

and the non-metallic mineral products industry—resource-based secondary industries—were successful in reducing import competition. In respect to foreign markets, each secondary manufacturing industry, except the chemicals and allied products industry and the iron and steel products industry, has exported a declining proportion of its total output and has consequently become more dependent on domestic sales. This trend was most marked for the transportation industry, which exported an average of 13.6 p.c. of its value of production in the 1926-29 period and only 3.7 p.c. of its 1959 output, the knitting industry where exports fell from 5.6 p.c. to 0.1 p.c., and the rubber products industry which exported 31.4 p.c. in 1926-29 and 3.3 p.c. in 1959.

In the more recent years the incidence of imports on the domestic market has been greatest for iron and steel products, with Canadian manufacturers supplying 60 p.c. to 65 p.c. and foreign producers the remainder. For chemicals and allied products, transportation equipment, electrical apparatus and supplies, non-metallic mineral products, textiles and non-ferrous metal products, Canadian manufacturers have been supplying about 75 p.c. to 80 p.c. of the domestic market, and for the remaining secondary manufactured commodities 90 p.c. or more. With regard to producing for export markets, the chemicals and allied products industry ranks first among the other secondary industries, shipping 13 p.c. of its output abroad; the iron and steel products industry ranks second with 10 p.c. of output going to export markets. The other secondary manufacturing industries produce almost their entire output for the domestic market. Thus, neither the net replacement of imports, encouraging though this has been, nor production for foreign markets has contributed significantly to the development and growth of secondary manufacturing in Canada which, since 1925, has been attributable almost entirely to the expansion of the domestic market.

Employment and Earnings.—Employment in secondary manufacturing has expanded more than two and a half times from an annual average of 383,000,000 for 1925-29 to 928,000,000 in 1956-60. Such manufacturing has comprised a growing segment of the Canadian labour market, and today accounts for about one sixth of the total employed civilian labour force, compared with one tenth in 1925-29. During the early 1950's, employment in secondary manufacturing reached a peak of 18 p.c. of total employment, and has since declined somewhat in relative terms. As stated previously, the rise and fall in the relative importance of secondary manufacturing in the Canadian economy are phenomena associated with the process of economic growth and in part indicate that Canadian economic development has reached the stage where an increasing proportion of available resources is directed to the service-producing sector rather than to the goods-producing sector.

In terms of employment, the significance of the individual secondary industries has changed substantially. The durable goods producing industries, particularly the electrical apparatus and supplies, the iron and steel products, and the non-metallic mineral products industries, have become much more important as sources of employment, while the industries manufacturing semi-durables, notably the rubber, leather and textile products industries, have receded in importance. At present, the iron and steel products industry is the largest employer in secondary manufacturing, accounting for more than 20 p.c. of the total for this sector, and is followed by the transportation equipment industry which provides around 14 p.c. of the job total. Industries with 10 p.c. to 15 p.c. of total employment in secondary manufacturing are, in order of relative importance, the clothing industry, the electrical apparatus and supplies industry, the publishing and printing industry, the textiles industry and the chemical and allied products industry. Employment in each of the remaining industries ranges from 2 p.c. to 5 p.c. of the total.

Wages and salaries paid out by secondary manufacturing have increased about eight-fold during the past thirty-five years, from an average of \$452,000,000 during 1925-29 to \$3,600,000,000 in 1960. Average annual earnings per employee more than tripled during that period, rising from \$1,179 to \$3,916, and have been consistently greater than average