

interruption in the second half of the year to permit a major producer to alter its product lines.

The performance of the construction industry has been a conspicuous feature of the economy. Heavy injections of industrial capital took place in the mid-1960s to develop additional facilities or expand capacity. Pace-setters were such industries as petroleum and coal products, chemicals, pulp and paper, and electric power. Outlays for social capital such as hospitals and educational institutions also increased. Construction projects for Canada's Centennial and Expo 67 provided an extra stimulus. However, since 1967, tightened monetary conditions, rising costs, a mid-1969 decision to defer capital-cost allowances on commercial projects in some areas, and strikes in 1969, 1970 and 1972, all restrained output in this sector. Residential construction tends to be one of the more volatile sectors of the economy. The relevant demographic factors have indicated that a solid demand for housing exists. However, less favourable supply conditions such as scarcity of mortgage funds and rising interest rates and construction costs have, from time to time, adversely affected residential construction, particularly in 1966, the latter half of 1969 and the first half of 1970. Strikes in 1970 and, to a lesser extent in 1972, exacerbated the situation. However, increased availability of both private and public mortgage funds in the latter part of 1970 prompted a sharp upswing. This strong advance continued in 1971 and 1972, providing an impetus for increasing growth in other sectors of the economy.

The community, business and personal services group has grown at a fairly steady pace in the past decade, tending to be relatively insensitive to short-term fluctuations, and has thus been one of the sustaining forces in the economy. The rate of increase in output of this industry grouping in 1970 outstripped that of the aggregate output of the economy, paced by such industries as health and welfare, education and services to business management. In 1971 and 1972, with the general acceleration in business activity, the traditional growth industries again outpaced the increase in this industry group.

The slowdown in the 1970 growth rate of total real domestic product occurred during the first three quarters of the year. The pick-up in activity in the final quarter was highlighted by the resurgence in residential construction which mitigated the impact of the automobile strike.

In summary, since the end of 1970 total production has increased strongly. At the aggregate level, there was renewed strength in domestic demand. Exports of some significant commodities were lower, dampening production in such export-oriented industries as metal mines and pulp and paper in 1971. Newsprint exports increased in 1972 for the first time since 1969. On the other hand, exports of wheat, coal, crude petroleum and natural gas, among others, continued to increase strongly. In 1972, the service-producing industries, on the strength of a 6.0% gain, accounted for the greater part of the change in aggregate real domestic product, led by trade, finance, insurance and real estate, and transportation. The increase in trade was shared by both wholesale and retail trade. Within retail trade, there was particularly strong demand for the goods and services of motor vehicle dealers, department stores, and furniture, TV and radio stores. Within goods, there was considerable strength in manufacturing industries, whose output rose at a rate exceeding that of the service-producing industries, as did the output of electric power, gas and water utilities. The gains in manufacturing were fairly evenly attributable to both durables and non-durables manufacturing. Residential construction recorded a solid gain in 1972, with housing starts up by 7.0%. This followed the burst of activity in 1971 when housing starts had posted a 23.0% increase. The advance in residential construction activity in 1972 provided support for the production of building materials and household appliances, as reflected in the gains in such manufacturing industries as wood products, concrete products, cement and major appliances.

21.2.2 Value added for goods-producing industries

The data contained in this Section are published in Statistics Canada report *Survey of production* (Catalogue No. 61-202); data on census value added in selected industries on a "total activity" basis appear in the Appendix to the 1970 issue. The scope of the survey of production is limited to industries engaged chiefly in the production of goods and it measures production in current dollars. This is in contrast to the real domestic product series which encompasses all industries and measures production in terms of the dollars of a base year — the "constant dollar" calculation.

Tables 21.12 and 21.13 give "census value added" production data, classified by province and industry, respectively, on a primary activity basis. Census value added is derived by