the case of manufacturing where man-hours data reported in the census of manufactures were also used. 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 1977, output per person employed in the commercial industries increased at an annual average rate of 2.8%. Output per man-hour increased more rapidly, 3.5% a year, reflecting reductions in the average work week. A review of the period since 1961 shows higher growth rates in labour productivity during the first decade than for the years since 1971. Output per man-hour increased at an average rate of 4.2% a year for the years 1961-71 and at an average rate of 1.8% a year for the years 1971-77. There is considerable variation in the year to year per cent change of output per man-hour for the years since 1971, with almost no growth in 1974 and 1975 and increases of 4.0% and 2.5% in 1976 and 1977 respectively.

Commercial goods-producing industries have recorded higher rate of growth in output per man-hour than have commercial service-producing industries, with the former increasing at an average rate of 4.4% a year and the latter at 2.5% a year for the years 1961-77. Output per man-hour in manufacturing increased 3.9% a year for the years 1961-77.

Unit labour cost for commercial industries increased at an average annual rate of 1.2% a year for the period 1961-66, 3.7% a year for the period 1966-71 and 10.3% a year for the period 1971-77. The increases in unit labour cost for manufacturing for the corresponding periods were 0.4%, 2.5% and 10.0%.

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; 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.

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 (CPI). 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 population living in urban centres with a population over 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 from $4,000 to $12,000. The CPI is based on fixed weights; it measures the effect of changing prices on the cost of purchasing a given basket of goods and services containing about 300 items. In August 1975, the index was officially converted to a 1971 = 100 time reference base without altering the 1967 weighting pattern. Consumer expenditure patterns for 1974 were due to replace the 1967 weights in mid-1978.

Movements in the CPI up to the end of 1976 are contained in previous editions of the *Canada Year Book*. Based on changes in annual average indexes, the CPI advanced 8.0% in 1977, rising from a level of 148.9 in 1976 to 160.8. This increase was marginally above the 7.5% registered in 1976 but substantially lower than the annual increases of 10.9% and 10.8% observed in 1974 and 1975 respectively. On the basis of annual average index levels, the purchasing power of the 1971 consumer dollar declined from an average of 67 cents in 1976 to 62 cents in 1977.

Between December 1976 and December 1977 the All-Items CPI advanced 9.5% with all seven major components contributing to this change. The food index rose 15.4% and accounted for over two-fifths of the total advance while housing charges climbed