

recorded. In 1923 the rate was 24.9 p.c., in 1927, 24.1 p.c., and in 1930, 24.6 p.c. The average *ad valorem* rate of duty on all imports was 16.7 p.c. in 1923 and 15.9 p.c. in 1930. These rates are based on the gross sums collected; if the refunds and drawbacks were allowed for, the net rate of customs duty would be substantially lower.

**Growth of Canadian Manufactures Prior to the War.**—Until the later '90's, the growth of Canadian manufacturing industry was not particularly rapid, though the great fall in the prices of commodities during the period from 1873 to 1897 was largely responsible for the comparatively slow growth of the values of manufactured commodities from \$221,600,000 in 1870 to \$469,800,000 in 1890. Afterwards there was a change and the prices of commodities commenced to rise, while the industries generally shared in the advantages of the great growing period from 1900 to 1912. The gross product of establishments with five hands or over increased from \$368,700,000 in 1890 to \$1,166,000,000 in 1910 and to \$1,381,500,000 in 1915. The fundamental advantages of the position of Canada, her abundant raw material, her inexhaustible water power, her growing home market in the expanding West, had contributed to this result.

In the present as in the past, Canadian manufacturing production has been chiefly dependent upon the use of Canadian raw material, though this is less true than formerly. Raw cotton, for example, is imported from the Southern States, hides from Argentina, rubber from the Straits Settlements and Malay peninsula, sugar from Fiji and the British West Indies and wool from England, Australia and New Zealand, to supply the raw material for Canadian manufacturing industries.

**The Influence of the War.**—The influence of the war upon the manufactures of Canada was profound and far-reaching, tending to promote the diversification of products and the production at home of many commodities which had previously been imported. On account of the practical suspension of the importation of manufactured goods of many kinds from Europe, enterprising Canadian manufacturers were given opportunities of entering upon new lines of manufacture with practical control of the market. There was added to this the reflex effect of the great prosperity of agriculture, produced by the unprecedented prices of war time, with the general result that industry worked at high pressure, not only to produce munitions and military supplies for the armies of the Allies, but also to make the manifold varieties of goods required for the stimulated civilian consumption. The world shortage of staple commodities, coupled with a strong domestic demand, gave Canadian industries in general a pronounced stimulus toward greater production, and in a great number of cases the capacity of manufacturing plants was increased; this increase created a demand for greater supplies of raw material. Incidentally, factory methods became more specialized and a high degree of administrative and mechanical efficiency was attained, and Canada, partly owing to the absorption of the energies of Europe in the war, assumed a new position as one of the leading manufacturing countries of the world. The inflation of the war period also led to unprecedented figures of values produced.

The great boom in Canadian manufactures described above reached its height in the summer of 1920, statistics for that year showing a gross value of products which was not exceeded until 1929. Even the net value of manu-