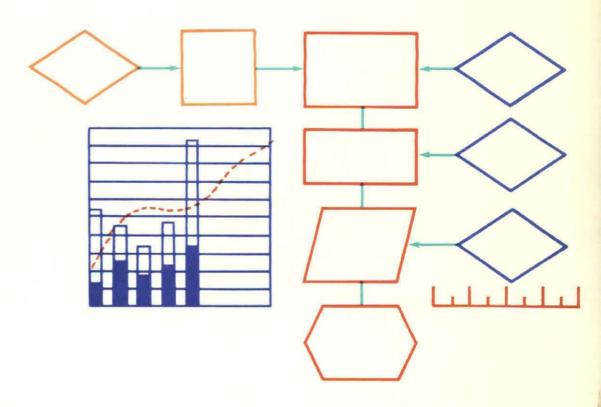


Expansion Économique Régionale

Working Paper No.6

INDUSTRY OUTPUT - EMPLOYMENT IN CANDIDE-R

July 1975



HC SION DES ÉTUDES DE DÉVELOPPEMENT ÉCONOMIQUE

c227 no.6 htitative Analysis Unit

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IN CANDIDE-R

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This working document represents a partial regionalization of the CANDIDE 1.1 model. The acronym CANDIDE refers to the Canadian Disaggregated Interdepartmental Econometric model.

The CANDIDE-R version of the model outlined in this document is designed to help build an appreciation of the regional diversity of Canada. The authors draw attention to the tentative nature of the econometric work reported upon. So as to avoid attributing official status to the views expressed, prior consultation respecting quotation would be appreciated.

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# INDUSTRY OUTPUT AND EMPLOYMENT IN CANDIDE-R

# 1.0 Introduction

The determination of disaggregated industry output is one of the most distinctive characteristics of the CANDIDE model. The national model explains industry output as a function of the final demand categories, which imposes important constraints on certain industries. Industry output is determined by converting categories of final demand into commodity requirements for final demand which in turn determine industry value-added through use of an impact matrix. A summary of this conversion procedure of final demand is given in the following matrix equation:

$$Y = B* (I-DB_i)^{-1} D E_i f$$
 (1)

where

Y = vector of first approximation of Real Domestic Product

B\* = diagonal matrix representing the proportion of valueadded in gross output

I = identity matrix

B = matrix of industry technology coefficients describing
the input structure of the industry

D = domestic market share matrix

<sup>1.</sup> See McCracken, M.C., An Overview of CANDIDE Model 1.0, CANDIDE Project Paper No. 1 published by the Economic Council of Canada for the Interdepartmental Committee (Ottawa, Information Canada, 1973).

E<sub>i</sub> = converter matrix or matrix of final demand composition
f = final demand vector.

This relationship covers 169 final demand categories converted into 114 commodity requirements of which 105 are intermediate commodities, and 9 primary inputs. These outputs are accounted for by 75 industries (according to the input-output classification) or 63 industries at the disaggregated level in CANDIDE.

As this method reflects inter-industry trade for one year only, and since during the intervening years technological progress, changes in the elements of the matrices D, E<sub>i</sub> and B\* will affect the resulting input-output pattern, adjustment mechanisms were required to make longer run use of the input-output table more realistic. These mechanisms, similar to those used by Ross Preston in the long-term Wharton model, essentially explain the difference between the value-added estimated from the input-output table, and the observed Real Domestic Product by industry. CANDIDE 1.1 uses these 63 adjustment equations, instead of changing the many coefficients of the input-output table.

The adjustment equations have the following general format<sup>2</sup>:

$$(RDP_i - Y_i) = a + bt + c(RDP_i - Y_i)_{t-1} + d(RDP_i - Y_i)_{t-2}$$
 (2)

where

RDP; = Real Domestic Product, industry i

<sup>2.</sup> ibid., p. 62.

Y<sub>i</sub> = initial estimation of value-added, industry i.

t = time trend.

# 2.0 Regionalization of Output and Employment

The complexity of the estimation techniques which we have just described, and the important role they play in the national CANDIDE model leave few routes open for the regionalization of industry output. Complete regionalization is obviously impossible, since no adequate regional input-output tables now exist. Moreover all attempts to regionalize the adjustment mechanisms, as presented in equation (2) would require the explanation of residuals at two levels, temporal and spatial, with the risk of instability of the model in simulation, which would increase the source of error. Also the available regional data covers only eleven industry categories while CANDIDE uses 63 industries.

The only possibility left open consists of aggregating the 63 industry outputs calculated by equation (2), into eleven industries, and of regionalizing this breakdown.

This type of regionalization, using the limited feedback approach 4, does not permit us to make use of a certain number of links between regional and national

<sup>3.</sup> Note that there are 12 industries in CANDIDE 1.1. However, in CANDIDE-R public utilities and transportation have been combined into one industry, resulting in an eleven industry breakdown.

<sup>4.</sup> See Overview of CANDIDE-R, Section 3, Regionalization.

production, but it does allow us to keep intact the inputoutput table which is at the centre of national CANDIDE.
Other means must be found to transmit the effects of regionalization of industry output to the national level.
Taking into account these effects should be done in a precise method in order to avoid an exercise which would be
merely peripheral to the national model and hence of relatively little interest. The regionalization of industry
output has therefore been reconciled with the regionalization of employment.

What are the links between employment and production in CANDIDE 1.1 and how will these be established in CANDIDE-R? One of the particular characteristics of CAN-DIDE 1.1 is the presence of a double production function in its specification. The main assumption of the national model concerns the fixed production coefficients used in the input-output model. Employment is estimated using a Cobb-Douglas production function which allows substitution between primary inputs. There is, however, a justification for this non-orthodox practice. In effect, the complementarity assumption implicit in the input-output model is not completely violated to the extent that there is always substitution possible between total primary and total intermediate inputs. Moreover the presence of technological progress in these equations offers a form of coherent theory with the adjustment equations, developed to correct estimates from the input-output table. The effect of technological and other modifications, from equation (2) is justified and formalized in these Cobb-Douglas type functions.

In our regionalization exercise, the assumption of ex-post fixity of production coefficients has been maintained, but with a different outlook than in CANDIDE 1.1. The Cobb-Douglas functions of CANDIDE 1.1 have been completely The assumption that effective demand determines abandoned. the level of industry output has, however, been retained. Employment is then related directly to the level of production. On its side, regional production depends among other things on utilization of accumulated capacity. Thus the recrusive nature of the employment functions and the criteria chosen for the regional distribution of industry output assures that employment and capital utilization are determined by production according to the fixed proportions currently employed. This very simple approach fits very well in a neo-classical framework. In effect, it can be assumed that the determination of technical coefficients depends on the neo-classical factors affecting expectations of future salaries and interest rates at the moment the decision is made to invest. It is possible to put forward such an assumption because the real salary which in such a framework should be at a level allowing profitable use of marginal equipment, does not influence employment in the short run.

Such an approach, where substitution between capital and labour works ex-ante, thus allowing retention of the ex-post fixity of the coefficients, appears satisfactory. Even if it were possible to rationalize the presence of a double production function in CANDIDE 1.1 it is still the case that substitution between capital and labour is ex-post in a Cobb Douglas function. For this reason it is necessary to be satisfied to assume complementarity between total primary and total intermediate inputs in CANDIDE 1.1.

# 3.0 Industry Output

As noted earlier, regionalization of industry output should satisfy the specifications of limited feedback by modelling the division of industry output among the regions.

# 3.1 A Share Distribution Model

First of all the estimation of disaggregated industrial production should be carried out at the national level through use of the input-output table. Next, stochastic equations of distribution in share form endogenously distribute industry output among the regions. It is clear that industry output obtained in this way does not allow the influence of regional dispersion to be directly conveyed to the national industry output estimates. This possibility is excluded from the start, since the share distribution approach adopted must, by definition, satisfy the constraints of aggregation.

In deriving the share ratios a partial adjustment model, between the desired ratio in period t and the observed in period t-1 is used. Why should the regionalization be based on an adjustment model? The basic notion is a very simple one, going back to the theory of the firm. It is assumed that one region, like one firm, attempts to control the largest possible share of the market. Thus it is attempted here to explain that part of the region. This desired ratio would correspond more or less to that part of the market which would allow the firm to maximize profits.

It is assumed that the desired levels of relative production  $(X_{ij}/X_i)^*$  are a function of the relative degree of utilization of accumulated capacity, measured by the sum of investments over the last four years.

$$\begin{bmatrix}
\frac{X_{ijt}}{X_{it}}
\end{bmatrix}^* = \alpha + \beta \quad \frac{T_{ijt} \cdot C_{ijt}}{T_{it} \cdot C_{it}} + \mu_{ijt} \tag{3}$$

where:

t time t, 1961, . . . . 1971

 $\mathbf{x_{ijt}}$  output of industry i in region j

x<sub>it</sub> national output of industry i

rate of utilization of accumulated capacity of industry i in region j. These rates are obtained by dividing observed production by potential production evaluated by interpolating between identified production peaks (for more details see Appendix A).

cijt
 sum of investment over the last four years
 for industry i in region j (see Appendix B
 for details)

uijt error term  $(E(\mu_{ijt}) = \sigma, var\mu_{ijt} = \sigma^2, cov(\mu_{ijt}, \mu_{ijs}) = \sigma)$ 

Including the partial adjustment process:

$$(x_{ij}/x_i) - (x_{ij}/x_i)_{-1} = \gamma \left[ (x_{ij}/x_i) * - (x_{ij}/x_i)_{-1} \right]$$
 (4)

equation (3) can now be written as:

$$(x_{ijt}/x_{it}) = \alpha \gamma + (1-\gamma) (x_{ijt-1}/x_{it-1})$$

$$+ \beta \gamma ((T_{ijt} \cdot C_{ijt})/(T_{it} \cdot C_{it})) + \gamma \mu_{ijt}$$
(5)

The variables which make up the share distribution mechanism do not actually represent factors of production. They serve more to take account of relative regional advantages which result from accumulated capacity of production and the use made of this accumulated capacity in satisfying demand.

In a world where relative prices of industry outputs are closely tied to the rate of capacity utilization of physical production the variable  $((T_{ij}, C_{ij})/(T_i, C_i))$  can be interpreted to reflect the opportunity cost of unused industry (i) capacity in region (j) relative to national capacity utilization in the same industry i.

An increase in such a relative opportunity cost following pressure from increased demand<sup>6</sup>, would cause the industry to want to expand its output and thereby modify the ratio  $(X_{ij}/X_i)$ . Equation (4) then serves to measure the extent of adjustments effected by the industry in the face of new market conditions.

The mechanism of regional share distribution of output as shown in equation (5) offers a double advantage. By its simplicity it get around the problem of using data on regional production which were not collected at source but rather calculated for the purpose of the model. Finally, by the link which it establishes between investment and

<sup>5.</sup> See Fromm, G. and O. Eckstein, "The Price Equation" American Economic Review, December 1968

<sup>6.</sup> In the short run these pressures are reflected in the fluctuations of capacity utilization rates.

output it offers the possibility of evaluating the impact of regional redistribution on investment.

The role played by investment in the specification of the share distribution of output is peculiar to CANDIDE-R. The model retains the endogenous determination of industry disaggregated investments at the national levels. However, the regional distribution of this investment is determined by exogenous shares. Imposed in part by the current impossibility of obtaining regional data for the variables used in the specification of a neo-classical investment model, this aspect of CANDIDE-R has the advantage of using exogenous shares in simulation. From this point of view, CANDIDE-R becomes an evaluation tool without equal, available for use by departments interested in the regional aspects of their investment policies.

For simulations outside the sample period it is necessary to supply values of these exogenous investment shares. This is not a problem for scenarios where the impact of various shares is explored. The difficulty is rather in conditional forecasts. For the control solution, the most realistic following current trends, our only reference point remains the periodic survey of investment intentions in the medium term (5 years). Outside of five years, the risk of error increases considerably, as it does for the majority of exogenous variables.

# 3.2 The Data and Estimation Techniques

The main problem posed by the data on regional industry output is evident at the initial stage of specification of the model. As this data has been collected for CANDIDE-R from information obtained directly from Statistics Canada on the components of Gross Domestic Product in current dollars, the specification of equation (5) must avoid simply repeating the estimation procedure used to obtain the data.

Once having circumvented this problem, we can set out data covering the following eleven industries:

Agriculture
Forestry
Fishing and Trapping
Mines, Quarries and Oil Wells
Manufacturing
Construction
Transportation, Storage, Communications and
Public Utilities
Trade
Finance, Insurance and Real Estate
Public Administration and Defence
Private and Public Services

Since there are no regional deflators, constant dollar series on regional industry outputs were calculated using national deflators estimated by CANDIDE.

The estimation of equation (5) presented a double difficulty which resulted from the limited number of observations and their interpretation. The data describes, in effect, the same phenomenon in diverse regions at one point in time. This results in the problem of inter-regional dependence of the many variables making up the error term.

As a solution, equation (5) has been estimated for each industry, but for all regions simultaneously, using Zellner's Generalized Least Squares technique. This approach allows the combination of regional equations on the assumption that they are independent and offers the possibility of taking into account interdependencies at the level of the error term, thus improving the precision of the estimates.

The specification of certain industries, at the estimation stage was modified by replacing the variable of the rate of capacity utilization by the percentage of labour employed, i.e. (1-U<sub>j</sub>). The industries which have this modification are:

Mines, Quarries and Oil Wells
Manufacturing
Construction

<sup>7.</sup> Zellner, A. "An Efficient Method of Estimating Seemingly Unrelated Regressions and Tests for Aggregation Bias"

Journal of the American Statistical Association, 1962,
pp.348-68. For an explanation of these assumptions see
Wages and Salaries in CANDIDE-R.

Transportation, Storage, Communication and Public Utilities
Trade
Finance, Insurance and Real Estate

# 3.3 Empirical Results

The empirical results for industry output are presented below. In order to give a better idea of the tracking of these equations, graphs for manufacturing production follow. The graphs are in level form.

In judging the quality of the results, great importance is placed on the positive sign of the coefficient for capacity utilization. Little emphasis is placed on the Durbin Watson statistic, however, due to the presence of a lagged endogenous variable, and to the limited number of observations.

# <u>Agriculture</u>

# Gross Domestic Product Agriculture Atlantic

(50.1) 
$$AGYE = AGY * [0.0052 - 0.0047 (AGYE/AGY)_{-1}$$
 [2.47] [0.12]

+ Q.5706 [TCAGE\* 
$$\Sigma$$
 TIAGE  $t-i$ /  $\Sigma$  ((AGICOK\*AGICOP+  $i=0$ )  $i=0$ 

 $AGIMEK*AGIMEP)+(FSICOK*FSICOP + FSIMEK*FSIMEP))_{t-i}$ 

$$\bar{R}^2$$
 = 0.97  
S.E.E. = 0.0011  
D.W. = 1.33  
(GLS, 1961-1971)

# Gross Domestic Product Agriculture Quebec

(50.13) 
$$AGYQ = AGY *[0.0260 - 0.0114 (AGYQ/AGY)_{-1} [2.17]$$

+ 0.6967 [
$$TCAGQ* \Sigma TIAGQ_{t-i}/\Sigma$$
 (( $AGICOK*AGICOP$  [10.34]  $i=0$ 

+ 
$$AGIMEK*AGIMEP$$
) +  $(FSICOK*FSICOP + FSIMEK*FSMIEP))_{t-i}$ 

$$\bar{R}^2$$
 = 0.84  
S.E.E. = 0.0085  
D.W. = 0.75  
(GLS, 1961-1971)

# Gross Domestic Product Agriculture Ontario

(50.25) 
$$AGYO = AGY *[0.0831 + 0.0262 (AGYO/AGY)_{-1} \\ [1.97] [0.18] \\ & + 0.7295 [TCAGO * \sum_{i=0}^{TIAGO} t-i/\sum_{i=0}^{TIAGO} (AGICOK*AGICOP)_{i=0}^{TIAGO}$$

$$FSIMEK*FSIMEP))_{t-i}$$

$$\bar{R}^2 = 0.73$$
 $S.E.E. = 0.0184$ 
 $D.W. = 0.78$ 
 $(GLS, 1961-1971)$ 

# Gross Domestic Product Agriculture Prairies

(50.37) 
$$AGYW = AGY * [0.1201 - 0.0338 (AGYW/AGY)_{-1} [2.85] [0.48]$$

+ 0.9165 [
$$TCAGW * \sum_{i=0}^{3} TIAGW \atop t-i / \sum_{i=0}^{3} ((AGICOK * AGICOP))$$

$$+$$
  $AGIMEK*AGIMEP) + (FSICOK*FSICOP+FSIMEK*$ 

$$\bar{R}^2$$
 =0.89  
S.E.E. =0.0223  
D.W. =0.81  
(GLS, 1961-1971)

(GLS, 1961-1971)

# Gross Domestic Product Agriculture British Columbia

(50.49) 
$$AGYC = AGY*[-0.0041 + 0.1122 (AGYC/AGY)_{-1} \\ [0.59] [1.31]$$

$$+ 1.1307 [TCAGC* \sum_{i=0}^{S} TIAGC \\ t-i/\sum_{i=0}^{S} ((AGICOK*AGICOP+ \\ [11.63] i=0)$$

$$AGIMEK*AGIMEP) + (FSICOK*FSICOP+FSIMEK*FSIMEP))_{t-i}]]$$

$$\bar{R}^2 = 0.86 \\ S.E.E. = 0.0035 \\ D.W. = 0.98$$

# Forestry

# Gross Domestic Product Forestry Atlantic

(50.2) 
$$FOYE = FOY*[0.0419 + 1.0491 [TCFOE* \sum_{i=0}^{3} TIFOE \\ [7.23] [13.46] i=0$$

$$\sum_{i=0}^{3} (FOICOK*FOICOP + FOIMEK*FOIMEP)_{t-i}]]$$

$$\bar{R} = 0.92$$

$$S.E.E. = 0.0058$$

$$D.W. = 1.18$$

$$(GLS, 1961-1971)$$

#### Gross Domestic Product Forestry Quebec

 $FOICOP + FOIMEK * FOIMEP)_{t-i}$ 

 $\bar{R}^2$  = 0.47 S.E.E. = 0.0173 D.W. = 1.66 (GLS, 1961-1971)

