



INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 30

CANADA'S FOREIGN TRADE <sup>1</sup>

August 9, 1948

The pattern of Canada's foreign trade up to World War II was determined largely in the years around the beginning of the Twentieth Century. This pattern still persists, but the impact of World War II both on Canada and the rest of the world will necessitate a fundamental readjustment of the pattern in the years immediately ahead.

The Growth of Foreign Trade

Canada's foreign trade, historically, represents the adaptation of a rapidly expanding, undeveloped economy to a generally favourable past pattern of world trade. In the years around the turn of the century railway building opened a vast frontier of land, forest and mineralized rock while heavy immigration and foreign investment provided the manpower and equipment needed to start exploitation of these resources on a large scale. The emphasis of economic development was placed on the production of a limited number of types of commodities that would command a ready world market. The funds realized from the sale of exports were used to purchase a wide variety of goods not produced in Canada. Canada became and still is an exporter of specialized products and a large world trader.

Canada's Resources

The fact that Canada possesses in great abundance a number of important resources has had a tremendous influence on her economic development. Climate and physiography have also influenced that development. The great masses of Precambrian rock comprising large parts of Canada are covered with a layer of soil too shallow to support agriculture but favourable to the growth of forest and fur-bearing animals. Trading in furs developed in the Sixteenth Century and later the timber trade was started to provide the long, square pine timber needed to build wooden sailing vessels. The fishing trade grew early out of the presence on both coasts of a wide continental shelf with water shallow enough to provide ample feeding grounds for large numbers of fish and cold enough to assure their firm flesh and fine flavour. The great central plain, composed of deep brown silt laid down by pre-historic floods, was open to cultivation in the latter part of the Nineteenth Century when the trans-continental railways were built, thus beginning Canada's wheat and grain trade. The Laurentian shield, widespread base of old, worn-down Precambrian mountains curving in a broad horseshoe around Hudson Bay, are studded with minerals both precious and base, making Canada a foremost exporter of these raw materials.

<sup>1</sup> Incorporating information previously issued in Reference Papers No.14 ("Background of Canada's Foreign Trade" July 1946) and 21 ("Canada's Interest in Geneva Trade Conference March 1947").