



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

November 27, 1957

"SERVICE INDUSTRIES" EMPLOY MANY

More and more Canadians are being employed in "service industries" in proportion to those working in production fields, according to the Bank of Montreal's Business Review for November, which summarizes a 161-page study of the subject undertaken by the Bank for the Royal Commission on Canada's Economic Prospects.

Today, the Review says, 45 per cent of the labor force is employed in service industries, "generally regarded as comprising all those sections of the economy that do not produce goods but do provide a service of some kind". This proportion, which continues to increase steadily, compares with 18.5 per cent in 1881, 28 per cent in 1901 and 38 per cent in 1931.

In retail trade, largest of the service industries, employment is expected to rise to 1,610,000 by 1980, more than two-and-a-half times the 1950 figure, the Bank of Montreal says. It is already foreseen that there will be fewer individually operated stores in the future, with more retail business in the hands of corporations and partnerships.

But the Bank of Montreal study does not see trade necessarily more concentrated in chain or department stores in the future.

However, it does forecast "a continuing problem for all types of stores in respect to profit margins, as the effects of rising wage rates and shortening hours of work are unlikely to be offset by increases in productivity".

Government employment, especially, has occupied an increasing proportion of the labor force, and by 1980 this figure may total 665,000, or 2.5 per cent of the forecast population, compared with 1.6 per cent of the 1951 population, the Bank of Montreal considers.

Women workers figure prominently in the service industries, the review continues, where, for at least the past 25 years, more than 70 per cent of all working women have been employed, despite the marked decline in the number employed as domestics.

Generally speaking, however, the Bank of Montreal study shows service industries are not "large users of capital equipment in relation to man-power", adding that this feature is mainly responsible for the steady increase in the relative importance of the service industries from the point of view of employment.

In mining and manufacturing, there has been a significant expansion of output with a much smaller increase in employment, while in the case of agriculture higher output has been accompanied by an actual decline in the number of workers.

On the other hand, "the rise in output of the service industries has entailed a proportionate, and in some cases more than proportionate, rise in the number of people employed", the review says.

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