

From 1978 to 1979 real domestic product, as already noted, increased by only 3.2%. For the 1971-79 period the annual average growth rate was 4.1%, with 4.6% for services and 3.3% for goods. Because the service industries include governmental and other non-commercial output it is sometimes useful to compare the commercial outputs of the goods and services industries. From 1961 to 1971 both the commercial goods and commercial services industries increased at nearly the same average annual rate of growth: 5.7% for goods and 5.8% for services. In the 1971 to 1979 period the growth rate of commercial goods production was about halved to 3.3%. But commercial services industries continued at nearly the same rate of growth, 5.6%.

There are a number of industries that provided considerable strength during the decade of the 1960s but lagged in the 1970s. A notable example is the output from mines, quarries and oil wells which showed an average annual real growth rate of 6.2% from 1961 to 1971 but only a rate of 0.5% from 1971 to 1979. Manufacturing output showed a growth rate of 6.3% from 1961 to 1971 but only 3.5% from 1971 to 1979. Among manufacturing industries the transportation equipment group showed strong growth in the 1960s, turning out a variety of products from locomotives to snowmobiles

Production from Canadian industry was more than four times greater in 1979 than 30 years earlier, in 1971 constant dollars. The increase of 10.3% between 1954 and 1955 was sharply higher than any other in the post-war period, but relatively high annual increases were sustained through the 1960s. There was a general downward trend in the 1970s; the growth between 1978 and 1979 was 3.1%.

in addition to motor vehicles; the group as a whole showed a strong average annual growth rate of 12.3%. From 1971 to 1979 the growth rate for the group slumped to 4.1%, sustained at that level mainly by automobile and truck output. Among service industries, education showed enormous growth in the 1960s particularly in post-secondary institutions. As a group, education and related services recorded an average annual real growth of 9.4% from 1961 to 1971 but from 1971 to 1979 this dropped to 0.9%. Air transport, which showed growth of 9.0% in the 1971-79 period, is down from the 15.0% annual real growth shown from 1961 to 1971.

The reasons why these industries grew rapidly in the 1960s and suffered a much diminished rate of growth in the 1970s are as diverse as the industries themselves. For most, a return to the higher rates of growth is not foreseeable so that, even while providing strength to the economy, that strength is considerably muted as compared with the 1960s. For many other industries not mentioned in this brief summary, particularly those service industries that continued to provide strength in the 1970s, it is difficult to generalize the probable direction of the growth in output.

23.2.1 Aggregate productivity measures

The level of, and changes in, productivity have a vital influence on economic growth, overall cost structure, international competitiveness and, in the final analysis, on the quality of life. In the measurement of productivity, output is related to one or more kinds of inputs used in the production process.

The measures of productivity presented here relate output to a single input only, namely labour time. It must be emphasized that changes in output per unit of labour input cannot be attributed directly and solely to labour; such measures reflect not only changes in the skills and effort of the labour force but also the contribution of other productive resources with which labour works as well as the effectiveness with which all are combined and organized for the purpose of production. In other words, changes in technology, capital investment, capacity utilization, work flow, managerial skills and labour-management relations all have a bearing on movements in what is termed labour productivity. The measures of unit labour cost are the ratios of labour compensation to output. Unit labour cost can also be obtained as the ratio of average compensation to