

3.—Capital Expenditures in Secondary Manufacturing, 1948-62

Year	Amount	Year	Amount
	\$'000		\$'000
1948.....	251,778	1956.....	585,042
1949.....	250,232	1957.....	657,488
1950.....	216,427	1958.....	471,518
1951.....	376,584	1959.....	540,307
1952.....	494,852	1960.....	574,020
1953.....	502,435	1961.....	518,394
1954.....	370,639	1962.....	567,140
1955.....	381,217		

The importance of the individual secondary industries as areas for investment has changed substantially during this fifteen-year period. Investment in the iron and steel products industry rose from an average of \$77,000,000, or 24.3 p.c. of the 1948-52 total, to \$159,000,000, or 29.7 p.c. of the 1958-62 aggregate. The chemicals and allied products industry, which accounted for an average of 17.3 p.c. in 1958-62, also attracted a growing proportion of the total investment in secondary manufacturing. Capital expenditures in the textile and clothing industries declined absolutely as well as relatively from an average of \$46,000,000 or 14.4 p.c. in 1948-52 to \$39,000,000 or 7.4 p.c. in 1958-62. The electrical apparatus industry and the transportation equipment industry also declined as areas for investment over this period. Capital expenditures in the rubber and leather products industries, the wood and paper products industries, the non-ferrous metal products and the non-metallic mineral products industries remained unchanged in relation to total investment in secondary manufacturing. The available data also indicate that a declining proportion of total Canadian capital expenditures is being devoted to secondary manufacturing. This trend appears to have developed after 1952, when 9.0 p.c. of that year's total investment was allocated to secondary manufacturing compared with 6.5 p.c. in 1962. This decline reflects the growing emphasis being placed on service facilities.

During the past thirty-five years the Canadian economy has become more industrialized. This is evident in the relative as well as the absolute growth of Canadian secondary manufacturing. The most important factor contributing to the development of Canadian secondary manufacturing since 1925 has been the rapidly expanding domestic market. Import replacement and production for export accounted for only a small portion of the progress achieved in this sector. For the future, Canadian secondary manufacturing can be expected to continue to expand at a rate at least in line with the growth of the domestic market. An even more rapid growth rate can be anticipated in the event of a substantial net replacement of imports and a higher level of production for export.

The Manufacturing Situation in 1961

The recovery in manufacturing production that took place during 1959 and was maintained more or less in 1960 was followed by a year of increased activity. In 1961, the value of factory shipments amounted to \$24,243,294,949 and the value added by manufacture to \$10,682,137,680, both the highest on record. Salaries and wages paid, at \$5,231,446,969, were slightly higher than in 1960 and were also the highest on record. The index of the physical volume of production stood at 153.0, 2.5 p.c. higher than in 1960 and 2.1 p.c. above the previous high attained in 1959. Despite the increase in volume of production, the number of employees, at 1,265,302, was a little lower than in 1960, following the trend in recent years for the same volume of goods to be produced with fewer employees. In the 1949-61 period, the volume of manufactures produced increased by 53 p.c. and the number of persons employed by only 8 p.c. The higher salaries and wages paid in 1961 reflected the continuing advance in earnings, a trend common to all sectors of the economy.