

II.—INTERNAL TRADE.

1.—Interprovincial Trade.

Canada may be divided into the following five economic regions, each deriving its specific character from the predominant occupations of its people:—

1. *The Eastern Fishing, Lumbering and Mining Region*, comprising the river valley and the gulf of the St. Lawrence, together with the Atlantic coast; in other words, the Maritime Provinces almost as a whole, the northern part of the province of Quebec (excluding the former district of Ungava), and a portion of northern Ontario.

2. *The Eastern Agricultural and Industrial Region*, comprising the cultivated portions of the Maritime Provinces and of the provinces of Quebec and Ontario. In the latter provinces the cultivated areas extend along the north bank of the St. Lawrence, and along the valleys of its tributaries within the Canadian borders.

3. *The Central Agricultural Region*, extending from the Red River valley to the Rocky mountains and from the Canadian-United States boundary to about 56° N. lat.

4. *The Western Fishing, Mining and Lumbering Region*, comprising the western portion of the province of Alberta, the whole of British Columbia and the southern portion of the Yukon Territory.

5. *The Northern Fishing and Hunting Region*, extending from the regions of permanent settlement northwards to the Arctic Circle and from the coast of Labrador to the Pacific and to the Alaskan boundary. This vast region is sparsely inhabited by indigenous nomadic tribes engaged in fishing and hunting for their own support, for exchange with the fur-trading companies and with individual whalers and traders who visit some parts of the region.

Great differences are apparent between the products of these various regions; even the fisheries and lumber products of the east are quite distinct from those of British Columbia. The needs of the people throughout the country are met to a great extent by the exchange of the products of one region for those of another.

Internal trade in Canada had its basis many years before Confederation in the exchange of the furs and lumber products of Quebec and Ontario for the fisheries and mineral products of the Maritimes. It was also thought at the time of Confederation that the coal fields of Nova Scotia would furnish sufficient fuel for the needs of all the eastern part of the Dominion. Later, the manufactures of Ontario and Quebec found markets from one end of the Dominion to the other, bringing back in exchange the farm, mineral and other products required by large urban communities and produced for exchange principally in western and northern regions. A further stimulus to the trade between east and west over the barren areas north of lake Superior may result from the recently increased production of the Alberta coal fields.

Thus, while many of the smaller communities and areas, like the primitive agriculturist, produce only for their own needs and are economically independent, the principle of comparative advantage is seen in the increased trade between the economic regions of the Dominion, a trade which is principally carried on over the railways of the country, but also largely over its waterways. A comparatively new development is the inauguration of sea transport between Eastern Canada and British Columbia *via* the Panama Canal.