

With the expansion of industrialization brought about by the introduction of steam power in 1850 and electric power at the turn of the century, the nature of Canada's stock-in-trade began to change and grow more diverse. Canadians undertook a certain amount of processing of their raw materials before exporting them. Wood was turned into pulp and paper, metals were smelted and refined, wheat was milled into flour, coarse grains fed to hogs and turned into bacon.

Canada has tended to concentrate on the production of a few basic commodities for export, partly because certain natural advantages allowed her to produce them efficiently and partly because there was a ready market for them abroad in normal times. Thus she produces newsprint, wheat, lumber, meat, nickel, woodpulp, copper and aluminum in much greater quantities than the people of Canada use. The one highly manufactured article that is an important export is the automobile. The following table shows the value of trade over nearly three decades in the exports of most importance since the end of World War II.

Important Canadian Exports
(in millions of dollars)

	<u>1920</u>	<u>1930</u>	<u>1940</u>	<u>1947</u>
Newsprint	54	133	151	342
Wheat	185	185	119	265
Lumber	75	37	68	208
Wheat flour	94	38	26	197
Woodpulp	41	39	61	177
Meats	96	8	63	103
Automobiles and parts	18	20	55	93
Fish	41	30	30	82
Aluminum	6	8	33	55
Nickel	9	21	61	60
Copper	1	1	40	45

This specialization on a few important products means that Canada does not produce or produces only in limited quantities a large variety of other products. Such items as natural rubber, tea and cotton are not produced because the climate is unsuitable; others, like wool, silk, china and certain types of machinery because they can be produced more cheaply in other countries. These commodities Canada buys abroad. As a result, the Canadian economy is based fundamentally on the ability to export its surplus product to pay for the imports of commodities lacking within its own borders. In the wide variety of goods coming into Canada, the following groups of commodities have predominated since the end of World War II.

Important Canadian Imports
(in millions of dollars)

	<u>1920</u>	<u>1930</u>	<u>1940</u>	<u>1947</u>
Machinery, except farm	37	50	71	249
Coal	60	57	50	139
Petroleum, crude	20	41	48	127
Cotton goods	49	22	19	120
Farm implements	15	22	31	106
Fruits	33	31	28	77
Electrical apparatus	16	30	21	63
Rolling mill products	40	47	57	60
Cotton, raw	34	14	25	59
Sugar and products	74	26	29	47
Engines and boilers	13	11	12	44