# Gross Domestic Product Forestry Ontario

(50.26) 
$$FOYO = FOY *[0.0527 + 0.2130(FOYO/FOY)_{-1}$$
[3.61] [2.31]

+ 0.8475 [ $TCFOO*\Sigma$   $TIFOO_{t-i}/\Sigma$  (FOICOK\*FOICOP+ [8.58] i=0

 $FOIMEK * FOIMEP)_{t-i}$  ]]

 $\bar{R}^2$  = 0.89 S.E.E. = 0.0046 D.W. = 1.37 (GLS.1961-1971)

## Gross Domestic Product Forestry Prairies

(50.38) 
$$FOYW = FOY*[0.0110 + 0.5147 (FOYW/FOY)_{-1} \\ [1.15] [2.09] \\ 3 3 \\ 4 0.3027 [TCFOW*  $\sum_{i=0}^{TIFOW} TIFOW_{t-i} / \sum_{i=0}^{\Sigma} (FOICOK*FOICOP_{i=0}) \\ [1.86] i=0 \\ + FOIMEK*FOIMEP)_{t-i}]]$$$

 $\vec{R}$  = 0.24 S.E.E. = 0.0038 D.W. = 1.41 (GLS, 1961-1971)

# Gross Domestic Product Forestry British Columbia

# Fishing and Trapping

Gross Domestic Product Fishing Atlantic

 $\bar{R}^2 = 0.65$ S.E.E. = 0.0264D.W. = 1.53(GLS, 1961-1971)

Gross Domestic Product Fishing Quebec

(50.15) 
$$FSYQ = FSY * [0.0267 - 0.0249 (FSYQ/FSY)_{-1}$$

$$+ 0.2883 [TCFSQ * TIAGQ_{t-i} / \Sigma (AGICOK*AGICOP_{i=0}) / (i=0) + AGIMEK*AGIMEP) + (FSICOK*FSICOP_{i=0}) / (i=0) + FSIMEK*$$

$$ar{R}$$
 = 0.91  
 $S.E.E.$  = 0.0019  
 $D.W.$  = 1.04  
(GLS, 1961-1971)

```
Gross Domestic Product Fishing Ontario
```

# Gross Domestic Product Fishing Prairies

(50.39) 
$$FSYW = FSY *[-0.0439 + 0.8091(FSYW/FSY)_1$$
[1.54] [4.67]

+ 0.1050 [
$$TCFSW*$$
  $\Sigma$   $TIAGW$  <sub>$t-i$</sub> / $\Sigma$  (( $AGICOK*AGICOP$  [2.28]  $i=0$ 

+ AGIMEK\*AGIMEP)+(FSICOK\*FSICOP+

$$ar{R}$$
 =0.68  
 $S.E.E.$  =0.0065  
 $D.W.$  =1.72  
(GLS,1961-1971)

(GLS, 1961-1971)

# Gross Domestic Product Fishing British Columbia

(50.51) 
$$FSYC = FSY *[-0.0214 + 0.3206 (FSYC/FSY)_{-1} [0.26]$$

+ 4.45512 [TCFSC\* 
$$\Sigma$$
 TIAGC  $t-i/\Sigma$  ((AGICOK\*AGICOP [2.66]  $i=0$ 

+ 
$$AGIMEK*AGIMEP)$$
 +  $(FSICOK*FSICOP*FSIMEK*FSIMEP))_{t=i}$ ]]

$$\bar{R}^2$$
 = 0.52  
 $S.E.E.$  = 0.0247  
 $D.W.$  = 1.08  
(GLS, 1961-1971)

## Mines, Quarries and Oil Wells

Gross Domestic Product Mining Atlantic

(50.4) 
$$MIYE = MIY *[0.0159 + 0.7544 (MIYE/MIY)_{-1}$$

$$[0.96] [4.23]$$

+ 0.0665 [(100-URATEE)/(100-URATE)]\*
[2.59]

$$\begin{bmatrix}
\Sigma & TIMIE \\
i = 0
\end{bmatrix}$$

$$\begin{bmatrix}
\Sigma & TIMIE \\
t - i
\end{bmatrix}$$

$$\begin{bmatrix}
i = 0
\end{bmatrix}$$

$$\begin{bmatrix}
A & (MIICOK*MIICOP*MIIMEK*MIIMEP) \\
i = 0
\end{bmatrix}$$

 $\bar{R}^2$  = 0.47 S.E.E. = 0.0047 D.W. = 2.95 (GLS, 1961-1971)

# Gross Domestic Product Mining Quebec

(50.16) 
$$MIYQ = MIY * [0.0149 + 0.7899(MIYQ/MIY)_{-1}$$
 [0.90] [8.58]

+ 0.2334 [(100-URATEQ)/(100-URATE)]\* [4.83]

 $\bar{R}^2$  = 0.81 S.E.E. = 0.0062 D.W. = 2.80 (GLS, 1961-1971)

# Gross Domestic Product Mining Ontario

$$(50.28 \quad MIYO = MIY * [0.0483 + 0.7116 (MIYO/MIY)_{-1}$$

$$\bar{R}^2 = 0.80$$
 $S.E.E. = 0.0128$ 
 $D.W. = 2.44$ 
 $(GLS, 1961-1971)$ 

```
Gross Domestic Product Mining Prairies
```

(50.40) 
$$MIYW = MIY * [0.0529 + 0.7774 (MIYW/MIY)_{-1}$$

$$+0.0659 [(100-URATEW)/ (100-URATE)]*$$

$$[1.63]$$

$$\begin{bmatrix} \Sigma & TIMIW \\ i=0 \end{bmatrix} \xrightarrow{3} (MIICOK*MIICOP*MIIMEK*MIIMEP) \\ t-i \end{bmatrix}]$$

$$\bar{R}^2 = 0.89$$

$$S.E.E. = 0.0068$$

$$D.W. = 1.52$$

$$(GLS, 1961-1971)$$

#### Gross Domestic Product Mining British Columbia

#### Manufacturing

Gross Domestic Product Manufacturing Atlantic

(50.5) 
$$MAYE = MAY *[0.0132 + 0.6042 (MAYE/MAY)_{-1} \\ [1.24] [2.11]$$

$$+ 0.0279 [(100-URATEE) / (100-URATE)]*$$

$$[2.16] \begin{bmatrix} \Sigma & TIMAE_{t-i} / \Sigma & (MAICOK*MAICOP+MAIMEK*MAIMEP)_{t-i} \end{bmatrix}]$$

$$\bar{R}^2 = 0.35$$

$$S.E.E. = 0.0007$$

$$D.W. = 1.09$$

$$(GLS.1961-1971)$$

#### Gross Domestic Product Manufacturing Quebec

(50.17) 
$$MAYQ = MAY * [0.0639 + 0.6393 (MAYQ/MAY)_{-1}$$
 [2.14] [4.43]

```
+ 0.1635 [(100-URATEQ)/(100/URATE)]*
                        [2.60]
                       \begin{bmatrix} \Sigma & TIMAQ \\ i = 0 \end{bmatrix} / \begin{bmatrix} \sum & (MAICOK + MAICOP + MAIMEK + MAIMEP) \\ i = 0 \end{bmatrix} 
                =0.92
      S.E.E. = 0.0024
      D.W. = 1.57
      (GLS. 1961-1971)
Gross Domestic Product Manufacturing Ontario
(50.29) MAYO = MAY *[0.0630+0.6976 (MAYO/MAY)_{-1}]
                            [1.80] [10.85]
                   + 0.1877 [(100/URATEO) /(100/URATE)]* .
                     [6.00]
                   \begin{bmatrix} \Sigma & TIMAO_{t-i} & / & \Sigma & (MAICOK*MAICOP*MAIMEK*MAIMEP)_{t-i} \\ i = 0 & i = 0 \end{bmatrix}
      R^2 = 0.91
      S.E.E. = 0.0021
      D.W.
                =1.83
      (GLS, 1961-1971)
Gross Domestic Product Manufacturing Prairies
(50.41) \quad MAYW = MAY * [0.0190 + 0.6797 (MAYW/MAY)_{-1}]
                            [1.09]
                                        [2.52]
                   + 0.00468 [(100-URATEW)/ (100-URATE)] *
                      [1.47]
                   \begin{bmatrix} \Sigma & TIMAW \\ i=0 \end{bmatrix} t-i / \underbrace{\Sigma}_{i=0} (MAICOK*MAICOP+MAIMEK*MAIMEP)_{t-i} \end{bmatrix}
      R^2
                 =0.53
       S \cdot E \cdot E \cdot = 0.0013
                 =1.23
      D.W.
       (GLS, 1961-1971)
Gross Domestic Product Manufacturing British Columbia
(50.53) \quad MAYC = MAY + [0.0400 - 0.5411 (MAYC/MAY)_{-1}]
                                         [12.59]
                             [0.0]
                   + 0.0089 [(100-URATEC)/(100-URATE)]*
                      [0.27]
                        TIMAC_{t-i} /\(\Sigma\) (MAICOK * MAICOP + MAIMEK * MAIMEP)\(\text{t-i}\) ]
```

i = 0

$$\bar{R}^2$$
 = 0.25  
S.E.E. = 0.0022  
D.W. = 0.75  
(GLS. 1961-1971)

## Construction

Gross Domestic Product Construction Atlantic

Gross Domestic Product Construction Quebec

(50.18) 
$$COYQ = COY * [0.0018 + 0.2075 (COYQ/COY)_{-1} \\ [0.10] [1.47]$$

$$+1.0667 [(100-URATEQ)/ (100-URATE)]*$$

$$[6.07] \frac{3}{\sum_{t=0}^{\Sigma} TICOQ_{t-t}} / \frac{5}{i=0} (COICOK*COICOP+COIMEK*COIMEP)_{t-i}]]$$

$$\bar{R}^{2} = 0.95$$

$$S.E.E. = 0.0092$$

$$D.W. = 0.86$$

$$(GLS, 1961-1971)$$

Gross Domestic Product Construction Ontario

#### Gross Domestic Product Construction Prairies

#### Gross Domestic Product Construction British Columbia

(50.54) 
$$COYC = COY *[0.0451 + 0.2002 (COYC/COY)_{-1}]$$

$$+ 0.3054 [(100-URATEC)/(100-URATE)]*$$

$$[3.36]$$

$$3 | 3 | 3 | (COICOK*COICOP+COIMEK*COIMEP)_{t-i}]$$

$$\bar{R}^2$$
 = 0.61  
S.E.E. = 0.0088  
D.W. = 2.35  
(GLS,1961-1971)

D.W.

=2.12

(GLS, 1961-1971)

## Transportation, Storage, Communications and Public Utilities

#### Gross Domestic Product Transportation Quebec

# Gross Domestic Product Transportation Ontario

(50.31) 
$$TSYO = (TSY + UTY) * [0.0037 + 0.9921 [TSYO/(TSY + UTY)]_{-1}]$$
  
[0.06] [5.58]

$$\bar{R}^2$$
 =0.42  
 $S.E.E.=0.0058$   
 $D.W.=2.09$   
(GLS, 1961-1971)

# Gross Domestic Product Transportation Prairies

$$\vec{R}^2 = 0.67$$
 $S.E.E.=0.0042$ 
 $D.W. = 2.21$ 
 $(GLS, 1961-1971)$ 

# Gross Domestic Product Transportation British Columbia

$$\bar{R} = 0.74$$
 $S.E.E. = 0.0031$ 
 $D.W. = 2.13$ 
 $(GLS, 1961-1971)$ 

## Trade

Gross Domestic Product Trade Atlantic

TRYE is exogenous

Gross Domestic Product Trade Quebec

(50.20) 
$$TRYQ = TRY * [0.0701 + 0.7324 (TRYQ/TRY)_{-1}]$$
[2.17] [5.88]

$$\bar{R}^2$$
 =0.48  
 $S.E.E.$  =0.0031  
 $D.W.$  =1.63  
(GLS,1961-1971)

Gross Domestic Product Trade Ontario

(50.32) 
$$TRYO = TRY * [0.0579 + 0.8545 (TRYO/TRY)_{-1}]$$
 [0.95] [5.46]

$$\bar{R}^2$$
 =0.58  
S.E.E. =0.0037  
D.W. =1.57  
(GLS,1961-1971)

Gross Domestic Product Trade Prairies

(50.44) 
$$TRYW = TRY * [0.0175 + 0.8832 (TRYW/TRY)_{-1}]$$
 [1.46] [12.82]

$$R^2$$
 =0.91  
S.E.E. =0.0027  
D.W. =1.94  
(GLS,1961-1971)

Gross Domestic Product Trade British Columbia

(50.56) 
$$TRYC = TRY * [0.0166 + 0.6198 (TRYC/TRY)_{-1} [1.23] [3.90]$$

$$\begin{bmatrix} \mathbf{S} & \mathbf{TITRC}_{t-i} & \mathbf{S} \\ \mathbf{i} = \mathbf{0} & \mathbf{i} = \mathbf{0} \end{bmatrix} (TRICOK*TRICOP+TRIMEK*TRIMEP)_{t-i} \end{bmatrix}$$

$$\vec{R}^2 = 0.82$$
 $S.E.E. = 0.0017$ 
 $D.W. = 2.07$ 
 $(GLS, 1961-1971)$ 

# Finance Insurance and Real Estate

#### Gross Domestic Product Finance Atlantic

(50.9) 
$$FIYE = (FIY+HGY) *[0.0148 + 0.4821 (FIYE/(FIY+HGY))_{-1}$$

$$= (1.03] [2.27]$$

$$+ 0.2629 [(100-URATEE)/(100-URATE)]*$$

$$= [2.43]$$

$$\begin{bmatrix} (\sum_{i=0}^{3} TIFIE_{t-i} / \sum_{i=0}^{3} (FIICOK*FIICOP+FIIMEK*FIIMEP)_{t-i} \\ \vdots \end{bmatrix}$$

$$+ \sum_{i=0}^{3} IRCZ_{t-i} )]]$$

$$\bar{R}^2$$
 =-0.085  
S.E.E. =0.0013  
D.W. =2.32  
(GLS, 1961-1971)

# Gross Domestic Product Finance Quebec

$$(50.21) \quad FIYQ = (FIY + HGY) * [0.1825 + 0.0146 (FIYQ/(FIY + HGY))_{-1} \\ + 0.1942 [(100 - URATEQ)/(100 - URATE)] * \\ [2.76] \\ 3 \\ [(\Sigma TIFIQ_{t-i}/\Sigma (FIICOK * FIICOP + FIIMEK * FIIMEP))_{i=0}) \\ i = 0 \\ 3 \\ + \sum_{i=0} IRCZ_{t-i}]] \\ i = 0$$

$$\bar{R}^2 = 0.72 \\ S.E.E. = 0.0034 \\ D.W. = 1.39 \\ (GLS, 1961-1971)$$

#### Gross Domestic Product Finance Ontario

(50.33) 
$$FIYO = (FIY+HGY)*[0.0596 + 0.6268 (FIYO/(FIY+HGY))_{-1}$$
 [1.21] [4.85]

(GLS, 1961-1971)

#### Public Administration and Defence

# Gross Domestic Product Public Administration Atlantic

(50.10) 
$$ADYE = ADY *[-0.0202 + 1.1400 (ADYE/ADY)_{-1}]$$
[1.82] [13.56]

$$\bar{R}$$
 =0.93
 $S.E.E.$  =0.0019
 $D.W.$  =2.48
(GLS,1961-1971)

Gross Domestic Product Public Administration Quebec

$$(50.22)$$
  $ADYQ = ADY * [0.0955 + 0.2569 (ADYQ/DAY)_{-1}$  [5.85] [2.22]

+ 0.2024 [
$$\Sigma$$
 TIADQ  $t-i/\Sigma$  GFICAC  $t-i$  ]] [4.86]  $i=0$ 

$$\bar{R}^2$$
 =0.76  
S.E.E. =0.0026  
D.W. =2.96  
(GLS.1961-1971)

Gross Domestic Product Public Administration Ontario

$$(50.34)$$
  $ADYO = ADY * [0.440 + 0.8915 (ADYO/ADY)_{-1}]$   
 $[0.84]$   $[6.67]$ 

$$\bar{R}^2$$
 = 0.67  
 $S.E.E.$  = 0.0060  
 $D.W.$  = 2.09  
(GLS, 1961-1971)

Gross Domestic Product Public Administration Prairies

$$(50.46) \ ADYW = ADY * [0.0839 + 0.2488 (ADYW/ADY)_{-1}$$

$$[3.45] \ [1.28]$$

+0.1871 
$$\begin{bmatrix} \Sigma & TIADW_{t-i} \\ i = 0 \end{bmatrix}$$
  $\begin{bmatrix} 3 \\ \Sigma & GFICAC \\ i = 0 \end{bmatrix}$ 

$$\bar{R}^2$$
 = 0.54  
 $S.E.E.$  = 0.0025  
 $D.W.$  = 2.07  
(GLS, 1961-1971)

