

In Table 21 will be found statistics showing imports, exports and total trade by countries for the latest fiscal year ended March, 1926. Table 22 shows by countries the values of goods imported into and exported from Canada *via* the United States for the last two fiscal years.

Finally, the trade of Canada with the leading countries with which she trades (other than the United Kingdom and the United States, which are exhaustively dealt with in Tables 12 and 13), is analyzed by countries and by leading commodities in Tables 23-33, for the last two fiscal years. Historical tables showing our trade with these and other countries in each year since Confederation will be found on pages 16-29 of the annual report of the Trade of Canada for 1925, published by and obtainable from the Dominion Bureau of Statistics.

6.—Trade in Raw and Manufactured Products.

Relation Between Trade in Raw and Manufactured Products.—During the first quarter of the present century Canada has passed through the same stages of development in her economic life as did the United States during the last quarter of the nineteenth century. In 1870, 67.7 p.c. of the total exports from the United States consisted of raw materials, while in 1900, the percentage was only 40.2. Of fully manufactured products, the percentage of the total exports in 1870 was 28.6 and in 1900 48.6. From 1870 to 1900 the imports of raw materials into the United States increased from 25.2 p.c. of her total imports to 44.0 p.c., while the imports of fully manufactured products decreased from 62.1 p.c. to 40.2 p.c. The statistics for more recent years down to 1925, as given below, show a further increase in the percentage of fully manufactured products exported, as also in the percentage of raw materials imported for manufacturing purposes, and a further decrease in the percentage of fully manufactured products imported.

The most important factor to be considered in the economic survey of any country is the potential wealth represented by its natural resources. In this respect Canada has hardly a superior among the nations of the world. Not only is Canada very rich in natural resources, but her potential wealth is so distributed among the farm, the forest, the mine and the fisheries that its development is greatly facilitated, and the process of realization goes hand in hand with the building up of high-grade manufacturing industries. While every branch of industry in the Dominion shows a steady increase, without doubt the development of manufacturing affords the most striking example of the advancement of the Dominion. While it is true that Canada continues to export large quantities of raw materials, it is a notable fact that the increase in the quantities of raw materials used in the manufacturing industries in recent years has been much greater than the increase in the exports of these products. Many classes of goods which were formerly imported into Canada in large volume are now being manufactured in the Dominion in sufficient quantity not only to meet the requirements of the home market but also for export. Statistics for the years 1900 to 1925 indicate that Canada is importing a smaller proportion of manufactured commodities to-day than a few years ago, while the proportion of imports of raw materials for use in Canadian manufacturing industries shows a constant increase.

The table below shows that in 1914 the proportion of the imports of raw materials to total imports for Canada and the United States was 21.8 p.c. and 46.5 p.c., respectively, while in 1925 it was 27.7 p.c. and 49.2 p.c. respectively. In 1914 the proportion of imports of fully manufactured goods was for Canada 68.9 p.c. and the United States 36.6 p.c., while in 1925 the proportion for Canada was