

earnings in all manufacturing, although the difference has been small. At present, average earnings range from about \$2,500 in the knitting and hosiery industry to \$4,700 in the transportation equipment industry, which is a wider range than in 1925. Throughout the period under study, the growth industries have had average earnings exceeding those for secondary manufacturing as a whole, while those in the declining industries have tended to be below the industry average.

The salaries and wages paid out by secondary manufacturing amounted to an average 51 p.c. of the value of net production from 1925 to 1929 but by 1946, with most of the increase having occurred during the prewar years, the proportion had risen to 56 p.c. During the postwar years it dropped initially to 52.2 p.c. in 1950 and has subsequently fluctuated between 54 p.c. and 55 p.c. By comparison, United States salaries and wages in secondary manufacturing increased from 51.7 p.c. of net production in 1925 to 58.2 p.c. in 1960. The secondary industries in Canada with the highest relative labour cost in 1960 were the leather products industry, 64.0 p.c., the wood products industry, 62.8 p.c., and the clothing industry, 62.0 p.c. The Canadian industries in secondary manufacturing with the lowest labour costs in relation to the net value of production were the chemicals and allied products industry, 35.5 p.c., and the rubber products industry, 46.2 p.c. The most rapid advances in wages and salaries relative to net production have occurred in the rubber products industry, from an average of 37.4 p.c. in 1925-29 to 46.2 p.c. in 1959, and in the electrical apparatus industry, from 44.5 p.c. to 56.0 p.c. Only the transportation equipment industry has shown a reduction in its labour cost relative to net production, from 65.4 p.c. to 58.2 p.c., although a substantial increase has occurred since 1950 at which time the percentage was 52.4. Thus, over the past thirty-five years or so, labour's share of net production in secondary manufacturing has grown both in the sector as a whole and in most individual industries.

The volume of net production per man-year in Canadian secondary manufacturing was almost 50 p.c. higher in the period 1956-59 than in 1925-38. Technological progress, requiring more complex machinery and equipment and people with greater technical skills, was the most influential factor contributing to the greater annual real output per employee. Production per man-hour in volume terms, making allowance for an approximate 15-p.c. reduction in annual man-hours, was almost 63 p.c. greater in 1956-59 than in 1935-38. Performances by individual secondary industries in this regard varied widely. The paper products, the non-metallic mineral products and the chemical industries showed the greatest gains in net production per man-year, with increases of 99.4 p.c., 99.2 p.c. and 96.5 p.c., respectively. The smallest gains were 9.7 p.c. for the clothing industry and 11.2 p.c. for the wood products industry. Between these two extremes were the rubber products industry with an increase of 52.1 p.c. in the volume of net production per man-year, the leather products industry 28.5 p.c., the textiles industry 56.7 p.c., the knitting and hosiery industry 86.7 p.c., the printing and publishing industry 28.0 p.c., the iron and steel products industry 41.2 p.c., the transportation equipment industry 32.5 p.c., the non-ferrous metal products industry 47.0 p.c., and the electrical apparatus industry 61.6 p.c.

In summary, Canadian secondary manufacturing has provided employment for an increasing number of people, and these workers have produced more and have earned more than ever before in history. Thus, secondary manufacturing has been able to make a greater contribution to Canada's economic growth and the rising living standards of its people.

Capital Expenditures.—The growth of secondary manufacturing in Canada could not have been realized without a simultaneous expansion of production capacity, by both the addition of new facilities and the modernizing of old ones. Over the 1948-62 period, capital expenditures in secondary manufacturing totalled \$6,760,000,000 and rose from an annual average of \$318,000,000 in 1948-52 to \$534,000,000 in 1958-62.