Gross Domestic Product Public Administration British Columbia

(50.58) 
$$ADYC = ADY * [0.0310 + 0.8857 (ADYC/ADY)_{-1} [1.77] [5.55]$$

$$-0.1688 \begin{bmatrix} \Sigma & TIADC_{t-i} / \Sigma & GFICAC_{t-i} \end{bmatrix}]$$

$$[3.02] i=0$$

$$\bar{R}^2$$
 = 0.71  
 $S.E.E.$  = 0.0018  
 $D.W.$  = 2.48  
( $GLS$ ,1961-1971)

## Private and Public Services

Gross Domestic Product Services Atlantic

$$R^2$$
 =0.77  
 $S.E.E.$  =0.0009  
 $D.W.$  =2.31  
( $GLS$ ,1961-1971)

Gross Domestic Product Services Quebec

$$CSICOP + CSIMEK * CSIMEP)_{t-i}$$
 ]]

$$\bar{R}^2$$
 =0.89  
S.E.E. =0.0032  
D.S. =3.18  
(GLS, 1961-1971)

Gross Domestic Product Services Ontario

(50.35) 
$$CSYO = CSY * [0.2158 + 0.3895 (CSYO/CSY)_{-1}$$
[6.29] [4.26]

# CSICOP+CSIMEK\*CSIMEP) t-i ]]

 $\bar{R}^2$  =0.78 S.E.E. =0.0032 D.W. =1.98 (GLS,1961-1971)

#### Gross Domestic Product Services Prairies

$$(50.47)$$
  $CSYW = CSY * [0.0620 + 0.6197 (CSYW/CSY)_{-1}]$  [7.50] [12.69]

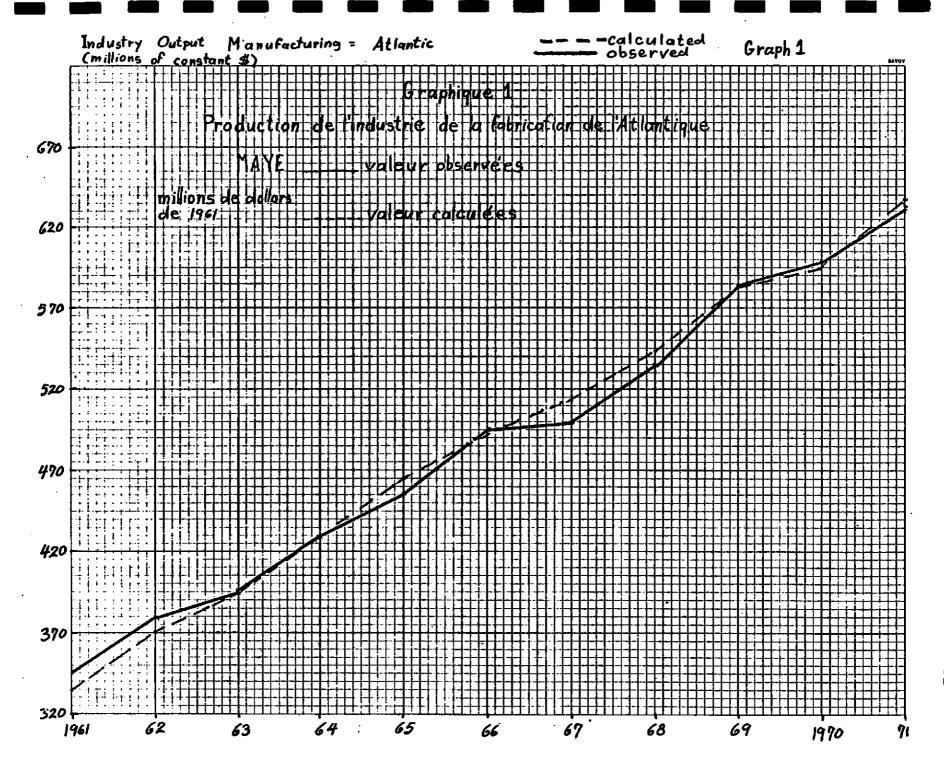
 $\bar{R}^2$  =0.91 S.E.E. =0.0016 D.W. =2.38 (GLS,1961-1971)

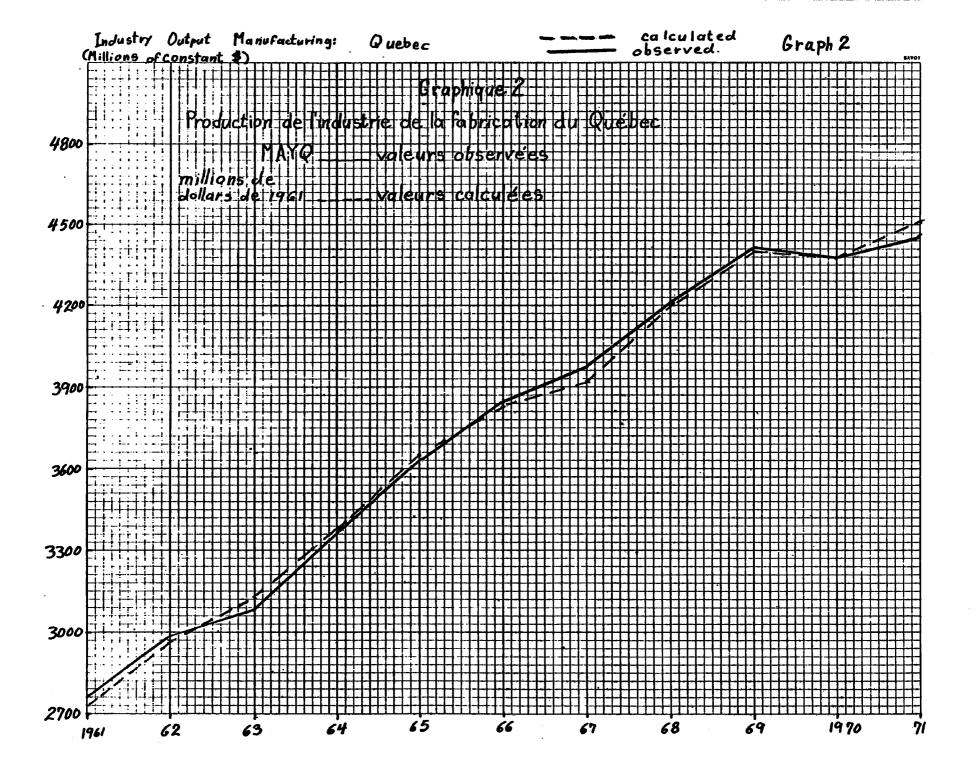
#### Gross Domestic Product Services British Columbia

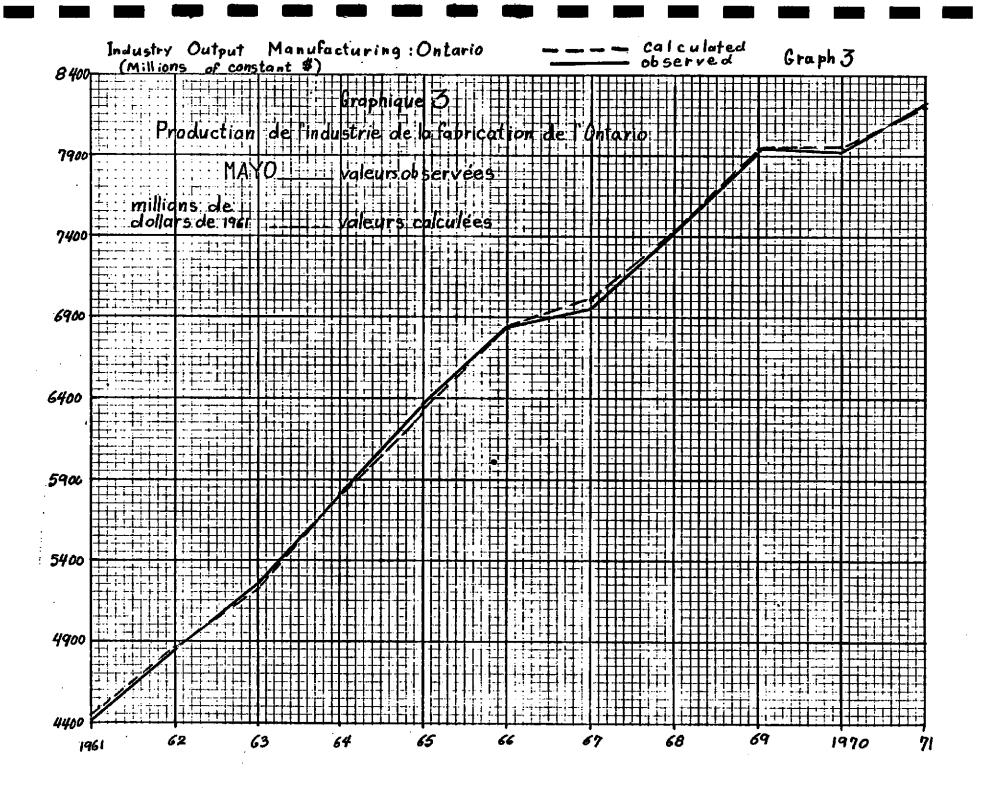
( 50.59) 
$$CSYC = CSY * [0.0579 + 0.3606 (CSYC/CSY)_{-1} [5.10] [3.92] +0.1237  $TCCSC * [\sum_{t-i}^{\infty} TICSC_{t-i}^{\infty} \sum_{i=0}^{\infty} (CSICOK* [2.46] i=0)$$$

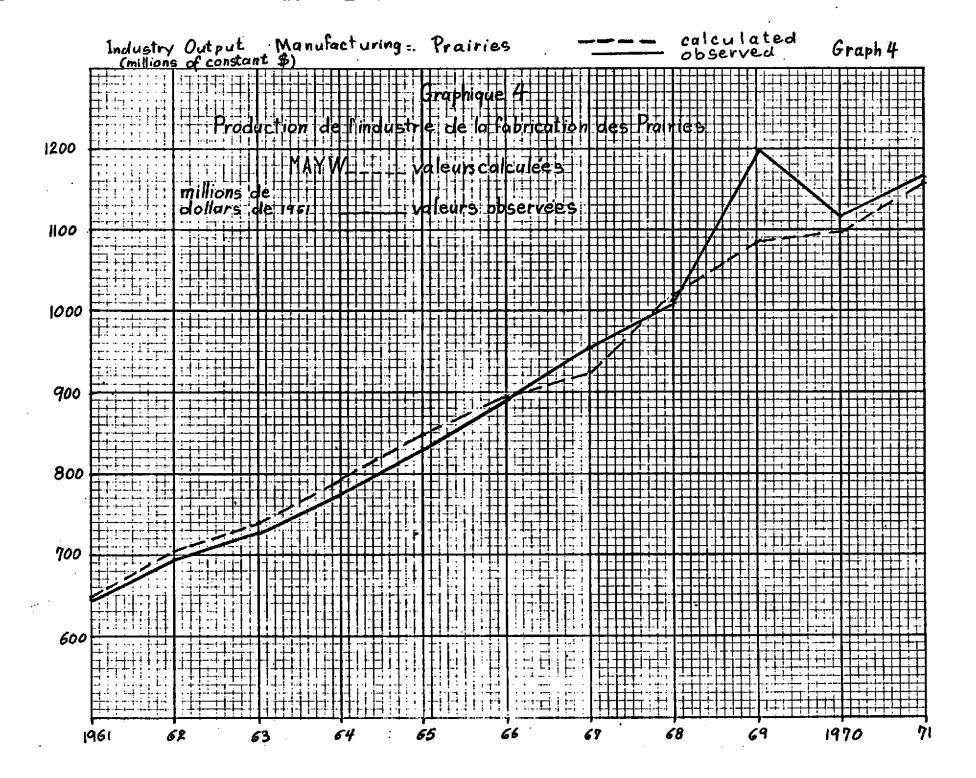
$$CSICOP + CSIMEK * CSIMEP)$$
  $t-i$ 

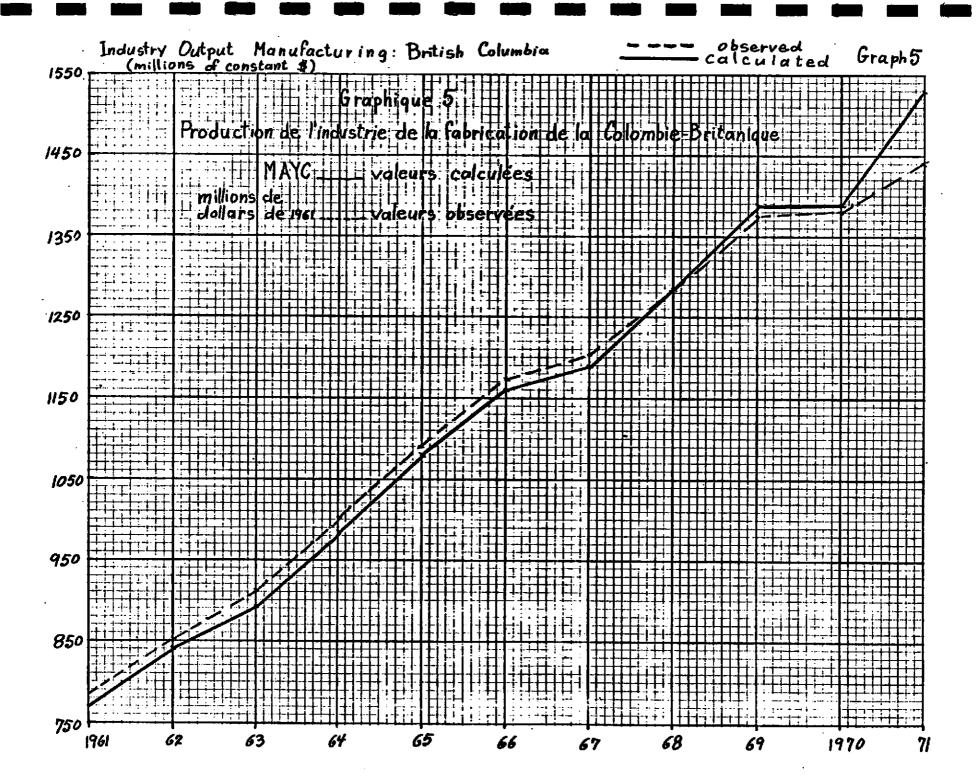
 $\bar{R}^2$  =0.33 S.E.E. =0.0018 D.W. =1.44 (GLS,1961-1971)











## 4.0 Employment

In order that our treatment of industry output be more than just a peripheral regionalization exercise, it was necessary to consider employment as an essential element in the regionalization of industry output.

Thus, in order to realize this objective, relating employment to production, employment has been completely regionalized. In this manner the feedback in CANDIDE-R from regional to national, and national to regional levels has been guaranteed. The model uses the summation of employment over all regions, as the national employment variable.

## 4.1 The Basic Assumptions

The importance of the assumption of fixed coefficients of production, at the centre of the national model, and the intellectual exercises necessary to justify the use of a double production function in CANDIDE 1.1, have already been underlined. The following explanation of the regional production process has been adopted in order to obviate the methodological problems inherent in the use of a Cobb Douglas production function as the theoretical base of the employment-output relationship.

According to Edwin Kuh, a concensus has been established around the hypothesis that investment decisions are made "ex ante" according to neoclassical theory, based on the production function and capital theory. He states:

Relative factor scarcity both actual and expected, will determine the optimal factor proportions for new investment goods according to a variable proportion production function. Once built, though, a machine is used with labour in fixed proportions, since most machine designs severely restrict possibilities for ex post variation of factor proportions.

To summarize, there is some agreement that "putty-clay" models are considered the most realistic models.

On acceptance of this set of assumptions, the determination of employment can be related directly to the level of production. In this framework, fluctuations in production determine variations in employment, while respecting the capital-labour ratios required in the production process.

<sup>8.</sup> Kuh, Edwin, "Unemployment Production Functions, and Effective Demand" Journal of Political Economy, June 1966,p.238.

An implicit relationship is established between the combination of employment and capital stock, due to the recursive nature of the employment functions and to the criteria used in the share distribution mechanisms for industry output. Employment is, in effect, a function of production. Production, in turn, depends on the utilization of capacity in place. The simultaneous presence of employment functions and regional production share distribution equations, by not violating the assumption of fixed production coefficients, keeps the assumptions at the base of CANDIDE intact. Moreover, the aggregation of regional employment is an important feedback mechanism from the regional to national level.

### 4.2 Labour Demand

This set of assumptions leads to the formulation of a regional demand for labour by industry which rests essentially on the technical relationship between employment and production. The following situation is hypothesized:

$$E_{ijt} = \alpha_{ijt} \cdot (x_{ijt})$$
 (6)

where:

E<sub>ijt</sub>= employment in industry i, region i, time t
X<sub>ijt</sub>= production of industry i, region j, time t

Since it is impossible to observe annual changes in the technical coefficients, demand for labour must be left as a random process in order to better follow the conversion of final demand at the regional level. Equation (6), thus becomes:

$$E_{ijt} = \alpha_{ijt} \cdot (X_{ijt}) + \mu_{ijt}$$
 (6')  
where:  $\mu_{ijt} = \text{error term}$ 

In doubling the adjustment mechanisms as they appear in equation(2) as functions of regional employment, maintaining the fixed technical coefficient assumption, the regionalization procedure is made more realistic. It is no longer an essentially peripheral exercise.

Returning to equation (6'), there is evidence that production will not satisfactorily explain either short term fluctuations or long term trends in employment in each regional industry. Although the share distribution mechanisms take account of the relative advantages related to technically more productive investment, they do not succeed in transmitting to employment, through output, the long term influences of technological developments. These developments could temporarily improve the relative capacity of certain regions. However, it is not possible to prevent the medium term diffusion of these technical improvements or the accumulation of technical knowledge, accuired through time. These developments exert an influence over the long term on employment and may lead to the loss of region's relative advantage in that area.

