

**Industrial Expansion, 1935-62.**—An examination of industrial expansion since 1935 reveals certain well-defined patterns of development. Individual industries have flourished or, in rare instances such as coal mining, have declined but the major industry groups have all expanded. Development, however, has not been uniform throughout the period. Three major types of factors affecting the expansionary path of industry have been in evidence in the Canadian economy at some point during the period.

The first may be described as some special factor at work in a particular industry, the effects of which would be most noticeable in that industry—for example, the demand for uranium which played such an important role in the mining industry during the latter half of the 1950's, the opening up of new mineral resources such as the iron ore mines in Quebec-Labrador, and certain technological innovations such as the development of synthetic textiles or television.

The second type of factor is much more general in its effects and in its causes. Such factors as increased demand for consumer goods resulting from a rising standard of living and a growing population, shifts in world trading patterns or shortages causing increased demand for export goods; the surge of investment activity associated with replacement cycles, attempts to broaden the base of economic activity through investment in research, social overhead capital, education, improved management and marketing techniques, or a more efficient production process (or a confluence of all these factors) appear to lie at the root of such postwar expansions as the investment boom of the mid-1950's or the rapid expansion in production immediately following the Second World War.

The third type of factor would be some unique and far-reaching event, of which the Second World War and the Korean War might serve as conspicuous examples. Each afforded a powerful stimulus to growth in a large cross-section of industries.

All three factors, jointly or in turn, have reacted on the various industries resulting in the upswings in aggregate production. The effect of these factors on the individual industries is revealed to some extent by their relative rates of growth.

## 12.—Growth Rates of the Main Industrial Groups, 1935-62 and 1946-62

Industry	1935-62	1946-62	Industry	1935-62	1946-62
	p.c.	p.c.		p.c.	p.c.
Goods-producing industries.....	4.4	4.1	Service-producing industries.....	4.5	4.3
Agriculture.....	0.9	1.3	Transportation, storage and communication.....	5.0	4.4
Forestry.....	3.1	1.4	Trade.....	5.2	4.1
Fishing and trapping.....	2.2	1.8	Finance, insurance and real estate...	4.9	5.1
Mining.....	7.3	9.3	Public administration and defence	3.4	4.5
Manufacturing.....	5.0	3.9	Community, recreation, business and personal service.....	4.0	3.6
Construction.....	6.7	5.8			
Electric power and gas utilities.....	8.3	9.7	<b>Gross Domestic Product.....</b>	<b>4.4</b>	<b>4.2</b>

Foremost in growth was the electric power and gas utilities industry which showed an average annual compound rate of growth of close to 10 p.c. during the postwar period, while its longer-term growth rate was 8.3 p.c.; large-scale hydro-electric power developments along with the expansion of natural gas distribution helped to sustain this remarkable performance. The mining and construction industries ranked second and third, respectively. All three industries have been strongly affected by technological advances, new discoveries and a fairly well sustained demand for their products. In the case of mining, this demand frequently came from abroad, resulting in relatively high export sales and