

Industrial Expansion, 1946-66.—Although all the major industry groups expanded during 1946-66, development was not uniform throughout the period. Three important types of factors affecting the expansionary paths of industries were in evidence 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 had an important influence on the mining industry during the latter half of the 1950s, 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 materials 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, as well as 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-1950s or the rapid expansion in production since 1961. The third type of factor would be some unique and far-reaching event, of which the Korean War might serve as a conspicuous example.

All three factors, jointly or in turn, have reacted on the various industries to result in the upswings in aggregate production. The percentage growth of each of the main industrial groups in the 1946-66 period was as follows:—

<u>Industry</u>	<u>p.c.</u>	<u>Industry</u>	<u>p.c.</u>
Agriculture.....	1.7	Trade.....	4.1
Forestry.....	1.8	Finance, insurance and real estate.....	4.9
Fishing and trapping.....	1.8	Public administration and defence.....	3.8
Mining.....	8.9	Community, recreation, business and personal service.....	3.7
Manufacturing.....	4.9		
Construction.....	5.1	REAL DOMESTIC PRODUCT.....	4.5
Electric power and gas utilities..	9.6		
Transportation, storage and communication.....	4.8		

Foremost in growth was the electric power and gas utilities industry, followed by the mining and construction industries. All three were strongly affected by technological advances, new discoveries and a fairly well sustained demand for their products. The demand in mining frequently came from abroad, resulting in relatively high export sales and providing incentive for the opening up and developing of new mineral resource areas. Some slackening in construction activity was evident following the unusually high levels reached during the mid-1950s but since 1963 the swing has again been upward, although there was some flattening in the latter part of 1966.

Although most of the other industry divisions (except agriculture, forestry and fishing and trapping) expanded at roughly the same average rate of between about 4 p.c. and 5 p.c., the manufacturing, trade, and transportation, storage and communication industry divisions, which together account for about one half of the total output, also showed strikingly similar cyclical patterns. Within manufacturing it was the durables component that expanded particularly rapidly during the cyclical upturns and that benefited from the need for machinery and equipment in the periods of heavy investment and from increased consumer demand for such products as motor vehicles and electrical appliances during the current expansion. Non-durables maintained a fairly steady rate of expansion for most of the postwar period, largely in response to increased population and demand for industrial materials. A similar pattern was observable in trade, with retail trade exhibiting 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