

man-hour increased more rapidly, 3.9% a year, reflecting reductions in the average work week (Table 21.14). On reviewing the years since 1961 a decline in the rate of productivity growth can be observed. Output per man-hour increased at an average annual rate of 4.5% for the years 1961-66, 4.4% for the years 1966-71 and 1.8% for the years 1971-75.

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 1975, the average annual rate of increase in output per man-hour was 3.0% in the commercial service sector and 4.8% in the commercial goods sector. In manufacturing, from 1961-75, output per man-hour rose 4.0% per annum.

Unit labour cost for commercial industries increased at an average annual rate of 1.0% for the period 1961-66, 3.6% for the years 1966-71 and 10.0% between 1971-75.

Price indexes

21.3

The price indexes provided here are classified into price indexes of goods and services paid by consumers at the retail level; industry and commodity price indexes at levels other than retail; purchase price indexes of selected capital goods; farm input price indexes; and securities price indexes.

Retail price indexes

21.3.1

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 living in centres with a population in excess of 30,000. Since April 1973, the index has been based on the 1967 expenditure pattern of families ranging in size from two to six persons, with annual incomes of \$4,000 to \$12,000. The CPI is a base-weighted index measuring the effect of changing prices on the cost of purchasing a fixed basket containing some 300 items. In August 1975, the index was officially converted to a 1971 = 100 time reference base without altering the 1967 weighting pattern.

The movement of the CPI up to the end of 1974 is described in previous editions of the *Canada Year Book*. Between 1974 and 1975, the CPI rose 10.8% as measured by the percentage difference in the annual average indexes of the two years, an increase almost identical to the 10.9% rise registered between 1973 and 1974. Between 1975 and 1976, however, the rise in the CPI was 7.5%, characterizing 1976 as a year of moderating price movements compared to the price advances experienced in the period from 1974 to 1975. Based on these movements of the CPI, the purchasing power of the 1971 dollar declined from an average of 80 cents in 1974 to 72 cents in 1975 and down to 67 cents in 1976.

Between December 1974 and December 1975, all seven of the major index components experienced increases. Food registered an increase of 12.9% and accounted for approximately 27% of the change in the all-items index. This was followed by a 9.9% increase in the housing component which contributed 36% to the overall change. Transportation, which advanced 11.7%, accounted for an additional 18%, while the other major components contributed an average 5% each to the change in the all-items CPI.

By contrast, during the period December 1975 to December 1976, food prices declined 0.7% and were largely responsible for the moderate movement in the all-items index. Housing charges, which increased by 10.0%, contributed to a little over one half of the total change, followed by transportation prices which advanced 8.6% and accounted for a little over one fifth of the total CPI movement. The contribution of higher clothing prices to the all-items rise more than doubled during 1974-75 and 1975-76 (December to December).