

example non-resident ownership represented less than 10 p.c. of the rise of investments in the same period in the railway, other utility and merchandising sectors and an even smaller proportion in the areas of investment where the savings of Canadian individuals and governments are leading sources of financing.

As a result of these divergent trends in recent financing non-resident ownership of Canadian manufacturing and mining constitutes higher ratios than ever before. By 1953 non-resident ownership of Canadian manufacturing industries had risen to 47 p.c. from 42 p.c. in 1948 and 38 p.c. in 1926, and non-resident ownership in the sphere of mining, smelting and petroleum exploration and development had risen to 56 p.c. from 39 p.c. and 36 p.c. in 1948 and 1926 respectively. But the opposite trend in the ownership of railways and other utilities and low percentages in merchandising have generally offset the rising trend in manufacturing and mining. In merchandising non-resident ownership continued to be about 32 p.c. in 1953 as in 1948 and compares with a slightly higher percentage in 1926.

The changes have of course been greatest in investments owned in the United States, for which the proportion has increased to 25 p.c. in 1953 from 23 p.c. in 1948 and 19 p.c. in 1926. In the petroleum industry alone United States ownership amounted to 56 p.c. of the total capital employed in 1953 and in other mining industries to about 50 p.c. In manufacturing, other than petroleum refining, the United States ownership in 1953 was about 35 p.c. while the United Kingdom and other overseas countries owned 9 p.c.

When investments are classified according to country of control, the ratios indicated as invested in companies controlled outside of Canada are higher than the ratios of ownership in the area of manufacturing and mining and have risen to a greater extent throughout the period from 1926. In 1953 approximately 50 p.c. of the capital invested in Canadian manufacturing was in companies controlled outside of Canada compared with 43 p.c. in 1948 and 35 p.c. in 1926. In mining, smelting and petroleum exploration and development the corresponding ratios were 57 p.c., 40 p.c. and 38 p.c. In the petroleum industry alone in all its establishments, non-resident control amounted to about 70 p.c. in 1953. On the other hand the proportion of non-resident control of public utilities was comparatively minor and was less than in 1926. In the broad area of Canadian business covered by industry, railways, utilities and merchandising, the ratio of non-resident control was approximately 28 p.c. compared with 25 p.c. in 1948 and 17 p.c. in 1926.

Great variations exist in both ownership and control of the different branches of industry. In such industries as textiles and primary iron and steel, Canadian ownership is 80 p.c. or more and the proportion of Canadian control is even higher. The opposite situation prevails in such industries as automobiles and parts, and rubber products where the greater proportion is controlled abroad. These illustrations however tend to be extreme. Other industries are more evenly divided: 63 p.c. of the agricultural implements industry is owned in Canada, 48 p.c. of the pulp and paper industry, 39 p.c. of the chemical industry and 35 p.c. of the electrical apparatus industry.

Some additional light on the place of foreign-controlled businesses in Canadian industry is provided by a special study of production and employment in the larger Canadian manufacturing establishments controlled in the United States. Such establishments, having an investment of \$1,000,000 or more, accounted for about 30 p.c. of Canadian manufacturing production in 1953 and 21 p.c. of employment in that field. These ratios were considerably higher than those for 1946, when a similar study was made; for that year the corresponding ratios were 22 p.c. and 16 p.c., respectively. In many industries the proportions were of course much higher. Among those in which well over half of the Canadian production was accounted for by United States controlled firms were the smelting and refining of non-ferrous metals, petroleum refining, automobile parts, rubber products and machinery. The concentration of foreign-controlled production is in Ontario where about 40 p.c. of the value of manufacturing output came from the larger United States controlled plants.