

index is presented for the period 1949-72. This index is used as a conventional summary figure against which to observe the behaviour of particular price groups such as farm products, raw materials and building materials, for which separate price indexes have been constructed.

World wholesale price indexes. Price changes among different countries have varied widely during the years. Comparisons of Canadian wholesale price indexes with those of other countries for the years 1970-72 are given in Table 21.24.

21.3.5 Construction and capital goods

This Section covers price indexes currently available for residential and non-residential building, and engineering construction.

Residential and non-residential building construction indexes. Two series of indexes are produced by Statistics Canada measuring price changes for residential and non-residential building construction. These are base-weighted indexes of materials and labour, and are presented in Table 21.25 for the years 1962-72.

Federal sales tax has been added to the materials indexes where appropriate. The wage rate component, from 1971 forward, is derived mainly from surveys of agreements conducted by the Canadian Construction Association for construction trades in various centres; these are base rates which reflect union scale or collective agreements. The combined indexes of materials and wage rates do not reflect changes in profit margins or in productivity; implicit price indexes from gross fixed capital formation reflecting these factors are available from the Gross National Product Division of Statistics Canada.

Highway construction indexes. The price indexes of highway construction in Canada express prices paid by provincial governments each year in contracts awarded for highway construction as a percentage of price paid in 1961. The base-weighted indexes measure the effect of price change on the cost of specified programs of new highway construction represented by contracts of approximately \$50,000 or more awarded by provincial governments. Indexes for the period 1962-71 are given in Table 21.26.

The all-items indexes and their components are useful in planning and budgeting for highway construction programs, in updating previously costed projects, in estimating replacement cost of previously completed road work and in measuring historical price trends. Prices contained in the index are for units of construction work put in place, such as a cubic yard of earth excavation or a ton of bituminous hot-mix paving. Also included are prices of some materials, such as culvert pipe, usually supplied to the contractor by the highways department. *Prices and price indexes* for December 1967 contains details of the problems of estimating price change for highway construction.

Electrical utility construction indexes. The price indexes of electrical utility construction, which include those of distribution systems, transmission lines, transformer stations and hydro-electric generating stations, give an estimate of the impact of price change on the cost of materials, labour and equipment used in constructing and equipping electrical utilities in a specified base period. The index provides an estimate of how much more, or less, it would cost to reproduce the base-period program of construction in another period, using the same construction technology as in the base period and assuming rates of profit and productivity in construction are the same in both periods.

Price indexes for the years 1962-72 are presented in Table 21.27. Prices used in the indexes are, for the most part, selling prices reported monthly by manufacturers for materials or equipment. The price reported is for units and terms of sale representative of the volume sales of the manufacturer. Federal sales tax changes are reflected in the index but no adjustments have been made for provincial tax changes. Until December 1964, wage rate data were supplied by the Department of Labour and represented minimum hourly rates paid to construction workers in major cities employed on federal government contracts. In 1965, union basic wage rates reported by major utilities and some contractors were incorporated into the index. The sample selected provides an estimate of wage rate change for urban own-account and contract electrical utility construction.

Price indexes of machinery and equipment. A system of base-weighted price indexes for machinery and equipment has been under development for a number of years, a principal use of which would be the restatement of historical investment costs in terms of price levels of a particular year. At present, only price indexes of construction and forestry machinery and equipment have been published and are provided in Table 21.28.