

In **Table 2** we have also divided the productive industries into two categories:

- (a) the agricultural, extractive and processing industries with large surpluses requiring export markets; and
- (b) industries mainly dependent upon the Canadian home market.

From this table (bearing in mind that service industry employment is dependent upon productive industry employment in the ratio of 1:1), the percentage of total employment in this country for which each segment of the productive industries is responsible directly and indirectly is indicated in the following:

| | |
|---|-------|
| 1. Secondary manufacturers of consumer and capital goods mainly for the home market | 45.4% |
| 2. Farming, fishing and trapping | 24.8% |
| 3. Construction | 16.7% |
| 4. Extraction and processing of primary resources largely for export (forestry, mining and quarrying, pulp and paper, saw mills, non-ferrous metal smelting and refining) | 10.6% |
| 5. Public utilities | 2.5% |
| | 100 % |
| | 100 % |

THE PROBLEM IN ITS CORRECT PERSPECTIVE

The inescapable conclusion from an examination of the above figures is that the secondary manufacturers of consumer and capital goods, mainly for the home market, are by far the most important element in the Canadian economy in so far as resultant employment is concerned.

It is, therefore, clear that if we are going to solve our employment problems and maintain a high rate of population growth we must encourage and develop our secondary manufacturing industries to a much greater extent than we have in the past. It is also clear that valuable as our resource exporting industries may be to the Canadian economy, they employ only a relatively small and declining percentage of our population, and if our economic policies continue to be directed exclusively to finding foreign markets for these resource industries, then our employment problem will never be solved.

THE PROBLEM CAN BE SOLVED TO THE ADVANTAGE OF THE WHOLE ECONOMY

As the leading group of secondary manufacturers of consumer and capital goods, mainly dependent on the home market, the Canadian Electrical Manufacturers Association believes that there is ample opportunity of encouraging and developing our secondary manufacturing industries without materially affecting the prosperity of our exporting resource industries and, in fact, to their ultimate advantage for the following reasons:

(a) Canada today is by far the largest per capita importer of manufactured goods in the world; \$273 per capita for Canada as compared with \$28 per capita for the United States and \$48 per capita for the United Kingdom. In most segments of the manufacturing industry, capacity far in excess of its present production is in existence so that a very major increase in Canadian manufacture could be achieved without any great demand for new capital. I would like to stress this, sir, since there are many phases in the industry where capacity exists far in excess of present market demands. The great majority of the manufacturing industry in Canada is highly efficient in relation to the wages and standard of living that Canada has chosen for itself and