Production alone will not adequately take account of the reluctance of employers to hire or fire workers following a short run change in economic conditions.

In order to capture these two phenomena it was assumed that the coefficient  $\alpha$  is the result of the combined effect of certain variables, one responsible for capturing the stability of the production trend, and the other to evaluate the importance of fluctuations in production.

$$\alpha_{ijt}=\beta (E_{ijt-1}/X_{ijt-1}) + \gamma^{\Delta}X_{ijt} + e_{ijt}$$
 (7)

where:

E<sub>ijt</sub> /X<sub>ijt</sub> = inverse of productivity

Axijt = rate of change of production in
 industry i, region j, time t, defined
 as = (Xijt - Xijt-1) / Xijt-1

e = error term

and where  $\beta$  and  $\gamma$  are expected to have positive and negative signs, respectively.

Combining equations (6') and (7):

$$E_{ijt} = [\beta (E_{ijt-1} / X_{ijt-1}) + \gamma^{\Delta}X_{ijt} + e_{ijt}] X_{ijt} + \mu_{ijt} (8)$$

We are obliged to M. Roger Corbeil, of DREE, for his useful comments on the specification and estimation of X ijt.

## 4.3 The Data and Estimation Techniques

The problems of estimating equation (8) are reduced, by dividing both sides of the equation by production, i.e.

$$E_{ijt}/X_{ijt} = \beta \left[E_{ijt-1}/X_{ijt-1}\right] + \gamma \Delta X_{ijt} + \mu_{ijt}/X_{ijt} + e_{ijt}$$
 (8')

In its transformed state, the employment equation becomes an equation of the inverse of productivity, where the error term is subjected to an autoregressive scheme due to the presence of  $X_{ijt}$ .

Equation (8') has therefore been estimated for the industries specified, using the Zellner Generalized Least Squares approach and treating the equations for autocorrection.

The data used for the estimation was obtained from the Labour Force Survey of Statistics Canada.

The absence of a constant term in this specification is noted. This situation results from the definition of  $\alpha_{ijt}$ . A constant term could easily be introduced in the functional relationship defining  $\alpha_{ijt}$ . However, due to the estimation results no constant term was included.

<sup>10.</sup> This structure of the error term does not pose any particular problems to the extent that the assumption of independence is retained.

The poor quality of certain time series for employment resulted in the respecification of the influence of production on employment, according to three possible relationships.

$$\begin{split} E_{ijt}/X_{ijt} &= \beta \ [E_{ijt-1}/X_{ijt-1}] + \mu_{ijt}/X_{ijt} + e_{ijt} \ \\ E_{ijt}/X_{ijt} &= \beta \ [E_{ijt-1}/X_{ijt-1}] + \gamma \ [(\Delta X_{ijt}) \ (E_{ijt-1}/X_{ijt-1})] \\ &+ \mu_{ijt}/X_{ijt} + e_{ijt} \ \\ E_{ijt}/X_{ijt} &= \beta \ [E_{ijt-1}/X_{ijt-1}] + \gamma \ [(D(\Delta X_{ijt})) (E_{ijt-1}/X_{ijt-1})] \\ &+ \mu_{ijt}/X_{ijt} + e_{ijt} \ (9'') \end{split}$$

The introduction of these modifications to the analytical framework developed above poses no technical difficulties, as it simply implies redefining  $\alpha_{\mbox{ijt}}$  as, for example:

$$\alpha_{ijt} = \beta \left[ E_{ijt-1} / X_{ijt-1} \right] + \gamma \left[ (\Delta X_{ijt}) (E_{ijt-1} / X_{ijt-1}) \right] + e_{ijt}$$

for equation (9'). In principle, this should cause problems in simulation. The first term in  $\alpha_{ijt}$  attempts to relate employment to production by avoiding a linear format, in order to better capture long term trends. The coefficient of this variable should be close to unity. If the estimated coefficient for the rate of change of production is very strong there is a risk of creating instability in the estimation of employment, from cyclical variations or from shocks to production. By multiplying  $(\Delta X_{ijt})$  by  $(E_{ijt-1}/X_{ijt-1})$ 

the impact of short term fluctuations is graduated. This assures us of a type of variable which is consistent with the non-linear characteristic of the relationship.

# 4.4 Empirical Results

The empirical results for employment by industry and region are presented below. In order to give a better idea of these results, graphs follow for manufacturing employment. These graphs are in level form.

### Agriculture

Employment Agriculture Atlantic

+ 
$$\beta$$
 (P(AGYE) \* (AGETE/AGYE)<sub>1</sub>)]

Employment Agriculture Québec

(12.13) AGETQ = AGYQ \* 
$$[0.9666 \text{ (AGETQ/AGYQ)}_{-1}]$$

+ 
$$\beta$$
 (P(AGYQ) \* (AGETQ/AGYQ)<sub>-1</sub>)]

$$\overline{R}^2$$
 = 0.95  $\rho$  = -0.416  
S.E.E. = 0.0286  $P$  = Percentage change  
D.W. = 2.09  $\beta$  = -0.006 (predetermined)  
(O.L.S., 1962-1971) Hildreth-Lu

Employment Agriculture Ontario

(12.25) AGETØ = AGYØ \* 
$$[0.9794 \text{ (AGETØ/AGYØ)}_{-1}]$$

+ 
$$\beta$$
 (P(AGYØ) \* (AGETØ/AGYØ)<sub>-1</sub>)]

$$\overline{R}^2$$
 = 0.80  $\rho$  = -0.107  $S.E.E.$  = 0.0217  $P$  = Percentage change  $D.W.$  = 1.99  $\beta$  = -0.006 (predetermined)  $(O.L.S., 1962-1971)$  Hildreth-Lu

## Employment Agriculture Prairies

(12.37) AGETW = AGYW \* 
$$[0.9973 (AGETW/AGYW)_{-1}$$
 [41.34]

$$\overline{R}^2 = 0.77$$
  $\rho = -0.549$   $S.E.E. = 0.0245$   $P = Percentage change  $D.W. = 2.22$   $(0.L.S., 1962-1971)$  Hildreth-Lu$ 

# Employment Agriculture British Columbia

$$\overline{R}^2$$
 = 0.63  $\rho$  = -0.641  $S.E.E.$  = 0.0309  $D.W.$  = 1.88  $(0.L.S., 1962-1971)$  Hildreth-Lu

# Employment Forestry Atlantic

$$\overline{R}^2$$
 = 0.86  $\rho$  = 0.357  
 $S.E.E.$  = 0.0166  $P$  = Percentage change  
 $D.W.$  = 1.51  
(O.L.S., 1962-1971) Hildreth-Lu

```
Employment Forestry Québec
```

$$\overline{R}^2$$
 = 0.96  $\rho$  = -0.9  $S.E.E.$  = 0.0194  $P$  = Percentage change  $D.W.$  = 1.15  $D$  = First difference  $(0.L.S., 1962-1971)$  Hildreth-Lu

## Employment Forestry Ontario

+ 
$$\beta$$
 (D(P(FOYØ)) \* (FOETO/FOYO)<sub>-1</sub>)]

### Employment Forestry Prairies

$$(12.38)$$
 FOETW = FOETW

### Employment Forestry British Columbia

$$\overline{R}^2$$
 = -0.13  $\rho$  = -0.153  $S.E.E.$  = 0.0125  $P$  = Percentage change  $D.W.$  = 1.98  $(O.L.S., 1962-1971)$  Hildreth-Lu

Employment Fishing Atlantic

(12.3) FSETE = FSYE \* [0.9607 (FSETE/FSYE)\_1]
[40.27]

 $\overline{R}^2$  = 0.88  $\rho$  = -0.683 S.E.E. = 0.0434  $\rho$  = 1.30  $\rho$  = 0.88  $\rho$  = -0.683 D.W. = 1.30 Hildreth-Lu

Employment Fishing Québec

(12.15) FSETQ = XFSETQ

Employment Fishing Ontario

(12.27) FSETO = XFSETO

Employment Fishing Prairies

(12.39) FSETW = XFSETW

Employment Fishing British Columbia

(12.51) FSETC = FSYC \* [1.0911 (FSETC/FSYC)\_1]
[14.12]

 $\overline{R}^2 = 0.27$   $\rho = -0.086$  S.E.E. = 0.0304 D.W. = 1.94 (0.L.S., 1962-1971) Hildreth-Lu

```
Employment Mines Atlantic
```

+ 
$$\beta$$
 (P(MIYE) \* (MIETE/MIYE)<sub>-1</sub>)]

### Employment Mines Québec

(12.16) MIETQ = MIYQ \* 
$$[0.9557 \text{ (MIETQ/MIYQ)}_{-1}$$

$$\overline{R}^2$$
 = 0.67 D = First difference  $S.E.E.$  = 0.0093 P = Percentage change  $D.W.$  = 2.12  $(0.L.S., 1962-1971)$ 

### Employment Mines Ontario

+ 
$$\beta$$
 (P(MIYO) \* (MIETO/MIYO)<sub>-1</sub>)]

$$\overline{R}^2$$
 = 0.90  $\rho$  = -0.532   
S.E.E. = 0.0067  $P$  = Percentage change  $D.W.$  = 1.96  $\beta$  = -0.006 (predetermined)  $(0.L.S., 1962-1971)$  Hildreth-Lu

```
Employment Mines Prairies
(12.40) MIETW = MIYW \star [0.9804 (MIETW/MIYW)_1
                            [36.97]
                 + \beta (D(P(MIYW)) * (MIETW/MIYW)<sub>-1</sub>)]
                                 \rho = -0.130
    \overline{R}^2 = -0.43
                                 D = First difference
S.E.E. = 0.0029
                                 P = Percentage change
                                  \beta = -0.004 (predetermined)
  D.W. = 1.72
(O.L.S., 1962-1971) Hildreth-Lu
Employment Mines British Columbia
(12.52) MIETC = MIYC * [0.9750 \text{ (MIETC/MIYC)}_{-1}]
                            [21.64]
    \overline{R}^2 = 0.53
                                  \rho = -0.510
S.E.E. = 0.0103
  D.W. = 2.04
(O.L.S., 1962-1971) Hildreth-Lu
Employment Manufacturing Atlantic
          MAETE = MAYE * [0.9816] (MAETE/MAYE)<sub>-1</sub>
(12.5)
                            [91.44]
                 + \beta (D(P(MAYE)) * (MAETE/MAYE)<sub>1</sub>)
                                  \rho = -0.711
     \overline{R}^2 = 0.97
                                 P = Percentage change
                                  D = First difference
S.E.E. = 0.0098
  D.W. = 2.36
                                  \beta = -0.003 (predetermined)
(O.L.S., 1962-1971) Hildreth-Lu
```

```
Employment Manufacturing Québec
```

(12.17) MAETQ = MAYQ \* 
$$[0.9858 \text{ (MAETQ/MAYQ)}_{-1}$$

+ 
$$\beta$$
 (P(MAYE) \* (MAETQ/MAYQ)<sub>-1</sub>)]

$$\overline{R}^2$$
 = 0.996  $\rho$  = -0.819  
S.E.E. = 0.0037 P = Percentage change  
D.W. = 2.03  $\beta$  = -0.004 (predetermined)  
(O.L.S., 1962-1971) Hildreth-Lu

### Employment Manufacturing Ontario

(12.29) MAETO = MAYO \* 
$$[0.9595 \text{ (MAETO/MAYO)}_{-1}]$$

$$\overline{R}^2$$
 = 0.99  $\rho$  = -0.259  $S.E.E.$  = 0.0017  $P$  = Percentage change  $D.W.$  = 2.08  $D$  = First difference  $(0.L.S., 1962-1971)$  Hildreth-Lu

### Employment Manufacturing Prairies

(12.41) MAETW = MAYW \* 
$$[0.9594 \text{ (MAETW/MAYW)}_{-1}]$$

```
Employment Manufacturing British Columbia
(12.53) MAETC = MAYC * [0.9693 (MAETC/MAYC)_{-1}]
                        [122.98]
                 + \beta (D(P(MAYC)) * (MAETC/MAYC)<sub>-1</sub>)]
                                \rho = -0.540
    \overline{R}^2 = 0.97
                                D = First difference
S.E.E. = 0.0044
                                P = Percentage change
                               \beta = -0.0036344 (predetermined)
  D.W. = 2.28
(O.L.S., 1962-1971) Hildreth-Lu
Employment Construction Atlantic
(12.6) COETE = COYE \star [0.9677 (COETE/COYE)<sub>1</sub>
                          [68.99]
                - 0.00059 (P(COYE) * (COETE/COYE)_1)]
                  [-0.39]
    \overline{R}^2 = 0.98
                                 \rho = -0.787
S.E.E. = 0.0126
                                 P = Percentage change
  D.W. = 1.61
(O.L.S., 1962-1971) Hildreth-Lu
Employment Construction Quebec
(12.18) COETQ = COYQ * [0.9987 (COETQ/COYQ)_1
                           [52.81]
                 - 0.0038 (D(P(COYQ)) * (COETQ/COYQ)<sub>-1</sub>)]
                    [-1.47]
     \overline{R}^2 = -0.36
                                 \rho = -0.113
S.E.E. = 0.0115
                                 P = Percentage change
                                 D = First difference
  D.W. = 2.05
 (O.L.S., 1962-1971) Hildreth-Lu
```

```
Employment Construction Ontario
```

(12.30) 
$$COETØ = COYO * [0.9758 (COETO/COYO)_1 [175.30]$$

$$\overline{R}^2$$
 = 0.98  $\rho$  = -0.465  
S.E.E. = 0.0037 P = Percentage change  
D.W. = 2.33 D = First difference  
(O.L.S., 1962-1971) Hildreth-Lu

## Employment Construction Prairies

(12.42) COETW = COYW \* 
$$[0.9941 (COETW/COYW)_{-1}$$
 [92.45]

+ 
$$\beta$$
 (P(COYW) \* (COETW/COYW)<sub>-1</sub>)]

$$\overline{R}^2$$
 = 0.92  $\rho$  = -0.099  
S.E.E. = 0.0061 P = Percentage change  
D.W. = 1.97  $\beta$  = -0.0035 (predetermined)  
(O.L.S., 1962-1971) Hildreth-Lu

# Employment Construction British Columbia

$$\overline{R}^2$$
 = 0.97  $\rho$  = -0.610  $S.E.E.$  = 0.0057  $D.W.$  = 1.92  $(O.L.S., 1962-1971)$  Hildreth-Lu

```
Employment Transports Atlantic
(12.07) TSETE = TSYE * [0.9747 (TSETE/TSYE)_{-1}]
                           [78.13]
                + \beta (P(TSYE) * (TSETE/TSYE)_1)]
    \overline{R}^2 = 0.95
                                \rho = -0.551
S.E.E. = 0.0083
                               P = Percentage change
                        \beta = -0.003 (predetermined)
  D.W. = 0.66
(O.L.S., 1962-1971) Hildreth-Lu
Employment Transports Québec
(12.19) TSETQ = TSYQ * [0.9604 (TSETQ/TSYQ)_{-1}]
                           [148.44]
                 + \beta (D(P(TSYQ)) * (TSETQ/TSYQ)<sub>1</sub>)]
                                 \rho = -0.590
    \overline{R}^2 = 0.98
                                P = Percentage change
S.E.E. = 0.0034
                                 D = First difference
  D.W. = 2.35
                                \beta = -0.004 (predetermined)
(O.L.S., 1962-1971) Hildreth-Lu
Employment Transports Ontario
(12.31) TSETO = TSYO * [0.9546 (TSETO/TSYO)_{-1}]
                           [113.16]
                 - 0.0037 (D(P(TSYO)) \star (TSETO/TSYO)<sub>-1</sub>)].
                   [-2.65]
    \overline{R}^2 = 0.99
                               \rho = 0.409
S.E.E. = 0.0018
                            P = Percentage change
D = First difference
  D.W. = 1.49
(O.L.S., 1962-1971) Hildreth-Lu
```

```
Employment Transports Prairies
```

(12.43) TSETW = TSYW \* [0.9901 (TSETW/TSYW)\_1 [96.65] + 
$$\beta$$
 (P(TSYW) \* (TSETW/TSYW)\_1)]

$$\overline{R}^2$$
 = 0.95  $\rho$  = -0.497   
S.E.E. = 0.0048 P = Percentage change  $\rho = 0.004$  (predetermined)  $\rho = 0.004$  (predetermined)  $\rho = 0.004$  (predetermined)

## Employment Transports British Columbia

+ 
$$\beta$$
 (D(P(TSYC)) \* (TSETC/TSYC)<sub>-1</sub>)]

```
Employment Trade Atlantic
          TRETE = TRYE * [0.9929 (TRETE/TRYE)_1
(12.8)
                           [68.06]
                 + \beta (P(TRYE) * (TRETE/TRYE)_1)]
        = 0.85
                                 P = Percentage change
S.E.E. = 0.0124
                                 B = -0.004 (predetermined)
  D.W. = 1.84
(0.L.s., 1962-1971)
Employment Trade Québec
          TRETQ = TRYQ * [0.9670 \text{ (TRETQ/TRYQ)}_{-1}]
(12.20)
                            [94.59]
                 + \beta (D(P(TRYQ)) * (TRETQ/TRYQ)<sub>1</sub>)]
    \overline{R}^2 = 0.91
                                 P = Percentage change
S.E.E. = 0.0055
                               D = First difference
  D.W. = 1.57
                                 \beta = -0.0035 (predetermined)
(O.L.S., 1962-1971)
Employment Trade Ontario
          TRETO = TRYO * [0.9707 (TRETO/TRYO)_{-1}]
(12.32)
                            [148.00]
                 + \beta (D(P(TRYO)) * (TRETO/TRYO)<sub>1</sub>)]
\overline{R}^2 = 0.95
S.E.E. = 0.0037
                                P = Percentage change
                                 D = First difference
                                  \beta = -0.0035 (predetermined)
  D.W. = 1.82
(0.L.S., 1962-1971)
```

