

In an industry with a small number of plants, the top four firms will have a considerable proportion of the plants even if they have only one plant each. Thus in the motor vehicle industry, which has 21 establishments, the top four firms would have to have at least 19% of the establishments. This in turn sets the minimum possible proportion they could have of the industry's shipments, even if the top four firms had only one establishment, each only minimally above the industry's average size of establishment. But the top four firms in fact have six establishments or approximately 29% of the establishments and these are considerably above average size. The way in which the concentration in any particular industry arises can be analyzed in a similar fashion but this will not necessarily show the cause of the concentration. In some industries the leading firms may have a considerable share of the establishments as a result of appropriating a large share of the market. Establishment concentration and the relative size of the large firms' plants are "components" of the industry's shipments concentration.

**Concentration in the 40 leading industries.** It is not proposed to examine here the characteristics of industries generally in relation to concentration in 1968. However, some features of the more concentrated and less concentrated industries among the 40 industries with the largest value of shipments may be of interest. The concentration ratios for these industries in Table 17.17 may be compared with actual principal statistics for the same industries in Table 17.6. These industries account for 69% of 1968 shipments of the manufacturing industries.

Although chosen for their shipments size, the 40 industries have been ranked in descending order of the percentage share of the top four firms in each industry's shipments. The number of enterprises, establishments and certain measures of concentration are shown. (One industry had to be omitted because its concentration ratios for the top four firms are confidential under the Statistics Act.)

A striking feature of the 20 more concentrated industries among the 40 is that only three are not also among the top 20 industries in Canada in terms of manufacturing shipments. That is, they are larger industries than the less concentrated 20 industries, in terms of shipments. Equally noticeable is that the 20 more concentrated industries are much smaller than the 20 less concentrated industries in terms of total numbers of establishments. The 20 more concentrated industries together had only 2,244 establishments, compared with 15,457 establishments for the 20 less concentrated industries, although, as noted, the latter were smaller industries in terms of shipments. In other words, the more concentrated of the 40 industries were large industries with much larger average size of establishment.

A feature of the less concentrated of these industries which is perhaps surprising until considered more closely is that multi-plant operations are more characteristic of them than of the more concentrated 20 industries, measured by establishments per enterprise for the industry or for the leading four firms. While this spread is not large, its existence is due to the fact that the less concentrated industries include many which are widely spread geographically, so that firm growth has to be expressed in the building or acquisition of additional plants. The average number of plants per firm for the top four firms equalled or exceeded five in ten out of 20 of the less concentrated of the 40 industries, rising as high as 15.8 for feed manufacturers and 13.5 for bakeries and dairies. Only five of the 20 more concentrated industries had five or more plants per firm for the top four firms, although these again were mostly geographically diversified industries, soft drink manufacturers with 10.3 per firm being the highest.

In spite of fewer plants per firm in the top four firms relative to the group of unconcentrated industries, the more concentrated industries were nevertheless characterized by higher establishment concentration. The total numbers of establishments in the more concentrated industries being relatively small, the multi-plant operations of the leading firms tend to account for a larger percentage of the industry's establishments, even though the multi-plant activity of leading firms is somewhat less marked than in the less concentrated 20 industries.

In summary, the more concentrated of the 40 industries could be said to be large industries with few establishments, high average shipments per establishment and somewhat less multi-plant activity by leading firms than the less concentrated industries in the group. The ratio of average plant size for the leading firms to the industry's average plant size tends to be influenced by the fact that in extremely concentrated industries the leading firms themselves