

The industry divisions consisting of manufacturing, transportation, storage and communication, trade, and finance, insurance and real estate all expanded at roughly the same average rate during the 1935-63 period—about 5 p.c. During the postwar period the rates of these industries diverged slightly but still fell within the range of 4 to 5 p.c. and public administration and defence also had growth rates within this range. Although these industries expanded at about the same rates, the manufacturing, trade, and transportation, storage and communication industry divisions, which together account for about one half of total output, also showed strikingly similar cyclical patterns. In fact, these are the three industry divisions within the Canadian economy that showed the most pronounced and consistent patterns of cyclical behaviour during the postwar period.

The Second World War and, to some extent, the Korean War provided strong impetus to the output of the manufacturing industries and transportation. Within manufacturing, it was the durables manufacturing component which expanded considerably during both periods of hostilities and which benefited from the need for machinery and equipment during the investment boom and from consumer demand during the early part of the postwar expansion. Non-durables maintained a fairly steady rate of expansion for most of the period, largely in response to increased population and demand for industrial materials. Trade was less strongly affected by defence requirements than some of the other industries. Retail trade in particular exhibited a relatively smooth expansionary trend.

The community, recreation, business and personal service industry division was relatively insensitive both to cyclical and irregular influences but, along with some other steadily expanding industries such as finance, insurance and real estate, non-durables and retail trade, it helped to sustain aggregate production and growth during periods of contraction and expansion. Within the division, business services showed very rapid advances, reflecting increased use of advertising, accounting and legal services. Among the community services group, education and hospitals showed very pronounced gains but recreation services did not participate in the general upsurge during the 1950's. Within the personal services group, one of the more interesting developments was the relative decline in the domestic service component while other industries, such as restaurants, hotels and motels made considerable gains. Thus, while this division as a whole showed a less-than-average rate of growth, some of its components were among the most rapidly and steadily expanding in the economy.

The rates of growth in the forestry, agriculture and fishing and trapping divisions were also below average and were subject to pronounced irregular fluctuations in output. Forestry experienced sharp year-to-year fluctuations because of the nature of its production processes and also, to some extent, because of its sensitivity to changes in world demand and price. The volume of agricultural output varies largely with the grain crop, as this constitutes a considerable part of agricultural output. Therefore, marked differences from year to year in agricultural output are more often caused by changes in weather conditions and similar factors than by changes in prices and demand conditions. It is interesting to note, however, that particularly poor crop years coincided with cyclical declines in the gross domestic product during the postwar period. Generally speaking, there was a lack of buoyant expansion in agricultural production but, although the rate of growth was low, the year-to-year changes were sometimes quite spectacular. In absolute terms, the industry production levels continued to rise over the longer term and this increase was accomplished with a declining labour force.

Production of Commodity-Producing Industries

The data contained in the tables of this section are published in the DBS report *Survey of Production*.^{*} The scope of the survey of production is limited to industries chiefly engaged in the production of commodities and it measures production in current dollars. This is in contrast to the real domestic product series (pp. 1013-1019) which encompasses all industries and measures production in terms of the dollars of a base year.

^{*}DBS Catalogue No. 61-202.