

the latter groups are closely associated with on-site construction activity. Thus, while the measurement of construction activity in its entirety is not possible, the significance of that activity in the economic life of the nation is much greater than is usually realized.

For instance, the construction industry proper, which employed close to a quarter of a million persons in 1930, in 1959 provided employment for more than half a million and thus was one of the largest single industrial employers in the Canadian economy. When construction carried out directly by other types of business enterprise on their own behalf is considered, together with employment generated by the industries producing construction materials, the significance of construction activity becomes very much greater.

Viewed in relation to the total level of output of goods and services produced by the nation, total construction activity has become even more important. On an average, over the past five years the value of new and repair construction of all types has accounted for about one-fifth of the total Canadian productive effort—a proportion nearly twice as high as found during the depression period of the 1930's. This strong rate of growth in both the level of activity and the relative proportion to total economic activity does not preclude various inherent problems. The most notable of these is the extreme volatility of the industry.

1.—New and Repair Construction as a Percentage of Gross National Expenditure, 1926-1959

Year	Percentage of Gross National Expenditure	Year	Percentage of Gross National Expenditure	Year	Percentage of Gross National Expenditure
1926.....	15.6	1938.....	13.9	1949.....	17.9
1927.....	16.5	1939.....	13.3	1950.....	18.2
1928.....	18.0	1940.....	12.7	1951.....	18.2
1929.....	19.7	1941.....	13.7	1952.....	18.5
1930.....	18.9	1942.....	12.5	1953.....	19.3
1931.....	18.5	1943.....	12.8	1954.....	19.5
1932.....	14.6	1944.....	10.3	1955.....	19.6
1933.....	12.5	1945.....	10.6	1956.....	21.1
1934.....	12.8	1946.....	13.5	1957.....	22.1
1935.....	13.1	1947.....	15.3	1958.....	21.8
1936.....	13.5	1948.....	16.8	1959.....	20.6
1937.....	14.7				

The long-term demand pattern for construction is, of course, influenced by the general level of Canadian economic activity and also by the changing character of the development of Canada's natural resources. As is well known, construction activity goes through wider 'cycles' than most other economic activity, tending to hit lower 'troughs' in times of depression and higher 'peaks' in times of boom. The construction materials industry, being geared to these cycles, fares accordingly. Despite such wide cyclical swings, the industry continues to show a strong long-term expansionary tendency. The rapid rate of population growth, the shift from a rural to a highly organized industrial economy, the growing need for social capital and power and transport facilities, together with the introduction of improved techniques in both construction and material processing have all contributed to the maintenance of a high level of demand in the construction and building materials industries.

Although the construction industry generally is subject to volatile cyclical fluctuations, the varying pattern of construction expenditures greatly influences the welfare of specialized contractors and in turn influences the producers of building materials. Not all share equally the benefits of an accelerated investment program. Emphasis on housing and social capital creates demands for certain types of skills and materials that are not used extensively in office building construction or in the construction of specialized industrial plants. Emphasis on housing stimulates the output of such materials as sewer pipe, heating equipment, siding, insulation, roofing and flooring, brick and tile and many other items