656	832	708	847
GROSS NATIONAL EXPENDITURE AT MARKET PRICES	89,308	91,828	94,644	96,596	93,094	98,992	101,964	103,728	107,056	102,935
Detail of farm inventories and GICC:										
Value of grain crop production	1,588	1,588	1,588	1,588	1,588	1,468	1,468	1,468	1,468	1,468
Depletions of farm stocks of grain	-1,328	-1,404	-1,500	-1,548	-1,445	-1,408	-1,824	-1,748	-2,360	-1,835
Change in other farm-held inventories	116	64	84	112	94	44	88	72	16	55
Grain in commercial channels	-52	-196	-176	-164	-147	-108	128	-316	148	-37

¹ Includes defence expenditures. Details are shown in line 45, Table 16 of the forthcoming publication "National Income and Expenditure Accounts, Fourth Quarter and Preliminary Annual 1972" (Cat. No. 13-001).

² Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises. Excludes defence construction and equipment which are defined as current expenditure.

³ Includes capital expenditures by private and government business enterprises, private non-commercial institutions outlays on new residential construction by individuals. Capital expenditure is defined to include all transfer costs on the sales and purchases of the existing land and buildings.

⁴ The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment. (See line 8 of the preceding table.)

⁵ In the seasonally adjusted series, the value of grain crop production in each quarter is taken as one-fourth of the estimated value of crop production for the year as a whole (see footnote 4, of the preceding table). All other items in the farm inventories series are seasonally adjusted by standard techniques.

Gross National Expenditure in Constant (1961) Dollars, by Quarters, 1971-1972¹
Seasonally Adjusted at Annual Rates
(\$ millions)

	1971					1972				
	I	II	III	IV	Year	I	II	III	IV	Year
Personal expenditure on consumer goods and services	40,196	41,360	42,008	42,880	41,611	43,404	44,568	45,028	46,136	44,784
Government current expenditure on goods and services	10,400	10,528	10,980	11,128	10,759	10,936	11,200	11,360	11,676	11,293
Gross fixed capital formation	13,768	14,284	14,536	14,812	14,350	14,552	15,076	15,136	14,988	14,938
Government	2,492	2,628	2,716	2,728	2,641	2,636	2,768	2,768	2,692	2,716
Residential construction	16	16	16	20	17	20	12	24	20	19
Non-residential construction	2,160	2,280	2,348	2,348	2,284	2,268	2,388	2,388	2,304	2,337
Machinery and equipment	316	332	352	360	340	348	368	356	368	360
Business	11,276	11,656	11,820	12,084	11,709	11,916	12,308	12,368	12,296	12,222
Residential construction	2,820	3,000	3,124	3,180	3,031	3,128	3,332	3,496	3,324	3,320
Non-residential construction	3,952	4,032	4,064	4,024	4,018	3,912	3,924	3,860	3,820	3,879
Machinery and equipment	4,504	4,624	4,632	4,880	4,660	4,876	5,052	5,012	5,152	5,023
Value of physical change in inventories	584	-368	20	248	121	736	-132	-348	76	83
Government	-36	-20	-92	4	-36	28	24	-20	20	13
Business										
Non-farm	368	-400	156	320	111	980	180	320	448	482
Farm and grain in commercial channels	252	52	-44	-76	46	-272	-336	-648	-392	-412
Exports of goods and services	17,852	18,016	18,312	18,508	18,172	18,136	19,304	18,996	20,756	19,298
Deduct: Imports of goods and services	-16,976	-17,544	-17,940	-19,096	-17,889	-19,076	-19,520	-19,604	-21,148	-19,837
Residual error of estimate	28	332	480	460	325	844	472	584	492	598
GROSS NATIONAL EXPENDITURE IN CONSTANT (1961) DOLLARS	65,852	66,608	68,396	68,940	67,449	69,532	70,968	71,152	72,976	71,157

¹The implicit price deflators of the seasonally unadjusted components of Gross National Expenditure, derived by dividing the value figures in current dollars by the constant dollar figure are not suitable as indicators of quarter-to-quarter price change. This is because they are currently weighted and therefore are affected by compositional shifts which occur within the unadjusted components of Gross National Expenditure, on a quarter-to-quarter basis. Quarter-to-quarter movements in the implicit price deflators based on seasonally adjusted data are less subject to the problem of shifting weights and may be used as a measure of price change.

Peeler Logs, Veneers and Plywood, January 1973 - Advance Information.

Canadian mills shipped 104.2 million square feet of hardwood veneers in the first month of 1973. This was 11.9% more than a year earlier. Shipments of hardwood plywoods increased 61.9% to 35.3 million square feet (1/4" basis), while those of softwood plywoods were down 8% to 185.3 million (3/8" basis).

For further information, order the January issue of *Peeler Logs, Veneers and Plywoods* (35-001, 20¢/\$2), or contact Mr. P.E. Martin, (613-992-2371),

Manufacturing and Primary Industries Division, Statistics Canada, Ottawa K1A 0V6.

Cigarettes, February 1973 - Advance Information.

Production of cigarettes for February 1973 amounted to 4.96 billion as compared to 4.38 billion for the same period of 1972.

