

per person employed during the 1961-66 period dropped to 3.4% between 1966 and 1972. Corresponding rates for output per man-hour were 4.5% and 4.3%.

Productivity growth in the commercial service-producing industries continued to lag behind the comparable rate of increase in the commercial goods-producing industries. From 1961 to 1972, the average annual rate of increase in output per person employed was 2.1% in the commercial service sector and 4.7% in the commercial goods sector. During the same period, output per man-hour increased 3.1% and 5.4%, respectively. In manufacturing, from 1961 to 1972 output per person rose 4.1% annually while the growth in output per man-hour was 4.3%.

Unit labour cost for commercial industries increased at an average annual rate of 1.0% for the period 1961-66 and 3.7% for 1966-72.

21.3 Price indexes

The price indexes provided here are classified into price indexes of goods and services paid by consumers at the retail level; manufacturers' selling price indexes of goods and services; purchase price indexes of selected capital goods; farm input price indexes; and securities price indexes.

21.3.1 Retail price indexes

This Section describes price indexes currently available for commodities purchased by consumers at the retail level.

Consumer price index. The consumer price index measures the movement from month to month in retail prices of goods and services bought by a representative cross-section of the Canadian urban population. It is a base-weighted index, measuring the effect of changing prices on the cost of purchasing a fixed basket. The basket on which the index was based from 1961 to April 1973 relates to 1957 family spending patterns. Since April 1973, the index has been based on expenditures in 1967 of families ranging in size from two to six persons, with annual incomes of \$4,000 to \$12,000, living in urban centres with metropolitan populations exceeding 30,000.

The movement of the consumer price index (CPI) during the period 1961-72 is described in previous editions of the *Canada Year Book*. Between 1972 and 1973 the rate of change in the CPI, as measured by calculating the difference between annual average indexes, accelerated to 7.6% compared to an average year-to-year change in the previous five years of 3.9%. On the basis of this movement in consumer prices the purchasing power of the consumer dollar declined from 72 cents in 1972 to 66 cents in 1973 relative to \$1.00 in 1961.

The acceleration in the rate of price change was mainly attributable to a sharp rise in the rate of advance of food prices although notable price increases were also recorded for housing and clothing. Food prices, rising over 14% between 1972 and 1973, were responsible for almost half of the rise in the CPI between these two years. The major contributors to this largest year-to-year food price increase since 1951 were meat, fresh produce and eggs. Table 21.15 presents indexes for major components and the all-item index for the period 1964 to 1973. In this classification, the index items are grouped according to broad categories of use by the consumer. Items in the index may also be grouped by type of commodity and service, which permits another view of the incidence of price change (see Table 21.16). Full details are contained in Statistics Canada occasional publication *The consumer price index for Canada (1961=100), Revision based on 1967 expenditures*, Catalogue No. 62-539. A notable acceleration was recorded in the price of goods between 1972 and 1973 when prices rose 8.8% in contrast to a rise of 3.1%, on average, for the previous five year-to-year periods. This acceleration was mainly due to the increase in food prices. Non-durable goods other than food rose 5.3% and the price of semi-durable and durable goods advanced 6.5% and 1.4%, respectively, between 1972 and 1973. Service prices, which have risen more sharply than commodity prices in other years, recorded an increase of 6.1%. Though this advance was greater than recent annual average changes for services it was nonetheless smaller than the advance in commodity prices between 1972 and 1973.

Table 21.17 presents regional consumer prices for 12 cities or city combinations. These indexes measure percentage changes in retail prices over time, in each city or city combination, of a fixed basket of goods and services representing the level of consumption of a particular group of families. In order to place movements in Canadian retail prices in perspective they