

of such areas of business as merchandising, railways and other public utilities. Hence non-resident ownership in a broad range of business activity, including manufacturing, petroleum, mining, merchandising and railways and utilities, rose only slightly from 32 p.c. in 1948 to 35 p.c. in 1962. But, in the same years, companies subject to non-resident control increased from 25 p.c. to 34 p.c. their share of the total even in this broad area of business, a trend also evident in many subdivisions of the manufacturing and extractive industries.

Another basis of judging the place of foreign-controlled business in Canadian industry is provided by a special study of production and employment in the larger Canadian manufacturing establishments controlled in the United States. The enterprises having an investment in Canada 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 in non-resident-controlled plants were considerably higher than in 1946—the previous year for which a study of this kind was made. In some industries the proportions of production and employment in plants controlled in the United States were much higher than this. Automobiles, for example, are mainly produced in United States-controlled plants, but this is exceptional. Among other industries where well over one half of the production is in United States-controlled firms are the smelting and refining of non-ferrous metals, petroleum refining, rubber products and motor vehicle parts. In several major industries like electrical apparatus and supplies and non-ferrous metal products, the distribution of control between Canadian and United States-controlled companies is more even. In other industries the non-resident share is large although less than one half the total. These include pulp and paper, other paper products, chemicals, medicinal and pharmaceutical products, sheet-metal products and certain branches of the machinery industry.

There are, however, many industries where the largest part of production is in Canadian-controlled plants. Prominent among these are such important branches of industry as primary iron and steel and some other subdivisions of the iron and steel industry, textiles, clothing, and such divisions of the food and beverage group as bakery products, beverages and dairy products. But even in some of these industries changes of ownership and control have been occurring in recent years.

Data collected under the Corporations and Labour Unions Returns Act (CALURA) provided further insight into the place of non-resident-owned corporations in the Canadian economy in 1962. The proportion of assets of reporting corporations in mining and manufacturing held by corporations more than 50 p.c. non-resident owned was 65 p.c. in mining and 77 p.c. in primary processing (reaching 99 p.c. in petroleum and coal products); for this group as a whole it was 71 p.c. In other primary manufacturing it was 37 p.c., ranging between 85 p.c. for tobacco and 13 p.c. for beverages. In secondary manufacturing the proportion of assets of reporting corporations held by corporations more than 50 p.c. non-resident owned was 62 p.c., ranging from 92 p.c. for rubber products to 11 p.c. for printing and publishing. In other industrial groupings the proportions ranged between 35 p.c. for wholesale trade and 11 p.c. for gas and electric utilities, with finance, retail trade, construction, transportation and other industries falling in between. It may be noted, however, that in some of these industries significant proportions would be exempt from reporting under the provisions of the Act and these would tend to lower the percentage.

A wide variety of indicators reveal the importance in Canada of foreign-owned establishments. Among the companies reporting under CALURA in the size groups with assets of over \$25,000,000, more than half the profits were derived by corporations more than 50 p.c. owned by non-residents and, including smaller reporting corporations, their share was some 46 p.c.; in manufacturing and mining it was over 56 p.c. It should be remembered, however, that some industries have important Canadian-controlled units which are exempt from reporting.