Employment Trade Prairies

$$\overline{R}^2$$
 = 0.84 P = Percentage change  $S.E.E.$  = 0.0049 D = First difference  $D.W.$  = 1.80  $(O.L.S., 1962-1971)$ 

Employment Trade British Columbia

+ 
$$\beta$$
 (D(P(TRYC)) \* (TRETC/TRYC)<sub>-1</sub>)]

$$\overline{R}^2$$
 = 0.76 P = Percentage change  $S.E.E.$  = 0.0052 D = First difference  $B.W.$  = 2.08  $\beta$  = -0.0035 (predetermined)  $(0.L.S., 1962-1971)$ 

Employment Finance Atlantic

$$\overline{R}^2$$
 = 0.69  $\rho$  = -0.069   
S.E.E. = 0.0021  $D.W.$  = 1.93   
(0.L.S., 1962-1971) Hildreth-Lu

```
Employment Finance Québec
```

(12.21) FIETQ = FIYQ \* [1.0117 (FIETQ/FIYQ)\_1 [225.49]

- 0.0010 (D(P(FIYQ)) \* (FIETQ/FIYQ)\_1)]
[-0.24]

 $\overline{R}^2$  = 0.997  $\rho$  = -0.900 S.E.E. = 0.0017 D = First difference D.W. = 1.12 P = Percentage change (0.L.S., 1962-1971) Hildreth-Lu

### Employment Finance Ontario

(12.33) FIETO = FIYO \* [1.0062 (FIETO/FIYO) -1 [100.01]

+  $\beta$  (D(P(FIYO)) \* (FIETO/FIYO)<sub>-1</sub>)]

#### Employment Finance Prairies

(12.45) FIETW = FIYW \* [1.0329 (FIETW/FIYW)-1 [81.17]

+  $\beta$  (P(FIYW) \* (FIETW/FIYW)<sub>-1</sub>)]

 $\overline{R}^2$  = 0.96  $\rho$  = -0.658 S.E.E. = 0.0030 P = Percentage change D.W. = 1.39  $\beta$  = -0.004 (predetermined) (O.L.S., 1962-1971) Hildreth-Lu

```
Employment Finance British Columbia
```

$$\overline{R}^2 = 0.80$$
  $\rho = -0.497$   
 $S.E.E. = 0.0053$   $P = Percentage change$   
 $D.W. = 2.44$   
 $(O.L.S., 1962-1971)$  Hildreth-Lu

## Employment Public Administration Atlantic

+ 
$$\beta$$
 (P(ADYE) \* (ADETE/ADYE)<sub>-1</sub>)]

$$\overline{R}^2$$
 = 0.58  $\rho$  = -0.015  $S.E.E.$  = 0.0056  $\Gamma$  = Percentage change  $D.W.$  = 1.74  $\beta$  = -0.003 (predetermined)  $(0.L.S., 1962-1971)$  Hildreth-Lu

## Employment Public Administration Québec

+ 
$$\beta$$
 (D(P(ADYQ)) \* (ADETQ/ADYQ)<sub>-1</sub>)]

$$\overline{R}^2$$
 = 0.27 P = Percentage change  
 $S.E.E.$  = 0.0060 D = First difference  
 $D.W.$  = 1.78  $\beta$  = -0.003 (predetermined)  
(0.L.S., 1962-1971) Hildreth-Lu

```
Employment Public Administration Ontario
(12.35) ADETO = ADYO * [0.9977 (ADETO/ADYO)_{1}]
                          [114.62]
                + \beta (D(P(ADYO)) * (ADETO/ADYO)_1)]
                               \rho = -0.295
       = 0.87
                               P = Percentage change
S.E.E. = 0.0051
                               D = First difference
  D.W. = 1.83
                              \beta = -0.003 (predetermined)
(0.L.S., 1962-1971) Hildreth-Lu
Employment Public Administration Prairies
(12.47) ADETW = ADYW * [1.0169 (ADETW/ADYW)_1
                          [77.65]
                - 0.0036 (D(P(ADYW)) * (ADETW/ADYW)_1)]
                   [-1.05]
       = 0.72
                               \rho = 0.028
S.E.E. = 0.0061
                               P = Percentage change
  D.W. = 1.82
                               D = First difference
 (0.L.S., 1962-1971) Hildreth-Lu
Employment Public Administration British Columbia
          ADETC = ADYC * [0.9970 \text{ (ADETC/ADYC)}_{-1}]
 (12.59)
                          [80.76]
                + \beta (D(P(ADYC)) * (ADETC/ADYC)<sub>1</sub>)]
                                \rho = -0.594
     \overline{R}^2 = 0.94
                               P = Percentage change
S.E.E. = 0.0085
                               D = First difference
                                \beta = -0.003 (predetermined)
  D.W. = 1.71
 (O.L.S., 1962-1971) Hildreth-Lu
```

```
Employment Services Atlantic
```

$$\overline{R}^2$$
 = 0.56  $\rho$  = -0.050  $S.E.E.$  = 0.0123  $P$  = Percentage change  $D.W.$  = 2.01  $D$  = First difference (0.L.S., 1962-1971) Hildreth-Lu

### Employment Services Québec

$$\overline{R}^2$$
 = 0.98  $\rho$  = -0.464   
S.E.E. = 0.0071 P = Percentage change  $D.W.$  = 2.40  $(0.L.S., 1962-1971)$  Hildreth-Lu

#### Employment Services Ontario

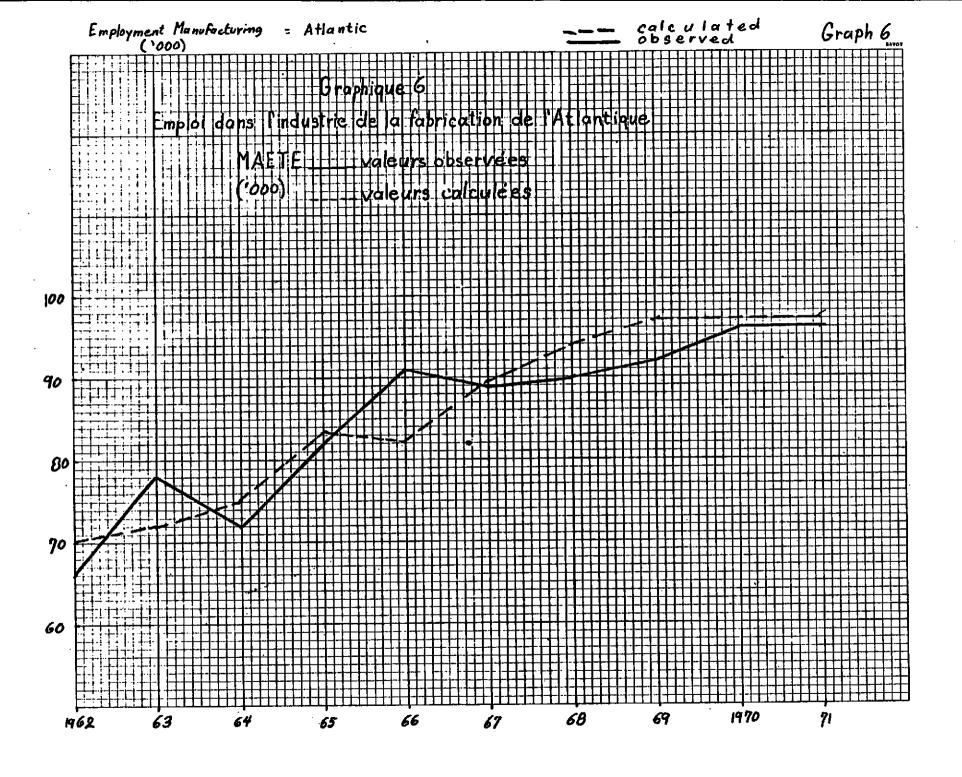
+ 
$$\beta$$
 (P(CSYO) \* (CSETO/CSYO)<sub>-1</sub>)]

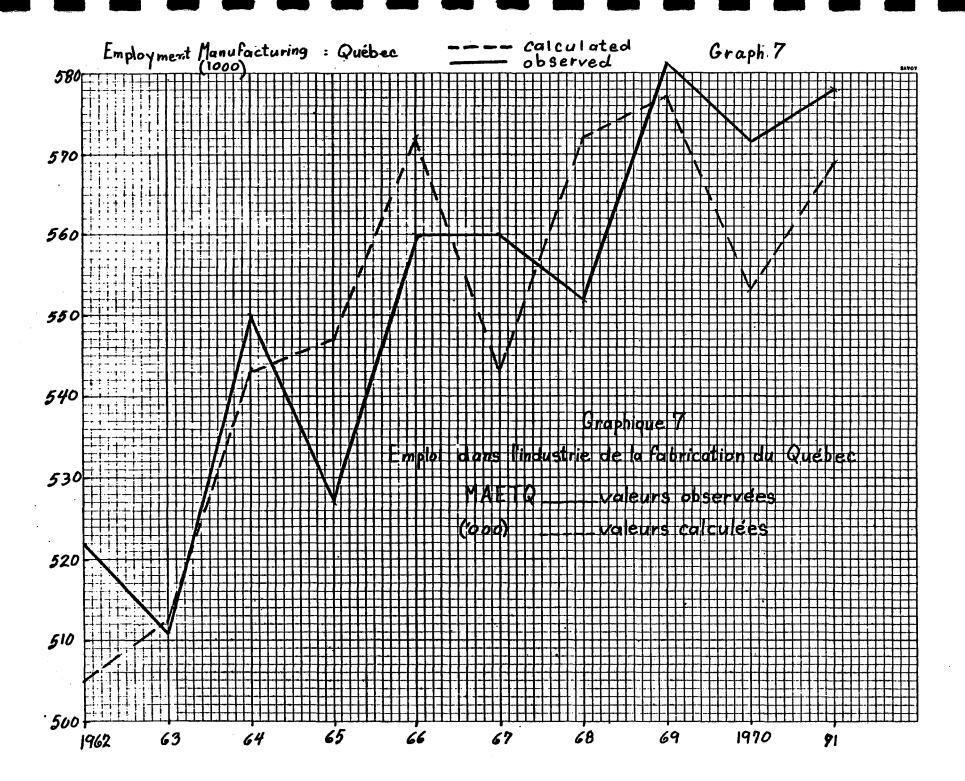
## **Employment Services Prairies**

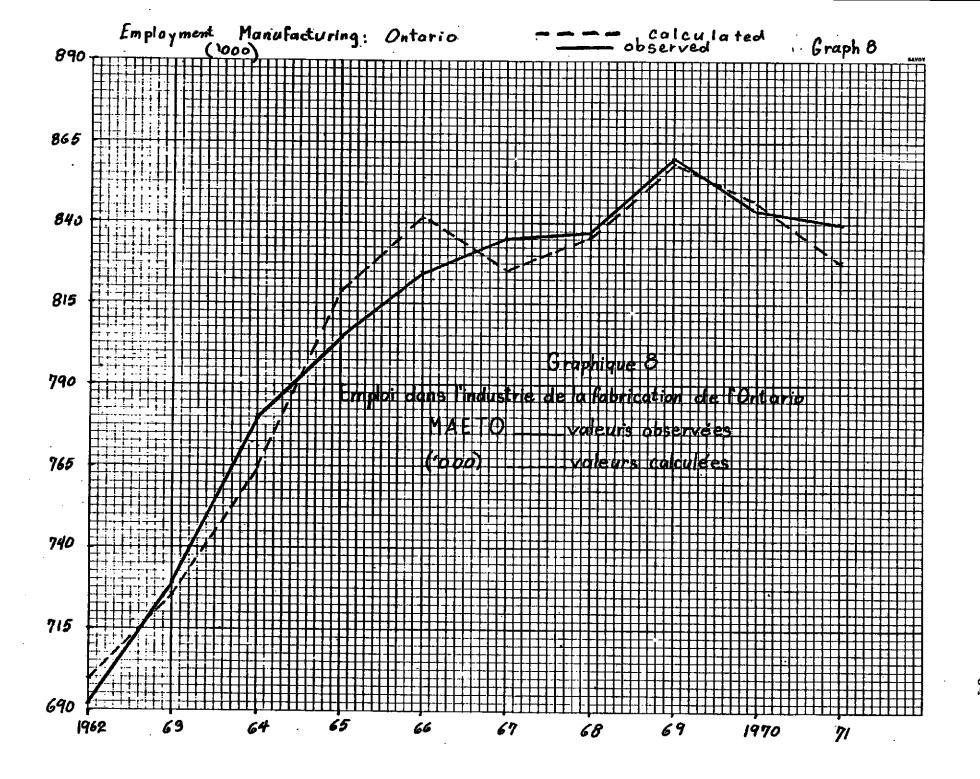
$$\overline{R}^2$$
 = 0.99  $\rho$  =  $\pm$ 0.525  
 $S.E.E.$  = 0.0059  $P$  = Percentage change  
 $D.W.$  = 1.74  $D$  = First difference  
(0.L.S., 1962-1971) Hildreth-Lu

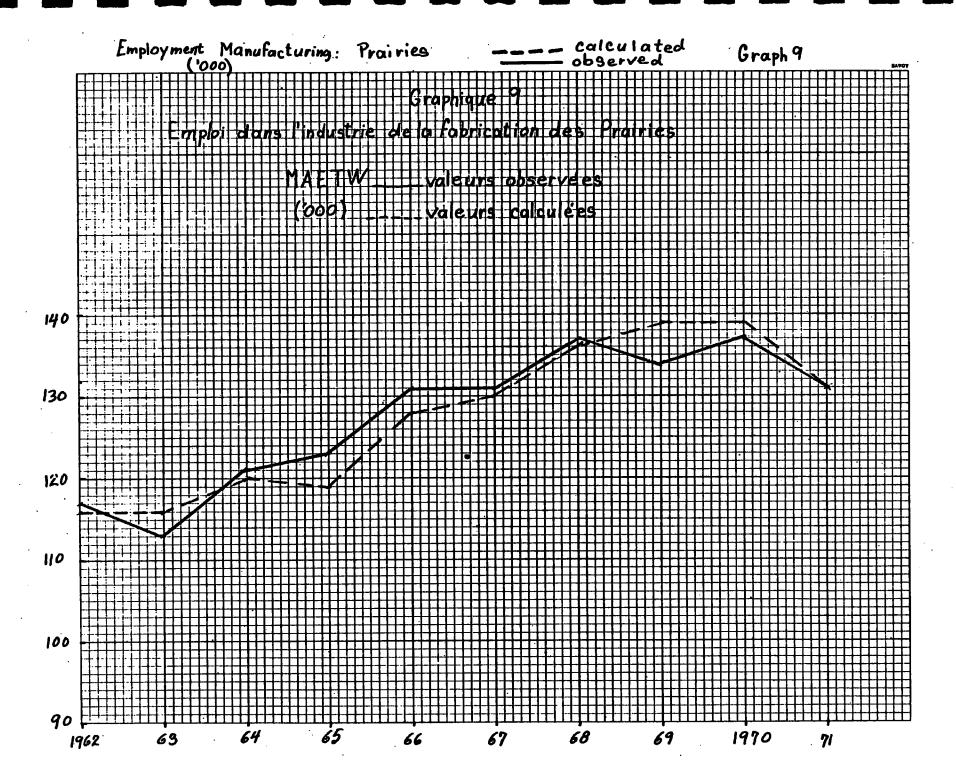
### Employment Services British Columbia

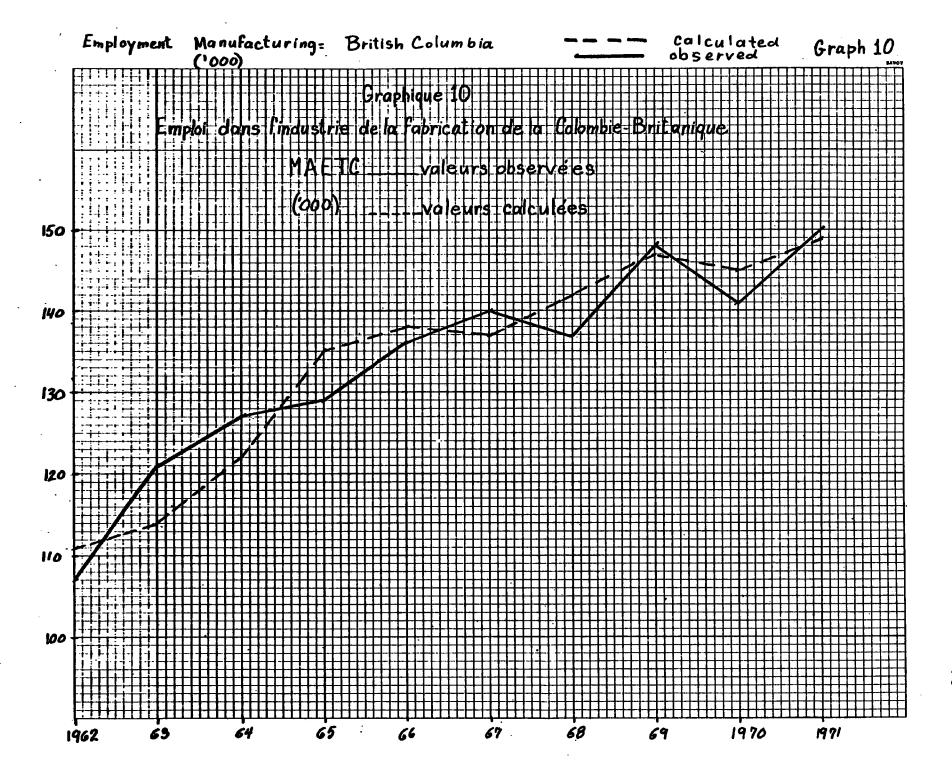
$$\overline{R}^2$$
 = 0.94  $\rho$  = -0.470  $S.E.E.$  = 0.0099  $P$  = Percentage change  $D.W.$  = 1.64  $D$  = First difference (0.L.S., 1962-1971) Hildreth-Lu











## Appendix A Estimation of Capacity Utilization Rates

The rate of utilization of accumulated capacity is defined as the relationship between observed and potential production, i.e.

$$T_{ij} = X_{ij}/X_{ij}^{\rho} \qquad (1)$$

The first problem is in estimating  $X_{ij}^{\rho}$ 

Production potential has been calculated using peaks in the production series, which were identified through annual rates of change of production, defined as follows:

$$r_t = \frac{x_t - x_{t-1}}{x_{t-1}}$$
 (2)

The set of criteria used to identify the peaks of production follow. The first peak is determined by comparison of each  $r_t$  with that of the following period  $(r_{t+1})$ . If  $r_t > r_{t+1}$ , the corresponding value  $x_t$  is retained as a first peak of production. Subsequent peaks should satisfy the following additional conditions:

- i) if  $r_t > r_{t+1}$ ,  $X_t$  is eligible as a production peak,
- ii) if the sum of the rate under consideration, r<sub>t</sub>, and preceding rates back to the last identified peak, is greater than the rate corresponding to this peak, X<sub>t</sub> remains eligible,

- iii) if  $X_t > X_{t-i}$  where  $X_{t-i}$  is the last peak identified  $X_t$  becomes the new peak for production,
  - iv) the last value of the series must comply with conditions ii) and iii) to be retained as a peak.

