

dian demand for automobiles was sustained despite reported shortages and rising prices for gasoline; sales by motor vehicle dealers increased strongly in 1973.

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, both private and public mortgage funds have become increasingly available since the latter part of 1970. This impetus has led to continuing growth in construction and other sectors of the economy in 1971, 1972 and 1973.

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. Health and welfare, services to business management and miscellaneous services have been prime contributors since 1968. In 1970 the rate of increase in output of this industry outstripped that of the aggregate output of the economy. Since that time, 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. Exports of wheat, coal, crude petroleum and natural gas, among others, continued to increase strongly but these changes were largely due to price increases. In 1973 the rate of growth of exports decreased and in the first quarter of 1974 real merchandise exports actually fell. In 1972 the service-producing industries accounted for the greater part of the change in aggregate real domestic product, led by trade, finance, insurance and real estate, and transportation. In 1973 the goods-producing industries were dominant.

The increase in trade was shared by both wholesale and retail trade. Within retail trade there was strong demand for the goods and services of department stores, variety stores, motor vehicle dealers and furniture, television and radio stores. The motor vehicle dealers sector was particularly significant in 1973. There was strong demand in wholesale trade for automotive parts and accessories, and farm machinery. In output, the manufacturing industries and electric power, gas and water utilities have each exceeded the output of the service-producing industries since 1971. The gains in manufacturing were fairly evenly distributed between the durable and non-durable goods sectors, although the rate of growth tended to be slightly higher for the durables. Residential construction recorded a solid gain in 1973 with housing starts up by 7.4%. A burst of activity in 1971 had led to a 23.0% advance in housing starts. This was followed in 1972 by a 7.0% gain. 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