



THE GENERAL ECONOMY

With its wealth of natural resources and its small population, Canada produces far larger quantities of goods and raw materials than it can sell to its own people. This is the most significant feature of its economy and explains why its trade is greater on a *per capita* basis than that of most other leading trading nations. In total volume of trade only the United States, Britain, the Federal Republic of Germany and France exceed it.

Canada's domestic economy is affected by the fact that many of its raw materials are far from their natural markets. Alberta, for instance, has the second largest coal reserves in the world, some 47 billion tons, yet it cannot sell this fuel in the industrial markets of Central Canada because it is cheaper for Ontario manufacturers to import coal from Pennsylvania. Much of the mineral wealth of the North remains unexploited because of high transportation costs. In order to maintain a transcontinental economy, certain raw materials, which must be sold competitively on world markets but which must be carried thousands of miles to ocean ports, enjoy especially low freight rates. Grain, ore and pulpwood fall into this category.

Today almost 70 per cent of the country's total production goes into manufacturing and construction. It now takes fewer Canadians to run the farms and thus hundreds of thousands are released for other work.

Canada leads the world in the production of newsprint, most of which is exported

When Canada became a nation in 1867, 81 per cent of the population was rural; that figure has now dropped below 31 per cent. Nevertheless, in the past 50 years, wheat production has increased sevenfold, partly as a result of scientific research which has made it profitable to farm "marginal" land and partly because of the mechanization of the farms. The scarlet "combines" sweeping across the golden prairies at harvest time have become a familiar and thrilling spectacle to thousands of Canadians.

Industry

Canada ranks first among the nations of the world in the production of newsprint, nickel, asbestos, uranium, and platinum; second in the world's output of wood pulp, gold, aluminum, zinc, cobalt and hydro-electric power; third in silver and sawn lumber; fourth in wheat and lead; and fifth in copper.

Recent discoveries of vast new sources of energy — oil, natural gas, uranium — together with the continued expansion of low-cost hydro-electric power, which is basic to the aluminum, pulp and paper, electro-metallurgical and electro-chemical industries, have greatly advanced Canada's industrial base. Of great importance also is the opening of previously inaccessible resources of minerals and the application of new methods of discovering, exploiting and transporting the ore.

The growth of large-scale manufacturing in Canada dates from the First World War, which made heavy demands on the metal-working in-