

and this proved to be one of the major stimuli to the current expansion which began early in 1961 and continued into 1966. Other notable features of the expansion were: the relatively slow growth of imports compared with previous expansion periods, particularly after the stabilization of the Canadian dollar and other government measures undertaken in mid-1962 (although some acceleration took place in imports of machinery and equipment during 1964 and 1965 in response to the increased investment in construction and plant and equipment); the increase in exports, particularly during the latter part of 1963 and early 1964 when large amounts of wheat were sold abroad; the above-average output of the mining and agriculture industries since 1962; the substantial gains in the production of the iron and steel and motor vehicle and parts industries throughout most of the period; and the increased investment activity in both non-residential and residential construction and in machinery and equipment during 1964 and 1965.

Along with the increases in total final demand, there were shifts in the composition of demand, which affected the output of the various industries. Imports retained roughly the same relative share of the gross national product but the share of exports declined from 27.1 p.c. in 1946 to 21.5 p.c. in 1965, an indication of the growing importance of the domestic market as an outlet for the products of Canadian industry. Government expenditure and business gross fixed capital formation made considerable relative gains but personal expenditure on goods and services as a percentage of total expenditure declined from 67.8 p.c. in 1946 to 61.6 p.c. in 1965.

Even more remarkable than some of the demand-induced changes were the striking changes brought about by the technological discoveries and innovations that transformed whole production processes and opened up previously unknown areas in the fields of manufacturing, transportation and communication. Newer industries, such as air transport, assumed major importance in a comparatively short time; entirely new industries, such as gas pipelines, appeared; and a profusion of new products were created, such as the petrochemicals of the chemicals industry and the television and other electronic products of the telecommunication equipment industry. As was to be expected, the industries in a position to benefit from such innovations were among the most rapidly expanding in the economy, although the impact of the expansion spread through the entire economic system. The changes in production and demand also influenced the level of employment in the various industries; there was a considerable shift in employment during the postwar period from the goods-producing to the service-producing industries and most of the loss in the former took place in agriculture.

12.—Quantity Indexes of Real Domestic Product at Factor Cost, by Industry of Origin, 1959-65

(1949=100)

Industry	1950	1951	1952	1953	1954	1955	1956	1957
Agriculture.....	106.2	120.9	148.8	136.3	104.3	132.1	141.7	117.5
Forestry.....	118.9	141.5	129.7	123.7	125.4	135.7	143.4	130.5
Fishing and trapping.....	108.8	111.4	101.6	103.5	112.3	105.6	111.6	105.5
Mining.....	109.3	123.5	131.8	143.3	155.9	187.9	218.3	239.3
Manufacturing.....	106.7	115.9	120.2	128.9	126.0	138.3	151.2	150.9
Construction.....	106.7	110.6	123.2	130.1	129.8	139.8	165.7	174.7
Electric power and gas utilities.....	113.2	129.4	140.7	147.8	161.6	183.0	204.4	218.9
Transportation, storage, communication.....	103.3	113.1	119.4	121.0	117.9	133.6	139.2	149.6
Trade.....	106.9	108.1	114.6	121.3	120.6	132.0	144.2	144.6
Finance, insurance and real estate.....	105.6	113.4	118.4	123.2	129.9	136.6	141.5	150.9
Public administration and defence.....	105.6	119.0	136.2	144.2	151.3	156.3	158.8	163.7
Community, recreation, business and personal service.....	103.2	107.9	112.1	115.7	117.4	119.9	127.0	130.5
Real Domestic Product.....	106.5	114.8	123.2	127.4	124.7	137.4	149.6	149.6