For further information, order the February issue of *Tobacco and Tobacco Products*, Volume 2, Number 3, (32-022, \$1 a year), or contact Mr. C. Neville (613-992-2231), Manufacturing and Primary Industries Division, Statistics Canada, Ottawa K1A 0V6.

Publications Released

Family Expenditure in Canada, Volume II, 1969 (62-536, \$2.50)

Motor Vehicle Shipments, January 1973 (42-002, 10¢/\$1)

List of Canadian Hospitals, 1973 (83-201, \$1)

United States Vehicles Entering Canada, January 1973 (66-002, 10¢/\$1)

Manufacturers of Lighting Fixtures, 1971 (43-211, 50¢)

Quarterly Shipments of Flush Type Doors (Wood), Quarter ended December 31, 1972 (35-004, 25¢/\$1)

Railway Carloadings, January 1973 (52-001, 20¢/\$2)

Gas Utilities, December 1972 (55-002, 20¢/\$2)

Coal and Coke Statistics, December 1972 (45-002, 30¢/\$3)

Primary Iron and Steel, December 1972 (41-001, 30¢/\$3)

Preliminary Bulletins - 1971 Census of Manufactures (\$3.50 for series), Office Furniture Manufacturers (35-212-p); Heating Equipment Manufacturers (41-225-p); Metal Coating Industry (41-227-p); Motor Vehicle Parts and Accessories Manufacturers (42-210-p); Refractories Manufacturers (44-214-p)

Census of Canada, Population, Sex Ratios, 1971 (92-714, 50¢)

Estimated Population by Sex and Age Group, for Canada and Provinces, June 1, 1972 (91-202, 25¢)

Trade of Canada - Summary of Foreign Trade, 1972 (65-001, 10¢/\$1)

Summary of Exports, December 1972 (65-002, 20¢/\$2)

Consumer Credit, December 1972 (61-004, 20¢/\$2)

Department Store Sales and Stocks, December 1972 (63-002, 20¢/\$2)

Farm Implement and Equipment Sales, 1971 (63-203, 50¢)

Water Transportation, 1971 (54-205, 50¢)

Railway Operating Statistics, November 1972 (52-003, 10¢/\$1)

Index Numbers of Farm Prices of Agricultural Products, January 1973 (62-003, 10¢/\$1)

Sales of Toilet Preparations in Canada, 1971 (46-221, 25¢)

Telephone Statistics, 1971 (56-203, 50¢)

Gross National Product, 1972 - Advance Information

The Labour Force, February 1973 - Advance Information

Census of Canada, Summary of Household Characteristics, 1971 (93-747, 50¢)

Federal Government Employment, April-June 1972 (72-004, 50¢/\$2)

(continued)

- Grain Milling Statistics**, January 1973 (32-003, \$1)
- Fisheries Statistics**, Nova Scotia, 1971 (24-205, 50¢)
- Fisheries Statistics**, New Brunswick, 1971 (24-204, 50¢)
- Factory Sales of Electric Storage Batteries**, January 1973 (43-005, 10¢/\$1)
- Oil Burners and Oil-Fried Hot Water Heaters**, January 1973 (41-008, 10¢/\$1)
- Salt**, January 1973 (26-009, 10¢/\$1)
- The Wheat Review**, February 1973 (22-005, 30¢/\$3)
- New Manufacturing Establishments in Canada**, December 1972 (31-002, 75¢/\$1.50)
- Transcontinental and Regional Air Carrier Operations**, December 1972 (51-001, 30¢/\$3)
- Campus Book Stores**, Academic year 1971-72 (63-219, 50¢)
- Mineral Wool**, January 1973 (44-004, 10¢/\$1)
- Preliminary Bulletins — 1971 Census of Manufactures** (\$3.50 for series), Asphalt Roofing Manufacturers (36-205-p); Corrugated Box Manufacturers (36-213-p); Metal Stamping and Pressing Industry (41-227-p); Manufacturers of Small Electrical Appliances (43-203-p)
- Service Bulletins — Fruit and Vegetable Preservation** (32-023, \$1 a year), Vol. 2, No. 1, Pack of Processed Beets, 1972;
- Tobacco and Tobacco Products** (32-022, \$1 a year), Vol. 2, No. 2, Tobacco Stocks, December 31, 1972;
- Fish and Fish Products** (24-003, \$1 a year), Vol. 2, No. 8, Advance Release of Fish Landings, Quebec, January 1973;
- Energy** (57-002, \$3 a year), Vol. 8, No. 14, Retail Gasoline by Metropolitan Area, 4th Quarter 1972.
- Fabricated Metal Products** (41-009, \$2 a year), Vol. 2, No. 1, Builders and Shelf Hardware, January 1973;
- Railway Transport** (52-004, \$1 a year), Vol. 3, No. 1, Railway Carloadings, January 1973;
- Aviation** (51-004, \$3 a year), Vol. 5, No. 11,
- Fish and Fish Products** (24-003, \$1 a year), Vol. 2, No. 9, Fish Freezings and Stocks, Quebec, January 1973;
- Aviation** (51-004, \$3 a year), Vol. 5, No. 12, Aircraft Movement Statistics, 1972.



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