in current dollars. This is in contrast to the real domestic product series which encompasses all industries and measures production in terms of the dollars of a base year — the "constant dollar" calculation.

Tables 21.12 and 21.13 give "census value added" production data classified by province and industry, respectively, on a primary activity basis. Census value added is derived by deducting the cost of materials from the gross value of production (excluding excise and other sales taxes) or revenue. The 1960 Standard Industrial Classification of establishments is the basis of classification in the survey of production. Current dollar census value added in the goods-producing industries increased by 9.2% in 1971 compared with 5.9% in 1970. The agriculture, construction and manufacturing industries were important contributors to this gain.

21.2.3 Aggregate productivity trends

The level of, and changes in, productivity have a vital influence on economic growth, over-all cost structure, international competitiveness and, in the final analysis, on the quality of life. In the measurement of productivity, output is related to one or more kinds of inputs utilized in the production process.

The measures of productivity presented here relate output to a single input only, namely labour time. It must be emphasized that changes in output per unit of labour input cannot be attributed directly and solely to labour; such measures reflect not only changes in the skills and effort of the labour force but also the contribution of other productive resources with which labour works as well as the effectiveness with which all are combined and organized for the purpose of production. In other words, changes in technology, capital investment, capacity utilization, work flow, managerial skills and labour-management relations each have a bearing on movements in what is termed "labour productivity". The measures of unit labour cost are the ratios of labour compensation to output. Unit labour cost can also be obtained as the ratio of average compensation to productivity; thus unit labour cost will increase when average compensation grows more rapidly than productivity.

Sources of data. The output components of the various indexes of output per unit of labour input and unit labour cost referred to here are the indexes of "real domestic product (RDP) by industry". These indexes, which were developed within the conceptual framework of the Canadian System of National Accounts, measure in constant dollar terms the contribution of each component industry to total output.

The major sources for the employment and man-hour indexes were the monthly labour force and employment surveys and these were supplemented by data from such sources as the annual censuses of manufactures and mining and the decennial census of population. Since the data from these diverse sources varied considerably in their coverage, concepts and methods of compilation, care had to be exercised in selection, adaptation and combination of the data into aggregate measures of labour input which would be conceptually and statistically consistent, both internally and in relation to the output data. Labour force survey data were used for the paid worker estimates of agriculture and of fishing and trapping while those for manufacturing and mining were based on adjusted annual census data. Estimates for most of the remaining industry divisions were derived from employment survey data. Estimates of other than paid workers (own-account workers, employers and unpaid family workers) were derived mainly from the labour force survey. Estimates of average hours worked, which were needed for the indexes of output per man-hour, were also based on labour force survey data except in the case of manufacturing where man-hours data reported in the census of manufactures were also utilized. Labour compensation is the sum of wages, salaries, supplementary labour income and an imputed labour income for self-employed workers. For imputed labour income the average hourly income of paid workers is attributed to self-employed persons in the same industry division. Indexes of output per person employed, output per man-hour and unit labour cost for commercial industries and the major components are presented in Table 21.14.

Growth rates. Between 1961 and 1972, output per person employed in the commercial industries increased at an average annual rate of 3.4%. Output per man-hour rose at a faster rate, 4.3%, due to a decrease in the length of the average work week (Table 21.14). During the past 12 years the rate of productivity increase has declined. The annual growth of 3.8% in output