After having identified all the peaks, the intermediate values are determined by interpolation between the peaks and the values obtained in this way constitute a measure of production potential.

This estimation technique has been applied to all sectors which require a measure of potential. Due to the irregularity of some series, in certain sectors constant production potentials were assumed. This was the case for forestry in the Atlantic region from 1964 on, and for fishing in the Atlantic from 1968 and in Ontario from 1966.

Finally, in order to facilitate simulation exercises outside of the sample period, production potentials for CANDIDE-R were projected along linear trends.

The estimation of  $T_{ij}$  raised another difficulty due to  $X_{ij}$  which is also an endogenous variable in equation (5). For equation (5) the  $T_{ij}$ 's are considered as predetermined variables. It is more difficult to solve these problems in a shock simulation or outside of the sample period. A value for  $T_{ij}$  is required to estimate  $X_{ij}$ , but  $X_{ij}$  is at the same time required to estimate  $T_{ij}$ . It is thus necessary to supply a value for  $T_{ij}$  for the first iteration. In certain sectors, the  $T_{ij}$ 's are treated as

exogenous variables. As well, when other assumptions are considered in simulation it is necessary to supply values for  $\mathbf{T}_{ij}$ .

### Appendix B Estimation of Accumulated Capacity

Accumulated capacity has been estimated by using a truncated sum of past realized investment. principle, it should be possible, with the aid of the value of capital at some year in the past, to arrive at an estimate of the current value of capital by adding to this past value the sum of depreciated investments incurred since that date. Unfortunately, there is no regional data for capital investments. get around this difficulty, it was assumed that the relative capacity of a region is more likely to be modified by the latest investments, than by investment already in place for some time. Often technological developments, by modifing physical production capacity, favour certain regions relative to others. The rapid diffusion of technological progress, however, will hinder the long term maintenance of such relative advantages. Since the latest investments are the most likely incorporate recent technological progress, it is assumed that a relatively short lag should take account of this phenomenon. The use of the capacity variable in equation (5), in ratio form, facilitates the acceptance of these rather simplistic To the extent that the capacity variable is viewed as the determinant of the relative advantages of a region, a four year period (retained for reasons of data availability) seemed the most reasonable. If our analysis was not concerned with the relative positions, four years would appear to be too short a period for measuring capacity, since certain sectors do not modify their complicated equipment very often.

#### Investment

It should be noted that the regional investment data published by Statistics Canada does not offer a level of sectoral disaggregation comparable to the industry output, salaries and employment data. It was necessary to derive these series from source, and even then it was necessary to aggregate investment in agriculture and fisheries.

The regional investment equations have the following format:

$$I_{ij} = S_{ij} \cdot I_{i} \tag{1}$$

where:

I<sub>ij</sub> = Investment in industry i region j

I; = Investment in national industry i

S<sub>ij</sub> = Share of investment of regional industry

i with respect to investment in the same

national industry

For estimation of equation (5), the  $S_{ij}$  were considered as exogenous. These ratios can be projected or set arbitrarily for simulation purposes.

Since the variables in the investment equations were measured in current dollars, it was necessary to convert the I from constant into current dollars using the appropriate CANDIDE deflators.

```
ADET
        EI 12075 2
                     TUTAL EMPLOYMENT -PUBLIC ADMINISTRATION CANADA
APETIC
        EH 12059 2
                     TOTAL EMPLOYMENT -PUBLIC ADMINISTRATION
                                                                  BRIT. COLUMBIA
APETE
        FB 12011 3
                     TOTAL EMPLOYMENT -PUBLIC ADMINISTRATION
                                                                 ATLANTIC
        EB 12086 1
                     TUTAL MANHOURS
                                        -PUBLIC ADMINISTRATION
ADETU
        EB 12035 2
                     TUTAL EMPLOYMENT -PUBLIC ADMINISTRATION
                                                                 ONTARIO
                     TOTAL EMPLOYMENT -PUBLIC ADMINISTRATION
ADETH
        ER 15053 3
                                                                WUEBEC
ADETA
                     TOTAL EMPLOYMENT -PUBLIC ADMINISTRATION PRAIRIES
        EB 12047 3
                     PURLIC ADMINISTRATION = REAL DOMESTIC PROD. SMILL-1961
ADY
        EH 23012 3
SYCA
        EH 50058 3
                     GROSS DUMESTIC PRODUCT SCIS PUBLIC ADMIN, BRIT. COLUMBIA
        EB 50010 3
ADYE
                     GROSS DOMESTIC PRODUCT SCTS PUBLIC ADMIN.
                                                                   ATLANTIC
        EB 50034 3
ADYO
                     GROSS DOMESTIC PRODUCT SCTS PUBLIC ADMIN.
                                                                       ONTARIO
        EB 50022 3
ADYQ
                     GROSS DOMESTIC PRUDUCT SCIS PUBLIC ADMIN.
                                                                       QUEBEC
                     GROSS DUMESTIC PRODUCT SCTS PUBLIC ADMIN.
ANYW
        Fb 50046 3
                                                                       PRAIRIES
AGET
        El 12061 3
                     TOTAL EMPLOYMENT -AGRICULTURE
                                                                 CANADA
                                                                 BRIT. COLUMBIA
AGETC
        FB 12049 3
                     TUTAL EMPLOYMENT -AGRICULTURE
        FH 12001 3
                     TOTAL EMPLOYMENT -AGRICULTURE
AGETE
                                                                 ATLANTIC
AGETH
        EB 12075 1
                     TUTAL MANHOURS
                                      -AGRICULTURE
AGETU
        FH 12025 3
                     TUTAL EMPLOYMENT -AGRICULTURE
                                                                  ONTARIO
                     TOTAL EMPLOYMENT -AGRICULTURE TOTAL EMPLOYMENT -AGRICULTURE
AGETU
        EH 12013 3
                                                                  UUEBEC
AGLIM
        FB 12037 3
                                                                  PRAIRIES
                     GRUSS DUMESTIC PRODUCT SCTS AGRICULTURE
AGYC
        FH 50049 3
                                                                   BRIT, COLUMBIA
AGYE
        Fr 50001 3
                     GROSS DUMESTIC PRODUCT SCTS AGRICULTURE
                                                                       ATLANTIC
AGYO
       FB 50025 3
                     GROSS DOMESTIC PRODUCT SCTS AGRICULTURE
                                                                       ONTARIO
AGYU
                     GRUSS DOMESTIC PRODUCT SCTS AGRICULTURE
        Eb 50013 3
                                                                       QUEBEC
AGYN
        FH 50037 3
                     GROSS DOMESTIC PRODUCT SCIS AGRICULTURE
                                                                       PRAIRIES
COCK
            4072 1
        ΕI
                     CONSTRUCTION
                                            -TOTAL REAL GROSS CAP.STOCK
       EI 12006 3
CUFL
                     TOTAL EMPLOYMENT -CONSTRUCTION
                                                                 CANADA
LOLTC
       Fn 12054 3
                     TOTAL EMPLOYMENT -CONSTRUCTION
                                                                 BRIT, COLUMBIA
COETE
        En 12006 2
                     TOTAL EMPLOYMENT -CONSTRUCTION
                                                                 ATLANTIC
        Ec 12080 5
COLIH
                     TOTAL MANHOURS -CONSTRUCTION
LNETO
        EB 12030 2
                     TOTAL EMPLOYMENT -CONSTRUCTION
                                                                 ONTARIO
CUFIA
       EB 12018 3
                     TOTAL EMPLOYMENT -CONSTRUCTION TOTAL EMPLOYMENT -CONSTRUCTION
                                                                 QUEBEC
       FR 120/12 3
CHETW
                                                                 PRAIRIES
                    CONSTRUCTION -REAL DOMESTIC PROD. SMILL=1961
GROSS DUMESTIC PRODUCT SCTS CONSTRUCTION BRIT. COLUMBIA
GROSS DOMESTIC PRODUCT SCTS CONSTRUCTION ATLANTIC
       FH 23006 7
COY
COYC
       EH 50054 3
COYE
       £6 50006 3
COYO
       ER 50030 3
                     GROSS DUMESTIC PRODUCT SCTS CONSTRUCTION
                                                                       ONTARIO
CUYG
       En 50018 3
                    GROSS DOMESTIC PRODUCT SCTS CONSTRUCTION
                                                                       GUEREC
       En 50042 3
COYM
                    GROSS DOMESTIC PRODUCT SCTS CONSTRUCTION
                                                                       PRAIRIES
            4077 1
CSCK
       FI
                    SERVICES
                                            - TOTAL REAL GROSS CAP. STOCK
       EI 12072 3
CSET
                    TOTAL EMPLOYMENT -SERVICES
                                                                 CANADA
       EH 12058 2
CSETC
                    TUTAL EMPLOYMENT -SERVICES
                                                                 BRIT. COLUMBIA
CSETE
       FU 12010 2
                     TUTAL EMPLOYMENT -SERVICES
                                                                 ATLANTIC
CSETH
       EH 12045 3
                    TOTAL MANHOURS
                                       -SERVICES
CSLTU
       EH 12034 2
                    TUTAL EMPLOYMENT -SERVICES
                                                                 UNTARIU
                    TOTAL EMPLOYMENT -SERVICES
CSETU
       Fb 12022 2
                                                                 DUEBEC
       EH 12046 2
CSETW
                    TOTAL EMPLOYMENT -SERVICES
                                                                 PRAIRIES
CSY
       E1 23011 4
                    SERVICES
                                            -REAL DUMESTIC PRUD, SMILL-1961
                    GROSS DOMESTIC PRODUCT SCTS SERVICES GROSS DOMESTIC PRODUCT SCTS SERVICES
       £8 50059 3
CSYC
                                                                  HRIT. COLUMBIA
CSYE
       E# 50011 3
                                                                       ATLANTIC
CSYO
       EH 50035 3
                    GROSS DUMESTIC PRODUCT SCIS SERVICES
                                                                       ONTARIO
       FH 50023 3
CSYO
                    GROSS DUMESTIC PRODUCT SCTS SERVICES
                                                                       QUEBEC
CSYM
                    GROSS DOMESTIC PRODUCT SCTS SERVICES
       EB 50047 3
                                                                       PRAIRIES
UPSIXT XU
              3 4
                    DUMMY, 1 IN 1961 AND AFTER, ZERO BEFORE
ひちゅ
       XD
              33 2
                    DUMMY(1 IN 1958, ZERO OTHERWISE)-STRIKE IN IRONSSTEEL
```

```
39 2
                    DUMMY(1 FROM 1958-61, ZERO OTHERWISE)
U5861
       Xυ
              18 2
                    DUMMY(1 IN 1961)
U61
       ¥1)
                    DUMMY-INTRODUCTION OF U.S. INTEREST EQUALIZATION TAX
              1 65
063
       Xυ
                    AUTO EXPORT INCENTIVES DUMMY (1 IN 1964)
064
       XD
              42 1
              20 1
                    DUMMY(1 IN 1965&1966, ZERO OTHERWISE)
1)6566
       X()
                    DUMMY(1 IN 1966, ZERO OTHERWISE)
       ΧÜ
              35
                2
1)60
                    1969 STRIKE DUMMY
1169
       ΧÜ
              11 3
                                           -TOTAL REAL GROSS CAP.STOCK
FICK
       F1
            4076 2
                    FINANCE
                    TOTAL EMPLOYMENT -FINANCE
       EI 12071 2
                                                             . CANADA
FIET
                                                                HRIT. CULUMBIA
       EB 12057 3
                    TOTAL EMPLOYMENT -FINANCE
FILTC
FILIE
       EB 12009 2
                    TUTAL EMPLOYMENT -FINANCE
                                                                ATLANTIC
       EB 12084 2
                    TOTAL MANHOURS
                                      -FINANCE
FILTH
                    TOTAL EMPLOYMENT -FINANCE
                                                                ONTARIO
       EH 12033 2
FILTO
                    TOTAL EMPLOYMENT -FINANCE
FILTU
       EH 13021 S
                                                                UNERFC
                    TOTAL EMPLOYMENT -FINANCE
                                                                PRAIRTES
FILIW
       EH 12045 2
                                           -REAL DOMESTIC PROD, SMILL-1961
                    FINANCE
FJY
       F6 23010 6
                    GROSS DOMESTIC PRUDUCT SCIS FINANCE
FIYC
                                                                 BRIT, COLUMBIA
       E8 50057 3
                    GHOSS DUMESTIC PRODUCT SCTS FINANCE
                                                                     ATL ANTIC
FIYE
       FB 50009 3
                   GROSS DUMESTIC PRODUCT SCIS FINANCE GROSS DUMESTIC PRODUCT SCIS FINANCE
FIYN
       E8 50033 3
                                                                     ONTARIO
                                                                     NUEBEC
FIYN
       Ed 50021 3
                    GROSS DUMESTIC PRODUCT SCIS FINANCE
                                                                     PRAIRIES
FIYN
       EH 50045 3
                                           -INTAL REAL GROSS CAP.STOCK
FOUR
       F1
           4068 1
                    FURESTRY
                                                                CANADA
                    TUTAL EMPLOYMENT -FURESTRY
FOLT
       F1 12062 3
                                                                HRIT' COLUMBIA:
                    TUTAL EMPLOYMENT -FURESTRY
       EH 12050 2
FOLTC
                    TUTAL EMPLOYMENT -FURESTRY
                                                                ATLANTIC
FUFTE
       ER 15005 5
                    TOTAL MANHOURS
                                     -FORESTRY
       Es 12076 1
FOETH
                    TOTAL FMPLOYMENT -FORESTRY
                                                                ONTARIO
       EB 15059 5
FOLTU
       En 12014 2
                    TUTAL EMPLOYMENT -FORESTRY
                                                                WUEBEC
FOLIG
                    THITAL EMPLOYMENT -FURESTRY
                                                                PRAIRIES
FOETW
       Eb 12035 2
                                           -REAL DOMESTIC PRUD. SHILL=1961
FOY
       E# 23002 3
                    FURESTRY
                                                                 BRIT. CULUMBIA
                    GROSS DUMESTIC PRODUCT SCIS FORESTRY
FOYC
       Fd 50050 3
                    GROSS NUMESTIC PRODUCT SCIS FORESTRY
                                                                     AILANTIC
       EH 50002 3
FOYE
                    GROSS DOMESTIC PRODUCT SCIS FORESTRY
                                                                     ONTARIO
       FH 50026 3
FOYO
                    GROSS DUMESTIC PRODUCT SCIS FORESTRY
                                                                     QUESEC
FUYU
       FH 50014 3
                                           -IDIAL REAL GROSS CAP.STOCK
           4469 1
FSCK
                    FISHING
       ΕI
                    TOTAL EMPLOYMENT -FISHING
       FI 12063 3
FSET
                                                                CANADA
                    TOTAL EMPLOYMENT -FISHING
                                                                BRIT. COLUMBIA
FSEIC
       FI 12051 2
                    TOTAL EMPLOYMENT -FISHING
                                                               · ATLANTIC
FSETE
       EB 12003 2
                                      =FISHING
       FH 12077
                    TUTAL MANHOURS
FSETH
                 2
                    TOTAL EMPLOYMENT -FISHING
                                                                UNTARTO
FSET()
       EH 12027
                    TOTAL EMPLOYMENT -FISHING
                                                                UUEBEC
FSETIN
       EH 12015
                 5
                    TOTAL FMPLOYMENT -FISHING
                                                                PRAIRIES
FSETN
       £1 12039 2
                                            -KEAL DOMESTIC PRUD, SMILL=1961
                    FISHING
F.S.Y
        En 23003 7
                    GROSS DUMESTIC PRODUCT JCTS FISHING
                                                                 HRIT. CULUMBIA
FSYC
        EH 50051 4
                    GROSS DUBESTIC PRODUCT SCIS FISHING
                                                                     AILANTIC
FSYE
        En 50005 3
                                            -REAL DOMESTIC PROD. SMILL-1961
       FH 23013 2
                    HUUSING
mGY
                                            -TOTAL REAL GROSS CAP.STOCK
                    MANUFACTURING
           4071 1
MACK
       £ 1
                    TOTAL EMPLOYMENT -MANUFACTURING
                                                                CANADA
MALI
       EI 12065 6
                                                                BRIT, COLUMBIA
                     TOTAL EMPLOYMENT -MANUFACTURING
MALTC
        EB 12053 3
                    TOTAL FMPLOYMENT -MANUFACTURING
                                                                ATLANTIC
MAETE
        EB 12005 3
                                      -MANUFACTURING
MALTH
       Eb 12074 7
                    TOTAL MANHOURS
                                                                UNTARIO
                     TOTAL EMPLOYMENT -MANUFACTURING
MALTU
        En 15058 5
                    TOTAL EMPLOYMENT -MANUFACTURING
MAETH
        EB 12017 3
                    TOTAL EMPLOYMENT -MANUFACTURING
                                                                PRAIRIES
MAETW
        EB 12041 3
                    MANUFACTURING
                                            -REAL DUMESTIC PROD. SHILL-1961
        EI 23005 6
MAY
```

