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CANADA'S EXTERNAL TRADE

## HISTORY

Canada is naturally and by tradition an exporting country. From early times it has sent forth its resources and produce to other parts of the world.

When Champlain embarked in 1603 on a voyage of discovery he hoped to reach China by a new route and bring back precious stones, silks and spices. Instead he landed on the shores of an unknown country, Canada--a country that was rich not in silks and spices, but which was presently to supply Europe with furs and timber.

The Hudson's Bay Company was founded in 1670, and from then on furs from the Canadian north and west were sold on the London market. Similarly timber was obtained in the forests along the eastern seaboard.

Two hundred years later, when Canada first assumed a national existence, a remarkably large export trade had already been established, despite a small population. It is astonishing to find a community of three and a half million people selling no less than \$17,905,808 worth of goods in 1868, the year after Confederation. In 1943 it is equally astonishing to find their descendants, now numbering eleven and a half million, selling goods abroad to the value of \$3,000,000,000. Furthermore, more than 700,000 able-bodied producers were absent in the armed forces. Rarely have so few people produced so much.

It has always been necessary for Canada to produce and sell abroad as much as possible. A young and growing country depends on imports of both merchandise and capital, which must be offset by an outward flow of trade. In the early years of Canada's development imports were chiefly manufactured products, and exports consisted of raw materials and semi-manufactured goods. Since the opening of the 20th century this trend has almost been reversed: A large proportion of the imports have been of raw and semi-manufactured products to be used by Canada's own industry, while the exports have been predominantly of products which have already undergone some process of manufacture; in fact, Canada's leading manufactures now consist of its own raw materials which have been processed to a certain extent, if not to the finished stage. Furthermore, Canadian industries, serving domestic and foreign markets, are also using imported raw materials such as cotton and sugar. The stage attained in the industrial development of a country is indicated by the character of the goods it imports and exports.

During the period of 50 years from 1889 to 1939, the changes in Canada's exports have been very great, both in volume and in the relative importance of commodities. In 1890 the great agricultural expansion of the Canadian west had scarcely begun. The principal exports then were sawmill and timber products, cheese, fish, cattle, barley, coal and furs which indicated the dependence of production at that time on the eastern forests, mixed farming areas and fisheries.

Of the six leading exports in 1939--newsprint, wheat, nickel, timber, copper, meats--five were unimportant in 1890. In the year 1910 wheat appears for the first time as the leading export, although shipments were already heavy by 1906. The rise of the great pulp and paper industry to an outstanding position