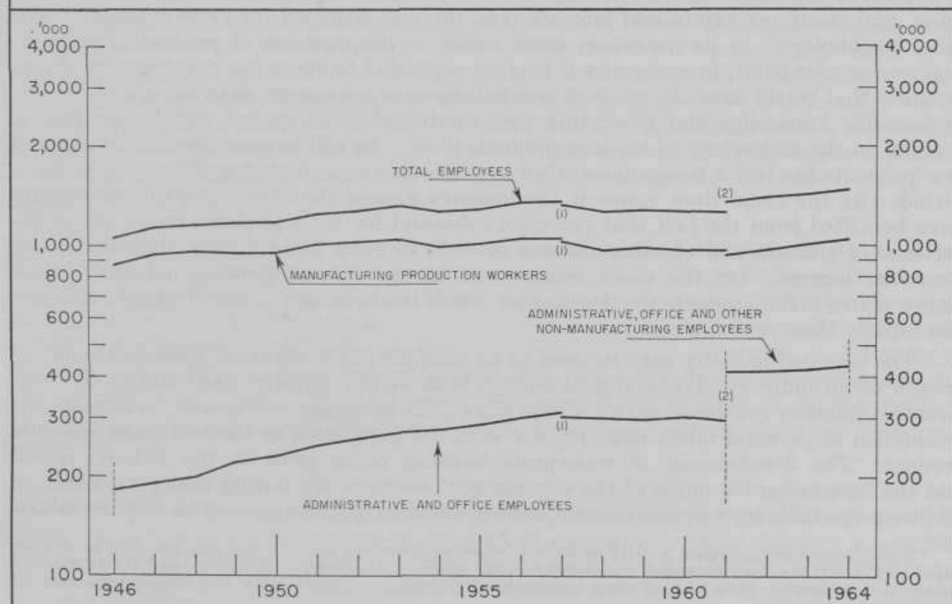
trend. There may be a connection between this fact and the downtrend in the apparent share of labour income. The increasing productivity per man-hour associated with these downtrends has required heavy capital investments in labour-saving mechanization over and above the expenditures required to merely expand production; there has been, in terms sometimes used by economists, a "deepening" as well as a "widening" of capital. This is underlined by a DBS estimate that the net stock of machinery and equipment in the manufacturing industries rose at an average annual rate of about 12 p.c. between 1946 and 1960* (like the production growth rates, this excludes the effects of price changes).

Shares in total labour income and in corporation profits are affected, of course, by relative changes in price and wage levels in various manufacturing industries. These shares and the growth of the capital stock are also affected by the changing "mix" of production as between "capital intensive" and "labour intensive" manufacturing industries. It is interesting to note that industry groups for which the production indexes advanced more rapidly than for manufacturing as a whole in the 1946-65 period paid salaries and wages amounting to 45.6 p.c. of their value added by manufacturing in 1949 (the base year for the indexes); by comparison, other manufacturing industries paid salaries and wages amounting to 49.5 p.c. of their value added in the same year. The figure for all manufacturing industries was 48.6 p.c.

The declining share of the manufacturing industries in exports—they account for almost all exports of manufactured goods—is associated with the higher rate of growth of output in the mineral industries noted earlier. As will be seen, the manufacturing industries have maintained the share of their own output that is exported.

* DBS publication *Fixed Capital Flows and Stocks, Manufacturing, Canada, 1926-1960, Statistical Supplement* (Catalogue No. 13-523).

EMPLOYMENT IN THE MANUFACTURING INDUSTRIES, 1946-64



(1) REVISED (1960) STANDARD INDUSTRIAL CLASSIFICATION AND NEW ESTABLISHMENT CONCEPT, 1957-64
(2) NON-MANUFACTURING ACTIVITY OF MANUFACTURING ESTABLISHMENTS INCLUDED, 1961-64