

Gains in manufacturing

With these shifts in the geographical direction of Canada's trade, significant changes have also taken place in the content of that trade. They started with the onset of the First World War. Until then, Canadian trade had grown steadily through the export of staples and the import of capital equipment and manufactured goods. As the war progressed and greatly increased its demands on the productive capacity of the major allies, Canada developed as an industrial producer (though on a somewhat limited scale). This development was accelerated considerably in

the years after the war. A principal factor was the establishment of branch plants in Canada, particularly by United States industries. In many cases, branch plants were established or expanded to take advantage of imperial tariff preferences.

The result was a sizable upsurge in exports of manufactured goods from Canada, the pace of which was accelerated yet again by the exigencies of the Second World War, and then again by the demands of the immediate postwar period as the war-torn countries tackled the urgent problems of reconstruction and pent-up demand.

Canadian trade by selected areas

(as a percentage of total trade)

Exports

| | 1911 | 1931 | 1937 | 1947 | 1957 | 1967 | 1971 | 1973 | 1978 |
|----------------|------|------|------|------|------|------|------|------|------|
| United States | 38.0 | 45.6 | 36.1 | 37.3 | 59.4 | 64.2 | 67.5 | 67.7 | 70.0 |
| Britain | 48.2 | 26.3 | 40.3 | 27.1 | 15.0 | 10.3 | 7.8 | 6.3 | 3.8 |
| Japan | 0.2 | 0.5 | 3.2 | neg. | 2.8 | 5.0 | 4.7 | 7.1 | 5.8 |
| USSR and China | 0.6 | 0.4 | 2.9 | 0.7 | 0.2 | 1.9 | 1.9 | 2.3 | 2.2 |
| EEC (Other) | 2.9 | 12.9 | 3.8 | 8.4 | 8.2 | 6.0 | 6.2 | 6.0 | 5.5 |
| Others | 10.1 | 13.3 | 13.7 | 26.5 | 14.4 | 12.5 | 12.0 | 10.5 | 12.7 |

Imports

| | 1911 | 1931 | 1937 | 1947 | 1957 | 1967 | 1971 | 1973 | 1978 |
|---------------|------|------|------|------|------|------|------|------|------|
| United States | 60.8 | 69.0 | 60.7 | 76.7 | 71.1 | 73.1 | 70.1 | 70.8 | 70.6 |
| Britain | 24.3 | 17.3 | 18.2 | 7.4 | 9.3 | 6.0 | 5.4 | 4.3 | 4.5 |
| Japan | 0.5 | 0.9 | 2.0 | neg. | 1.1 | 3.6 | 5.1 | 4.4 | 4.5 |
| EEC (Other) | 6.2 | 2.5 | 4.6 | 1.0 | 4.2 | 5.8 | 6.0 | 6.0 | 6.1 |
| Others | 7.8 | 10.3 | 13.1 | 17.9 | 15.9 | 11.5 | 13.4 | 14.6 | 14.3 |