

An impression of the place of manufacturing in the growth of the economy in the post-war period 1946-65 and of the effect of the growth of various industries upon that of manufacturing is given by the following annual average rates of growth of the major industrial sectors compared with that of all industries; growth is measured by the trend in the official index of their "real" gross domestic product (or physical volume of production).

Rank	Industry	Average Annual Growth	Rank	Industry	Average Annual Growth
		p.c.			p.c.
1	Electric power and gas utilities...	9.6	8	Public administration and defence	4.0
2	Mining.....	9.1	9	Community, recreation, business and personal service.....	3.6
3	Construction.....	5.1	10	Fishing and trapping.....	1.8
4	Finance, insurance and real estate.	5.0	11	Forestry.....	1.7
5	Manufacturing.....	4.8	12	Agriculture.....	1.5
6	Transportation, storage and communication.....	4.6			
7	Trade.....	4.1		ALL INDUSTRIES.....	4.4

The growth rates of the six fastest growing industries all exceeded that of the economy as a whole. It is significant that, although these six together accounted for only 58.4 p.c. of the gross domestic product at factor cost in 1965, over the period 1959-65 they were responsible for 77.5 p.c. of business fixed capital formation. The latter reflects not only their need for new fixed capital because of expanding output but also the relative capital intensity of much of the production represented—that is, the faster-than-average growth of these capital-using industries favoured demand for manufactured construction materials, for machinery and equipment of different kinds and for various materials such as steel, themselves the products of factories.

The following statement shows, for 1964 and 1965 and earlier periods, the share of the gross domestic product accounted for by the manufacturing industries in current dollars and, for comparison, the actual or apparent shares of these manufacturing industries in several other aggregates of the Canadian economy.

Item	Annual Averages					
	1946-50	1951-55	1956-60	1961-65	1964	1965
	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.
Gross domestic product at factor cost.....	28.0	28.5	27.0	26.0	26.5	26.3
Wages, salaries and supplementary labour income.....	33.1	32.4	30.0	28.4	28.4	28.3
Employment ¹	26.2	25.9	25.5	24.2	25.0	23.8
Corporation profits before taxes...	54.6	52.6	47.1	46.7	46.1	45.6
Business gross fixed capital formation (excl. new residential construction).....	24.5	23.3	22.7	24.1	25.9	27.0
Domestic exports.....	71.3	68.0	64.7	63.7	63.4	64.9

¹ Based on monthly sample survey of the labour force; employment reported by manufacturers would represent a somewhat smaller percentage of total employment for a combination of reasons. Statistics for 1961 and later years are not wholly comparable with earlier periods shown.

The declining share of the manufacturing industries in labour income, as shown above, undoubtedly reflects the more rapid growth of output per man-hour in these industries than in the economy as a whole. These figures do not include all fringe benefits and thus are only a partial measure of expenses incurred in connection with the use of labour. Also, since the employment series is not necessarily comparable with the wage and salary statistics over the periods shown, inferences should not be drawn about the trend in average salaries and wages in the manufacturing industries relative to the economy as a whole. By contrast, the share of the manufacturing industries in business gross fixed capital formation (excluding new residential construction) does not show any marked