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GROSS DOMESTIC PRODUCT SCIS MANUFACTURING BRIL. COLUMBIA
MAYC
       Eb 50053 3
                    GROSS DOMESTIC PRODUCT SCIS MANUFACTURING
       EB 50005
                                                                      ATLANTIC
MAYE
                    GROSS DUMESTIC PRUDUCT SCTS MANUFACTURING
                                                                      ONTARIU
MAYO
       EB 50029
                    GHOSS DUMESTIC PRUDUCT SCTS MANUFACTURING GROSS DOMESTIC PRUDUCT SCIS MANUFACTURING
                                                                      QUEBEC
       EH 50017
MAYQ
MAYW
       EH 50041
                                                                      PRAIRIES
                 3
            4070 1
                                            -TOTAL REAL GROSS CAP.STOCK
MICK
       ΕI
                    MINING
       F1 12064 2
                    TOTAL EMPLOYMENT -MINING
                                                                 CANADA
MIFT
                                                                BRIT, COLUMBIA
MILTC
       Eb 12052
                    TUTAL EMPLOYMENT -MINING
MILTE
       F1 12004
                    TUTAL EMPLOYMENT -MINING
       EH 12076 2
'MIETH
                    TOTAL MANHOURS
                                       -MINING
       EB 12028 3
                                                                 UNTARIO
MILTU
                    TUTAL EMPLOYMENT -MINING
MIETU
                                                                 GUEBEC
       Ed 12016 3
                    TOTAL EMPLOYMENT -MINING
MTETW
       En 12040 3
                    TOTAL EMPLOYMENT -MINING
                                                                 PHAIRIES
MIY
       EI 23004 7
                    MINING
                                            -REAL DOMESTIC PROD. SMILL-1961
                                                                 BRIT, COLUMBIA
MIYC
       EU 50052 3
                    GROSS DUMESTIC PRODUCT SCTS MINING
                    GROSS DUMESTIC PRODUCT SCTS MINING GROSS DOMESTIC PRODUCT SCTS MINING
                                                                      ATLANTIC
MIYE
       ER 50004
                                                                      ONTARIO
DYIM
       EH 50028 3
                    GROSS DOMESTIC PRODUCT SCIS MINING
MIYU
       EB 50016
                                                                      SUEREC
                    GROSS DUMESTIC PRODUCT SCTS MINING
                                                                      PHAIRIES
MIYW
       EB 50040
                 3
POST62 XII
              28 1
                    DUMMY-INFLUENCE OF MAN, &VOL. CIRLS ON L.T. CAP. FLOWS
                    TOTAL EMPLOYMENT -- TOTAL --
                                                                CANADA
TFET
       EI 12074 6
                                                                 HRIT, COLUMBIA
TFETL
                    TOTAL EMPLOYMENT -- TOTAL --
       EI 12060 4
                                                               ATLANTIC
       EI 12012 2
                    TUTAL EMPLOYMENT -- TOTAL --
TEETE
TELTH
       EL 12087 1
                    TOTAL MANHOURS
                                       -- TUTAL --
TFETO
       FI 12036 2
                    TOTAL FMPLOYMENT -- TOTAL --
                                                                 ONTARTO
TFETU
       E1 12024 4
                    TOTAL EMPLOYMENT -- TOTAL --
                                                                 HUEREC
                    TOTAL EMPLOYMENT -- TUTAL --
                                                                PHAIRIES
TELTW
       EI 12046 3
                                                                              C 1406MM
                    TIME (LAST TWO DIGITS OF YEAR, 1970=70)
TIME
       XU
               1 2
                                            -TUTAL REAL GROSS CAP.STOCK
TRCK
       Εı
           4075
                    THADE
TRET
       FI 12070 3
                    TOTAL EMPLOYMENT -TRADE
                                                                 CANADA
                                                                BRIT. COLUMBIA
ATLANTIC
TRETC
       EB 12056 2
                    FOTAL EMPLOYMENT -THADE
                    TOTAL EMPLOYMENT -TRADE
TPETE
       ER 12008 2
125 TH
       EH 12083 2
                    TUTAL MANHOURS
                                       -TRADE
                    TOTAL EMPLOYMENT -TRADE
                                                               ONTARIU
TRETU
       En 12032
                 5
THETU
       EB 12020
                    TOTAL EMPLOYMENT -TRADE
                                                                 QUEBEC
                 2
       EH 12044
                    TUTAL EMPLUYMENT -TRADE
                                                                 PRAIRILS
THETM
                 2
                                            -REAL DOMESTIC PROD. SMILL-1961
TRY
       E1 23009 7
                    TRADE
TRYC
       FH 50056 3
                    GROSS DOMESTIC PRODUCT SCIS TRADE
                                                                  BRIT. COLUMBIA
TRYE
       FI 50006 3
                    GROSS DOMESTIC PRODUCT SCTS TRADE
                                                                      ATLANTIC
                                                                     ONTARIO
TRYO
       Eb 50032 3
                    GROSS DOMESTIC PRODUCT SCIS TRADE
                                                                      QUEBEC
IBA0
       FB 50020 3
                    GROSS DUMESTIC PRUDUCT SCIS TRADE
TRYW
       Fn 50044 3
                    GROSS DUMESTIC PRODUCT SCTS TRAVE
                                                                      PHAIRIES .
          4074 1
                                            -TOTAL REAL GROSS CAP, STOCK
TSCK
       ΕI
                    TRANSPORTATION
TSET
       EH 12068 3
                    TOTAL EMPLOYMENT -TRANSPORTATION .
                                                                 CANADA
       Fit 12055 2
                                                                 HRIT. COLUMBIA
                    TOTAL EMPLOYMENT -TRANSPORT & UTILITIES
TSETC
                    TUTAL EMPLOYMENT -TRANSPORT & UTIL.
                                                                 ATLANTIC
TSETE
       EB 12007 3
       FH 12082 5
TSETH
                    TOTAL MANHOURS
                                      -TRANSPORTATION
                    TOTAL EMPLOYMENT -THANSPORT & UTIL.
TSETU
       En 12031 2
                                                                 ONTARIO
TSETU
       EB 12019 2
                    TUTAL EMPLOYMENT -TRANSPORT & UTIL.
                                                                 QUEBEC
                    TUTAL EMPLOYMENT -TRANSPORT & UTIL
ISETW
       EH 12043 2
                                                                 PRAIRIES
                    TUTAL EMPLOYMENT -TRANSPORT & UTILITIES CANADA
TSUTET FI 12067 3
                                           -REAL DOMESTIC PROD. SMILL-1961
       FI 23008 5
                    THANSPORTATION
TSY
                    GRUSS DUMESTIC PRODUCT SCIS TRANS. & UTIL. HHIT. COLUMBIA
TSYC
       EB 50055 3
                    GROSS DUMESTIC PRODUCT SCIS TRANS. & UTIL.
ISYE
       EI 50007 3
                                                                     ATLANTIC
                    GROSS DOMESTIC PRODUCT SCTS TRANS . R UTIL.
TSYU
       EB 50031 5
```

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GROSS DUMESTIC PRODUCT SCTS TRANS, & UTIL.
                                                                  GUEBEC
       En 50019 5
ISYN
                                                                  PRAIRIES
                   GROSS DUMESTIC PRUDUCT SCIS THANS. & UTIL.
ISYM
       E6 50045 5
                                         -TOTAL REAL GROSS CAP.STOCK
           4073 1
                   UTILITIES
UTCK
       ΕI
                   TOTAL EMPLOYMENT -UTILITIES
UTET
       ET 15094 ?
                   TOTAL MANHOURS -UTILITIES
UTEIH
       EB 12081 1
                                          -REAL DOMESTIC PROD. SMILL-1961
                   HILLITIES
UTY
       EI 23007 5
                   EMPLOYMENT -FISHING BRITISH COLUMBIA
XFSEIC XI
            521 1
                   FAPLITYMENT, FISHING, ONTARIO
AFSFIO XX
            602 1
                   EMPLOYMENT, FISHING, WUEBEC
XESETO XX
            601 1
                   EMPLOYMENT -FISHING PRAIRIES
            520 1
XFSEIW XI
                                         ATLANTIC
            519 1 EMPLOYMENT -MINING
XMIETE X1
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PUBLIC ADMINISTRATION -REAL DOMESTIC PROD. SMILL-1961
YOA
       EB 23012 3
                   GRUSS DOMESTIC PRODUCT SCTS PUBLIC ADMIN. BRIT. COLUMBIA
       EB 50058 3
ADYC
                                                                    ATLANTIC
                   GROSS DOMESTIC PRODUCT SCIS PUBLIC ADMIN.
ADYL
       EB 50010 3
                                                                    DNTARIO
                   GRUSS DOMESTIC PRODUCT SCTS PUBLIC ADMIN.
       EB 50034 3
ADYO
                   GROSS DUMESTIC PRODUCT SCIS PUBLIC ADMIN.
                                                                    GNEAFC
ADYG
       E8 50022 3
                                                                    PHAIRIES
                   GROSS DUMESTIC PRODUCT SCTS PUBLIC ADMIN.
ADYH
       E8 50046 3
                                          -CONST.GROSS FIX.CAP.FORM.-361
           4001 5
                   AGRICULTURE
AGICOK ES
                   IMPL. STRUCTURES-INV.DEFL. -AGRICULTURE
AGICOP EH 34001 5
                                          -M & E GRUSS FIX.CAP.FORM. -$61
           4012 5
                   AGRICULTURE
AGIMEK EB
                   IMPL.MACH.EUUIPM-INV.DEFL. -AGRICULTURE
AGIMEP EB 33001 5
                                          -REAL DOMESTIC PROD. SMILL-1961
                   AGRICULTURE
       EB 23001 7
AGY
                   GROSS DUMESTIC PRODUCT SCTS AGRICULTURE BRIT. COLUMBIA
       EB 50049 3
AGYC
                   GROSS COMESTIC PRODUCT SCTS AGRICULTURE
                                                                    ATLANTIC
       E8 50001
AGYE
                   GRUSS DOMESTIC PRODUCT SCTS AGRICULTURE
                                                                    UNTARIO
       EB 50025
AGYO
                   GROSS DOMESTIC PRODUCT SCTS AGRICULTURE
                                                                    BUEBEC
AGYO
       E8 50013 3
                   GROSS DUMESTIC PRODUCT SCTS AGRICULTURE
                                                                    PRAIRIES
       EB 50037 3
AGYW
                                          -CONST.GRUSS FIX.CAP.FORM.-$61
                   CONSTRUCTION
COICUK EB
           4006 4
                   IMPL. STRUCTURES-INV.DEFL. -CONSTRUCTION
COICUP EB 34024 4
                                          -M & E GROSS FIX.CAP.FUKH. = $61
                   CUNSTRUCTION
COIMEK ER
           4017 4
                    IMPL. MACH. EMUIPM-INV. DEFL. -CONSTRUCTION
COIMEP EN 33024 4
                                          -REAL DOMESTIC PROD. SHILL-1961
                    CONSTRUCTION
       EB 25006 7
COY
                   GHOSS DOMESTIC PRODUCT SCTS CONSTRUCTION BRIT. CULUMBIA
       EB 50054 3
COYC
                    GROSS DOMESTIC PRODUCT SCIS CONSTRUCTION
                                                                   ATLANTIC
       EB 50006 3
COYE
                                                                    DISATED
                    GRUSS DUMESTIC PRODUCT SCTS CONSTRUCTION
COYU
       EB 50040 3
                    GRUSS DUMESTIC PRODUCT SCIS CONSTRUCTION
                                                                    BUEBEC
COYE
       EB 50018 3
                                                                    PHAIRIES
                    GROSS DUMESTIC PRODUCT SCTS CONSTRUCTION
       EB 50042 3
COYM
                    COMM. BUS. &PERS. SERV. -CONST. GHUSS FIX. CAP. FURM. -561
           4011 4
CSICUK E1
                    IMPL. STRUCTURES-INV.DEFL. -COM.BUS.PERS.SERVICES
CSICUP EI
          34041 4
                    COMM.BUS. &PERS. SERV. - - 6 E GRUSS FIX. CAP. FURM. - 561
           4022 4
CBIMŁK EI
                    IMPL MACH , EUUIPM-INV , DEFL . - COM , BUS , PERS , SERVICES
CSIMEP EL
          33041 4
                                           -REAL DOMESTIC PROD. SMILL-1961
                    SERVICES
CSY
       EI 23011 4
                                                                BRIT, CULUMBIA
                    GROSS DOMESTIC PRODUCT SCTS SERVICES
CSYC
          50059 3
       Eь
                                                                    ATLANTIC
                    GRUSS DUMESTIC PRODUCT SCTS SERVICES
       EB 50011 3.
CSYE
                    GROSS DOMESTIC PRODUCT SCTS SERVICES
                                                                    ONTARIO
CSYG
       EB 50035 3
                                                      BRIT, COLUMBIA
                    PUTENTIAL OUTPUT SERVICES
CSYPC
       ¥ 3
             592 1
                                                      ATLANTIC
                    PUTENTIAL DUTPUT
                                       SERVICES
            577 1
CSYPE
       x 3
                                                      DINATED
                    POTENTIAL DUTPUT
                                       SERVICES
             585 1
CSYPO
       X3
                                       SERVICES
                                                      GUEREC
CSYPG
             581 1
                    POTENTIAL DUTPUT
       X 3
                                                      AGAMAD
             596 1
                    POTENTIAL DUTPUT SERVICES
       X3
CSYPT
                    GRUSS DOMESTIC PRODUCT SCTS SERVICES
                                                                    MOFREC
          50023 3
50047 3
CSYQ
       EВ
                                                                    PHAIRLES
                    GROSS DOMESTIC PRODUCT SCTS SERVICES
CSYM
       EВ
                                         -CONST.GRUSS FIX.CAP.FORM.-561
                    FIN., INS. BREAL EST.
           4010 4
FILCUK EH
                    IMPL, STRUCTURES-INV. DEFL. -FIN. INS. REAL ESTATE
FIICUP EU
          34036 4
                                         -M & E GROSS FIX.CAP.FORM.+>61
                    FIN. INS . BREAL EST.
FIIHEK EH
           4021 4
                    IMPL.MACH.EUUIPM-INV.DEFL. -FIN. INS. REAL ESTATE
          33036 4
FIIMEP EB
                                          .- REAL DOMESTIC PROD. 3MILL-1961
       EB 23010 6
                    FINANCE
FIY
                                                                BRIT, CULUMBIA
                    GRUSS DUMESTIC PRODUCT SCIS FINANCE
       EB 50057 3
FIYC
                                                                    ATLANTIC
                    GROSS DOMESTIC PRODUCT SCTS FINANCE
FIYE
       EB 50009 3
                    GRUSS DOMESTIC PRODUCT SCIS FINANCE
                                                                    UNIARIO
       E8 50033 3
FIYU
                                                                    DUEBEC
                    GROSS DUMESTIC PRODUCT SETS FINANCE
       EH 50021 3
FIYO
                    GRUSS DUMESTIC PRODUCT SCIS FINANCE
                                                                    PRAIRIES
       EB 50045 3
FIYM
                                           -CONST.GROSS FIX.CAP.FURM.-$61
            4002 4
                    FORESTRY
FOICUK EN
                    IMPL. STRUCTURES-INV.DEFL. -FORESTRY
FOICOP EN 34003 4
                                           -M & E GROSS FIX.CAP.FORM. -361
                    FORESTRY
           4013 4
FOIMEK EB
                    IMPL_MACH_EUUIPM-INV_DEFL. -FORESTRY
FOIMEP EH 33003 4
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-REAL DOMESTIC PROD. SMILL-1961
FOY
       EB 23002 3
                    FORESTRY
                                                                 BRIT, CULUMBIA
                    GROSS DOMESTIC PRODUCT SCTS FORESTRY
FOYC
       EB 50050 3
                    GROSS DOMESTIC PRODUCT SCTS FORESTRY
                                                                     ATLANTIC
FOYE
       EB 50002 3
                    GROSS DOMESTIC PRODUCT SCTS FORESTRY
FOYO
       EB 50026 3
                    POTENTIAL OUTPUT FURESTRY
FOYPC
            590 1
                                                       BRIT. COLUMBIA
       X3
FOYPE
                    POTENTIAL OUTPUT
                                                       ATLANTIC
             575 1
                                       FURESTRY .
       X3
                    POTENTIAL OUTPUT
FOYPO
       X3
            583 1
                                       FORESTRY
                                                       ONTARIO
            579 1
                    POTENTIAL OUTPUT
                                       AGRICULTURE
FOYPG
       X3
                                                       QUE8EC
FOYPT
       X3
            594 1
                    POTENTIAL UUTPUT
                                       FURESTRY
                                                       CANADA
FOYPW
            587 1
                                                       PRAIRIES
       X3
                    POTENTIAL DUTPUT FORESTRY
                                                                     QUEBEC
                    GROSS DUMESTIC PRODUCT SCTS FORESTRY
FOYQ
       EB 50014 3
                    GROSS DOMESTIC PRODUCT SCIS FORESTRY
                                                                     PHAIRIES
FOYN
       E8 50038 3
                                            -CONST.GRUSS FIX.CAP.FORM.-$61
           4003 4
                    FISHING
FSICOK EB
                    IMPL. STRUCTURES-INV. OEFL. -FISHING & TRAPPING
FSICOP EB
          34002 5
           4014 5
                                           -M & E GRUSS FIX.CAP.FORM.-561
FSIMEK EB
                    FISHING
FSIMEP EB 33002 5
                    IMPL.MACH.EQUIPM-INV.OEFL. -FISHING & TRAPPING
