

clothing industries, where Canadian firms account for 89.3% of the over-all output. These sharply contrasting figures partly reflect the nature of the industries. The petroleum and coal products industries are characterized by large plants and widespread ownership of refineries by primary producers of petroleum, an activity offering special reasons for large-scale international operations. At the retail level, the importance of advertising and marketing methods may give large international enterprises the advantage. The clothing industries, by comparison, are characterized by small plants and ease of entry by local capital.

Following is an analysis of ownership in 20 industry groups and some factors accounting for the degree of Canadian or foreign control. The percentage of foreign control of total value added is in parentheses.

In the food and beverage industries (39.9%) the 18 industries show wide variation in Canadian and foreign control. Poultry processors have the lowest foreign control (11.6%) for any non-confidential industry; confectionery manufacturers have the highest (80.2%). Half the food and beverage industries have about 70% or more Canadian control. The importance of small plants and relatively simple processing for local or various non-consumer markets contributes to high Canadian control. The confectionery industry is an example of consumer-oriented marketing favouring foreign control; manufacturers spent 4.8% of the value of manufacturing shipments on advertising in 1967. Canadian participation in the tobacco industries is too limited to give data on the Canadian/foreign breakdown. The importance of consumer advertising and the advantages accruing to large international companies in terms of advertising techniques and "spill-over" of US advertising to the Canadian public favour high foreign ownership; the accumulated goodwill of established brands is in effect a barrier to entry by Canadian capital.

In the rubber and plastics products group the high degree of foreign ownership (72.9%) in all the rubber industries except footwear can be explained by the importance of tire sales to US car makers and the role of advertising in the consumer replacement market. However, in the plastics fabricating industry, *n.e.s.*, one of Canada's most rapidly expanding industries, foreign control is 49.6%, based on ownership of 17.8% of the establishments. In the leather industries foreign ownership accounts for only 22.3% of the total value added. Leather glove factories are completely Canadian owned at least partly because the practicality of small plants enables local entrepreneurs to compete. The boot and shoe findings industry has the highest percentage of foreign control (33.6%) in the group.

In the textile industries group (50.3%), Canadian and foreign control each range from zero to 100%. Both the cotton yarn and cloth industry, in which large plants are advantageous, and embroidery, pleating and hemstitching manufacturing with local entrepreneurs operating small plants are entirely Canadian owned. At the other end of the scale, the fibre and filament yarn industry, in which technology and patents play a major role, is the only entirely foreign-controlled manufacturing industry. In cotton yarn and cloth mills, foreign firms tend to expand their share of the market through imports rather than take-overs or branch plants. In the knitting mill industry foreign control equals only 19.8% of total value added. "Other" knitting mills show the least foreign control (16.0%), knitted fabric manufacturers the most (23.3%); this is an industry in which capital costs have been within the reach of local entrepreneurs seeking to enter it.

In the clothing industries group (10.7%), half of the 10 industries show less than 2.6% foreign control. The foundation garment industry has the highest percentage of foreign control of value added (55.1%). Marketing, brand names and consumer advertising are important factors; US advertising has an "overflow" effect on the Canadian market, tending to support sales by US subsidiaries in Canada. The other clothing industry in which foreign control is significant is fabric glove manufacturing (48.1%). In the clothing industries as a whole, small plant size and ease of entry encourage local entrepreneurs.

Of the wood industries group (23.0%), veneer and plywood mills have the highest percentage of foreign ownership (39.5%). In spite of continuing growth of plant size in the sawmills and planing mills industry and the fact that the industry produces processed natural resources for the export market, it is not highly concentrated and Canadian firms play a leading role. Foreign firms control only 5.6% of the establishments and 27.7% of the total value added. Half of the 12 industries have less than 15% foreign control. Most industries in the furniture industries group (18.1%) have limited foreign control. The exception is the office furniture manufacturing industry (51.9%) in which the need for large plants as well as specialized design