

examples of key manufacturing sub-sectors are also included in the tables.

As may be noted, both export orientation and import penetration have generally been increasing, suggesting the increased degree of specialization or rationalization of Canadian industry. The key sectors within manufacturing generating large export surpluses are the wood industries, paper and allied, and primary metals. Nearly all the other major manufacturing sectors show trade deficits.

In general terms, Canadian manufacturing output nearly matches the domestic utilization of manufactured products although obviously there are major surpluses in some sectors (e.g. paper and allied) and major deficiencies in others, e.g. machinery industries and miscellaneous manufacturing.

As already noted, much of Canada's export trade is based on its natural resource base. These have had an all-pervading influence on the country's economic development.

Canada is an important source of supply to world markets for resource materials of all kinds. However, whereas these were once shipped almost entirely in raw form, they are increasingly being processed in varying degrees before export.

The extent of this shift from raw materials to the higher stages of fabrication during the 1970s is to some extent obscured by the fact that export prices have tended to rise faster in the

lower stages of fabrication than in the case of fully finished goods. Thus from 1971 to 1978 the export price index (currently weighted) for all Canadian domestic exports doubled. However, the export prices of crude materials (inedible) during this same period of time shows an increase of about two-and-three-quarter times; fabricated materials (inedible) increased by about one-and-three-quarter times, while export prices of fully finished goods rose by only three-quarters.