FISHING -HEAL DOMESTIC PROD.SMILL-1961
       EB 23003 7
FSY
                                                                 BRIT, COLUMBIA
                    GRUSS DOMESTIC PRODUCT SCTS FISHING
FSYC
       EB 50051 3
                    GRUSS DOMESTIC PRODUCT SCTS FISHING
                                                                     ATLANTIC
FSYE
       EB 50003 3
                    GROSS COMESTIC PRODUCT SCTS FISHING
                                                                     UNTARIU
       E8 50027 3
FSYU
                    GROSS DUMESIIC PRODUCT SCTS FISHING
                                                                     QUEBEC
       EB 50015 3
FSYG
FSYM
       EB 50039 3
                    GRUSS OUMESTIC PRODUCT SCTS FISHING
                                                                     PRAIRIES
GFICAC EI 24008 4
                    GOVT.FIXED CAPITAL FORMATION=CURRENTS
                                           -REAL DOMESTIC PROD. SMILL-1961
HGY
       EB 53013 5
                    HOUSING
                    INVEST.IN HES.CONSTRUCTION-CURRENT &
IRCZ
       EI 24009 4
                                           -CONST.GROSS FIX.CAP.FURM.-$61
MAICOK EB 32068 4
                    MANUFACTURING
MAICUP EI 34039 4
                    IMPL. STRUCTURES-INV.DEFL. -MANUFACTURING
                                           -M & E GROSS FIX.CAP.FORM. ->61
MAIMEK EI
            4010 4
                    MANUFACTURING
                   IMPL.MACH.EWUIPM-INV.DEFL. -MANUFACTURING
MAIMEP EI 33039 4
                    MANUFACTURING
                                           -REAL DUMESTIC PROD. SMILL-1961
MAY
       EI 23005 b
MAYE
                    GROSS DUMESTIC PRODUCT SCTS MANUFACTURING BRIT. CULUMBIA
       Eb 50053 &
                                                                     ATLANTIC
MAYE
       EB 50005 3
                    GROSS DOMESTIC PRODUCT SCTS MANUFACTURING
                                                                     UNTARIO
MAYU
       E8 50029 3
                    GRUSS DOMESTIC PRODUCT SCTS MANUFACTURING
       EB 50017 3
MAYU
                    GROSS DOMESTIC PRODUCT SCTS MANUFACTURING
                                                                     OUFBEC
                                                                     PRAIRIES
MYAM
       EВ
          50041 3
                    GRUSS DUMESTIC PRODUCT SCIS MANUFACTURING
                    MINING, UUARKYING&U.W. -CONST. GRUSS FIX. CAP. FORM. -561 IMPL. STRUCTURES-INV. DEFL. -MINING, WUAR, DIL WELLS
MIICUK EB
           4004 4
MIICUP ER
          34004 4
MIIMEK EB
                    MINING, WUARKYING&U. W. OM & E GROSS FIX. CAP, FURM. -> 61
            4015 4
MIIMEP EB 33004 4
                    IMPL. MACH. EWUIPM-INV. DEFL. -MINING, WUAR, OIL WELLS
WIA
       EI 23004 7
                                           -REAL DOMESTIC PROD. SMILL-1961
                    MINING
                                                                 BRIT, COLUMBIA
MITC
                    GRUSS DUMESTIC PHUDUCT SCTS MINING
       EB 50052 3
MIYE
                    GROSS DUMESIC PRUDUCT SCTS MINING
                                                                     ATLANTIC
       £8 50004 3
MITU
                    GROSS DUMESTIC PRODUCT SCIS MINING
       EB 2002B 3
                                                                     ONTARIO
       EB 50016 3
MIAS
                                                                     BUEBEC
                    GROSS DOMESTIC PRODUCT SCTS MINING
MITA
       EB 50040 3
                    GROSS DUMESTIC PRUDUCT SCIS MINING
                                                                     PRAIRIES
TCAGL
       £1 50070 3
                    RAPPORT DES TAUX D'UTIL. DE LA PROD. RAPPORT DES TAUX D'UTIL. DE LA PROD.
                                                             AGRICULTURE B.C.
                                                                           AILANTIC
10:06
       E1 50061 3
                                                             AGRICULTURE
        ti 51007 3
                                                             AGRICULTURE
                                                                           ONTAKIU
                    RAPPURT DES TAUX D'UTIL. DE LA PHOD.
16.400
       £1 50005 3
                    RAPPUHT DES TAUX D'UTIL. DE LA PROD.
                                                             AGRICUL TURE
                                                                           BUEBEC
1CAun
       £1 50073 3
                    RAPPORT DES TAUX D'UTIL. DE LA PROD.
                                                             AGRICULTURE
                                                                           PHAIRIES
       £1 50079 3
ICLSL
                                                                           B.C.
                    RAPPORT DES TAUX D'UTIL. DE LA PROD.
                                                             SERVICES
       EI 50004 3
1CL2F
                                                                           ATLANTIC
                    RAPPURT DES TAUX D'UTIL. DE LA PROD.
                                                             SERVICE
TELDI
       EI 50072 3
                    HAPPORT DES TAUX U'UTIL. DE LA PROD.
                                                             SERVICES
                                                                           ONTARIO
TCL3.
       E 1 50008 3
                    RAPPORT DES TAUX D'UTIL. DE LA PROD.
                                                             SERVICES
                                                                           BUEBEC
16136
       EL 50077 3 RAPPORT DES TAUX D'UTIL. DE LA PROD.
                                                             FURET
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ATLANTIC
                    RAPPORT DES TAUX D'UTIL. DE LA PROD.
                                                            FORET
 TCFOE
        EI 50062 3
                                                            FORET
                                                                          ONTAKIU
 TCFOU
        EI
           50070 3
                    RAPPORT DES TAUX D'UTIL. DE LA PROD.
 TCFOW
                                                            FORET
                                                                          QUEBEC
           50066 3
                     RAPPORT DES TAUX D'UTIL. DE LA PROD.
        EI
                                                                          PHAIRIES
 TCFON
                     RAPPURT DES TAUX D'UTIL. DE LA PROD.
                                                            FORET
        EL 50074 3
                                                                          B,C.
TCFSC
                     RAPPORT DES TAUX D'UTIL. DE LA PROD.
                                                             PECHES
        EI 50078 3
                                                             PECHES
                                                                          ATLANTIC
TCFSE
                     RAPPORT DES TAUX D'UTIL. DE LA PROD.
        EI 50063 3
TCFSO
        EI 50071 3
                     RAPPORT DES TAUX D'UTIL. DE LA PROD.
                                                             PECHES
                                                                          ONTARIO
TCFSQ
        E1 50067 3
                     RAPPORT DES TAUX D'UTIL. DE LA PROD.
                                                             PECHES
                                                                          GUEBEC
                                                             PECHES
                                                                          PHAIRLES
TCFSW
        E1 50075 3
                     RAPPORT DES TAUX D'UTIL. DE LA PROD.
                     GROSS DOMESTIC PRODUCT SCTS TOTAL ECONOMY BRIT. COLUMBIA
 TEYBC
        E1 50060 3
                                                                     ATLANTIC
 TEYE
        EI .50012 3
                     GROSS DOMESTIC PRODUCT SCTS TOTAL ECONOMY
                    GRUSS DOMESTIC PRODUCT SCTS TOTAL ECONOMY
                                                                     ONTARIU
 TEYU
        El 50036.3
                    GROSS DUMESTIC PRODUCT SCTS TOTAL ECONOMY
                                                                     GUEBEC
 TEYU
        E1 50024 3
                    GROSS DOMESTIC PRODUCT SCIS TOTAL ECONOMY
TEYM
                                                                     PHAIRIES
        E1 50048 3
TIADC
        EI 52053 3
                    TOTAL INVESTMENT -PUBLIC ADMIN.
                                                        BRIT. COLUMBIA
TIADQ
        E1 52020 3
                    TOTAL INVESTMENT -PUBLIC ADMIN
                                                        QUEBEC
                    TOTAL INVESIMENT -PUBLIC ADMIN.
TIADW
        E1 52042 3
                                                        PRAIRIES
                                                        BRIT, COLUMBIA
ATLANTIC
 TIAGC
                     TOTAL INVESTMENT -AGRIC. AFISHING
        E1 52045 4
TIAGE
        EI 52001 4
                     TOTAL INVESIMENT -AGRIC. SFISHING
                     TOTAL INVESTMENT -AGRIC. EFISHING
TIAGO
        E1 52023 4
                                                        ONTARIO
                     TOTAL INVESTMENT -AURIC. BFISHING
                                                        MUEREC
 TIAGU
           52012 4
        ΕI
                                                        PHAIRIES
                     TOTAL INVESIMENT -AGRIC. &FISHING
 TIAGW
        ΕI
           52034 4
                                                        dHII. CULUMBIA
TICOC
        EI 52049 3
                     TOTAL INVESTMENT -CONSTRUCTION
                                                        ATLANTIC
 TICUE
                     TOTAL INVESTMENT -CONSTRUCTION
        E1 52005 3
 TICOO
        EI 52027 3
                     TOTAL INVESTMENT -CONSTRUCTION
                                                        ONTARIO
TICOG
        El 52016 3
                     TOTAL INVESIMENT -CUNSTRUCTION
                                                        QUEBEC
                     TOTAL INVESIMENT -CONSTRUCTION
TICOM
                                                        PRAIRIES
        EI 52038 3
        E1 52054 3
                     TOTAL INVESTMENT -SERVICES
TICSC
                                                        RKIL" COFOMPIV
                                                        AILANTIC
 TICSE
        E1 52010 3
                     TOTAL INVESIMENT -SERVICES
                                                        UNTARIO
 TICSU
        EI 52032 3
                    TOTAL INVESIMENT -SERVICES
                    TOTAL INVESIMENT -SERVICES
 TICSO
        EI 52021 3
                                                        BUEREC
                    TOTAL INVESTMENT -FINANCE
                                                        BRIT. COLUMBIA
TIFIC
        EI 52052 3
                    TUTAL INVESTMENT -FIANNCE
                                                        ATLANTIC
 TIFIE
        £1 52008 3
 TIFIO
        EI 52030 3
                    TOTAL INVESTMENT -FINANCE
                                                        ONTARIO
 TIFIG
        EI 52014 3
                     TOTAL INVESIMENT -FINANCE
                                                        BUEBEC
                     TOTAL INVESTMENT -FINANCE
                                                        PHAIRIES
 TIFIN
        EI 52041 3
 TIFUC
        £1 52046
                     TUTAL INVESIMENT -FURESTRY
                                                        BRIT. COLUMBIA
                                                        ATLANTIC
TIFUE
        E1 52002 3
                     TOTAL INVESTMENT -FORESTRY
TIFOU
        EI 52024 3
                     TOTAL INVESTMENT -FORESTRY
                                                        UNTARIO
TIFOG
                     TOTAL INVESTMENT -FURESTRY
                                                        HUEBEC
        EI 52013 3
                    TOTAL INVESTMENT -FORESTRY
                                                        PRAIRIES
TIFON
        EI 52035 3
                                                        BRIT. COLUMBIA
TIMAC
        E1 52048 3
                    TOTAL INVESIMENT -MANUFACTURING
                                                        AILANTIC
TIMAL
        EI 52004 3
                    TOTAL INVESTMENT -MANUFACTURING
                    TOTAL INVESTMENT -MANUFACTURING
                                                        ONTARIO
 DAMIT
       EI 52026 3
                    TOTAL INVESTMENT -MANUFACTURING
 DAMIT
        EI 52015 3
                                                        QUEBEC
                    TOTAL INVESTMENT -MANUFACTURING
 TIMAN
        EI 52037 3
                                                        PHAIRIES
TIME
        X ()
               1 2
                    TIME (LAST TWO DIGITS OF YEAR, 1970=70)
                                                                            C 1406MM
TIMIC
        £1 52047 3
                    TUTAL INVESTMENT -MINING
                                                        BHIT. COLUMBIA
                                                        AFLANTIL
TIMIL
        EI 52003 3
                    TOTAL INVESTMENT -MINING
TIMIO
        E1 52025 3
                    TUTAL INVESTMENT -MINING
                                                        UNTARIO
                    TOTAL INVESTMENT -MINING
TINIG
        EI 52014 3
                                                        MUEREC
                     TOTAL INVESIMENT -MINING
                                                        PRAIRIES
TIMIW
        E1 52036
                 3
TITRC
        £1 52051 3
                     TUTAL INVESTMENT -THADE
                                                        BRIT. COLUMBIA
       E1 52017 3
                    TOTAL INVESIMENT -TRANS, EUTIL.
TITSO
                                                        QUEBEC
            4009 4
                                            -CONST. GRUSS FIX. CAP. FORM. - 561
TRICOK EI
                    TRADE
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IMPL. STRUCTURES-INV.DEFL. -TRADE
TRICOP EB 34035 4
                                          -M & E GROSS FIX.CAP.FORM.-$61
TRIMEK EB
           4020 4
                   TRADE
                   IMPL.MACH.EQUIPM-INV.DEFL. -TRADE
TRIMEP EU 33035 4
                                          -REAL DOMESTIC PROD. SMILL-1961
       EI 23009 7
                   TRAUL
TRY
                                                               BRIT. CULUMBIA
                   GROSS DOMESTIC PRODUCT SCIS TRADE
TRYC
       EB 50056 3
                   GRUSS DUMESTIC PRUDUCT SCTS TRADE
                                                                   ATLANTIC
TRYE
       EI 50008 3
                                                                   ONIARIO
                   GRUSS OUMESTIC PRUDUCT SCTS TRADE
TRYO
       EB 50038 3
                                                                   RUEBEC
                   GROSS DUMESTIC PRODUCT SCIS TRADE
TRYQ
       EB 50020 3
                                                                   PRAIRIES
                   GRUSS DUMESTIC PRODUCT SCIS TRADE
       E8 50044 3
TRYW
                   TRANS. STOR. &COMM.
                                         -const.gruss fix.cap.form.-561
TSICOK.EB 32070 4
TS1CUP EI 34040 4
                   IMPL, STRUCTURES-INV, DEFL, -TRANSPURTATION
                   TRANS,,STOH, &CUMM.
                                        -M & E GRUSS FIX.CAP.FORM.-861
TSIMEK EL
           4019 4
                   IMPL.MACH.EQUIPM-INV.DEFL. -TRANSPORTATION
TSIMEP E1 33040 4
                                          -REAL DOMESTIC PRUD. SMILL-1961
       EI 23008 5
                   TRANSPORTATION
TSY
                   GROSS DOMESTIC PRODUCT SCIS TRANS, & UTIL. BRIT. CULUMBIA
TSYC
       EB 50055 3
                   GRUSS DOMESTIC PRODUCT SCIS TRANS, & UTIL.
                                                                   ATLANIIC
TSYE
       EI 50007 3
                                                                   ONTARIO
                   GRUSS DOMESTIC PRUDUCT SCIS TRANS, & UTIL.
TSYU
       EH 50031 3
                   GROSS DOMESTIC PRODUCT SCTS TRANS.4 UIL.
                                                                   MNEREC
       EB 50014 3
TSYU
                   GROSS DUMESTIC PRODUCT SCTS TRANS. & UTIL.
                                                                   PHAIRIES
HYET
       EB 50043 3
                   TOTAL UNEMPLOYMENT RATE
URATE EL 11062 6
                                                          BRITISH COLUMBIA
                   UNEMPLOYMENT HATE IN %
URATEC EL 11057 6
                   UNEMPLOYMENT RATE IN $
                                                          ATLANTIC
URATEE EI 11053 6
                   UNEMPLOYMENT RATE IN 3
                                                          ONTARIO
URATED EL 11055 6
                   UNEMPLOYMENT HATE IN X
                                                          MUEBEC
URATEG EI 11054 6
                                                          PRAIRIES
                   UNEMPLOYMENT RATE IN
URATEW EL 11056 6
                                          -CONST.GROSS FIX.CAP.FURM,-$61
                   UTILITIES
UTICUK EH 32069 4
                    IMPL. STRUCTURES-INV.DEFL. -UTILITIES
UTICUP EI 34042 4
                   UTILITIES
                                          -M & E GRUSS FIX, CAP, FURM, -361
           4018 4
UTIMEK EI
                    IMPL. MACH. EWUIPM-INV. DEFL. -UTILITIES
UTIMEP EI 33042 4
                                          -REAL DOMESTIC PROD. SMILL-1961
UTY
       EI
          23007 5
                   UTILITIES
                    GROSS DUMESTIC PRUDUCT TRADE
                                                            ATLANTIC.
      X1
            523 1
XTRYE
                    GROSS DUMESTIC PRODUCT TRANS, & UTIL. ATLANTIC
XTSYL
      X 1
            522 1
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