

## SECONDARY MANUFACTURING IN CANADA\*

The economic growth of any nation is characterized by profound changes in the distribution of available resources among the various sectors making up total economic activity. This has been true of the Canadian economy. In the early stages of development, manpower and capital in Canada were concentrated primarily in agriculture, fishing and forestry. With the growing world need for various metals and minerals found in Canada, an increasing proportion of the available manpower and capital resources was shifted to mining. Lacking a sufficient domestic market for the finished goods using these raw materials, manufacturing operations in Canada consisted mainly of primary processing operations producing for export markets. Gradually, however, a growing population with greater purchasing power, concentrated in urban areas, created conditions favourable to the development of secondary manufacturing in Canada.

## 1.—Summary Statistics of Secondary Manufacturing in Canada, 1925-60

Year	Estab- lish- ments	Employees	Total Salaries and Wages	Cost of Fuel and Electricity Purchased	Cost at Plant of Materials Used	Value of Net Production	Value of Gross Production
	No.	No.	\$'000	\$'000	\$'000	\$'000	\$'000
Av. 1925-29....	8,935	383,339	451,882	23,887	833,730	885,236	1,741,554
Av. 1935-38....	10,368	404,102	428,004	36,096	739,269	778,366	1,553,730
1946.....	14,762	732,517	1,212,496	81,680	1,934,869	2,164,398	4,180,945
1947.....	15,579	780,728	1,446,590	99,436	2,513,895	2,651,378	5,264,709
1948.....	15,757	795,912	1,669,510	117,516	2,946,257	3,082,621	6,146,393
1949.....	17,729	811,478	1,789,977	117,852	3,164,483	3,347,383	6,629,726
1950.....	17,848	819,328	1,930,529	132,440	3,558,260	3,697,804	7,388,500
1951.....	18,442	877,344	2,287,992	151,440	4,390,476	4,279,712	8,824,034
1952.....	19,077	902,212	2,562,633	153,535	4,545,027	4,711,198	9,409,762
1953.....	19,439	936,519	2,816,668	163,309	4,750,271	5,116,360	10,029,941
1954.....	19,818	876,653	2,706,403	162,040	4,504,230	4,763,011	9,426,415
1955.....	20,297	896,976	2,872,278	179,897	5,208,367	5,261,823	10,631,548
1956.....	20,376	942,275	3,200,031	205,573	6,089,972	5,886,553	12,003,584
1957.....	21,187	948,153	3,374,864	215,135	6,070,362	6,085,261	12,322,939
1958.....	20,407	890,646	3,318,651	209,639	5,821,248	5,999,805	12,054,806
1959.....	20,224	898,702	3,518,885	225,384	6,282,012	6,529,741	12,885,450
1960.....	20,816	961,030	3,608,955	243,999	6,301,128	6,668,880	13,183,904

Secondary manufacturing† consists mainly of those industrial activities which transform the products of the primary processing industries into intermediate and final consumer products. Secondary manufacturing in Canada, so defined, has expanded rapidly since the mid-1920's. Comparing averages for the periods 1925-29 and 1956-60, the value of goods produced increased more than seven times, employment more than two and a half times, wages and salaries eight times, imports and exports each about six times, and the domestic market about seven times. In addition, the industrial composition of secondary manufacturing has changed significantly. Industries producing consumer semi-durable goods, such as rubber and leather products, have generally become less important in secondary manufacturing. On the other hand, industries producing capital goods, construction goods and supporting intermediate goods have become substantially more

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† Secondary manufacturing, as here used, includes the rubber products industry; the leather products industry, excluding the tanning industry; the textiles industry; the knitting and hosiery industry; the clothing industry; the wood products industry, excluding saw and planing mills; the paper products industry, excluding the pulp and paper industry; the printing, publishing and allied industries; the iron and steel products industry; the transportation equipment industry; the non-ferrous metal products industry, excluding smelting and refining; the electrical apparatus and supplies industry; the non-metallic mineral products industry, excluding the cement, lime and salt industries; the chemicals and allied products industry, excluding the fertilizer and vegetable oils industries; and the miscellaneous products industry.