

The Address—Mr. A. Stewart

come in here and eventually assume the degree of control which I am going to point out.

Now, I mentioned before the names of two Canadian civil servants, Messrs. Carty and Blyth. We ought to be grateful to them for the work they have done in the annual statement of the Canadian balance of international payments. I want to quote some of the figures which they have given because they are worth considering. A study has been made which covers production and employment in manufacturing by United States controlled firms which have a Canadian investment of \$1 million or more. It is worth noting that these companies represent about 90 per cent of the capital in all United States controlled manufacturing companies in Canada. It is worth noting further that they account for 30 per cent of the selling value of all factory shipments in 1953. I am dealing with 1953 because unfortunately these figures do not go beyond that date. I hope the dominion bureau of statistics will take steps to project these figures and bring them up to date so we will know what has been happening.

They account for 30 per cent of the selling value of all factory shipments and 21 per cent of all the employees engaged in manufacturing, although they represent just about 2 per cent of all manufacturing establishments in Canada. Here is industrial concentration with a vengeance. Two per cent of the manufacturing establishments in Canada account for 30 per cent of the selling value of factory shipments and employ 21 per cent of the labour engaged in manufacturing.

Now let us examine this table a bit more closely. There is a statement here, statement No. 21, which gives us some idea of what is happening. It is headed "Share of United States Controlled Manufacturing Establishments in Selling Value of Factory Shipments, Employment", and so on. In establishments with 1,500 employees and over, and there are 20 of them United States controlled, the selling value of factory shipments was 52 per cent—that is of all shipments in that category—the employment was 40 per cent in that category and the earnings were 41 per cent. In establishments employing between 1,000 and 1,500 employees, and in this category there were 25 United States establishments or 39 per cent of the total, the selling value of factory shipments was 45 per cent; 41 per cent employment and 43 per cent earnings. In the group employing between 500 and 1,000 employees, and in this category there are 79 establishments, 39 per cent of the selling value of factory shipments is controlled by those in this group; 33 per cent

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of employment and 36 per cent of earnings. As a matter of fact, 45 per cent of the production of all establishments with factory shipments of \$5 million or more was in 212 United States establishments. This is what I mean when I talk about the concentration of industry and the concentration of economic power.

It is pointed out by Messrs. Blyth and Carty:

The above data show that investment and production are highly concentrated in a small number of the larger firms controlled by non-residents.

What they say is obviously true. Let us take another table, statement No. 20 on page 29 of the Canadian balance of international payments, "Manufacturing and Mining Enterprises in Canada, Concentration and Control". It is divided into four groups. The first one is "Petroleum Exploration Development and Refining", and of all enterprises in this category 67 per cent of the control is outside Canada. There are also "Large Enterprises"—this includes all manufacturing and mining companies with an investment in Canada of \$25 million and more—and there are 13 large enterprises in this category, 81 per cent of which are controlled outside of Canada. When I say "controlled" I do not mean to say that they are United States owned. Certainly not, but the great majority most emphatically are. Then, we come to "Mining other than Petroleum Exploration and Development". In this category 55 per cent of all enterprises is controlled outside of Canada and 68 per cent of the large enterprises—which in total number about 14—is controlled outside of Canada. In the grouping "Manufacturing other than Petroleum Refining", 47 per cent of all enterprises is controlled outside of Canada—the number of enterprises is 55—and 54 per cent of the large enterprises is controlled outside of Canada. In the grouping "Total Manufacturing and Mining", 51 per cent of all enterprises is controlled outside of Canada and for the large enterprises, which total 82, 62 per cent is controlled outside of Canada.

Then, the report goes on to say on page 28:

The capital investments in these large enterprises were about 80, 70 and 55 per cent respectively controlled outside Canada. In each of these areas of investment foreign control represents a significantly higher proportion of the large companies than it does of the industry as a whole. If account were taken of the changes in control which have occurred in this group of enterprises since 1953, the ratios of non-resident control would be 95, 75 and 57 per cent respectively (based on 1953 book values), or about two-thirds for the whole group.

There is part of the story of the concentration of foreign-owned enterprises in this