

Owing to the industrial development of Canada since the beginning of the century, many of the leading imports are now raw materials required by Canadian industries. The quantities of a number of these raw materials imported in each year since 1911 are shown in Table 9.

Among the factors affecting short-term fluctuations of imports, in distinction from the long-term trends outlined above, probably the greatest is the so-called business cycle. In periods of booming business activity capital expenditures are high as are also expenditures upon luxuries. The decline in capital expenditures from 1930 to 1936 is illustrated by greatly decreased imports of machinery, rolling-mill products, electrical apparatus, farm implements, automobiles, unmanufactured wood, etc., while decreased consumption of luxuries is indicated by the drop in imports of alcoholic beverages, silk goods, furs, diamonds, musical instruments, etc.

**Canada's Principal Exports.**—Statement X, which follows, gives Canada's leading domestic exports for the fiscal years ended 1890, 1900, 1910, 1920, 1930, and 1936, arranged in descending order of importance in 1936. In the interpretation of these figures of the main commodities exported, the same qualifications should apply regarding price changes and business fluctuations as cited above in the case of imports. Furthermore, since agriculture still constitutes the leading source of Canadian exports, variations in crop conditions here and in other parts of the world cause important fluctuations in the year to year volume and value of our exports.

Over the period of 46 years covered by the statement, the changes in Canada's exports have been very great, both in volume and in the relative importance of commodities. The great agricultural expansion of the Canadian West had scarcely begun in 1890. The leading exports then were sawmill and timber products, cheese, fish, cattle, barley, coal, and furs—indicating the large dependence of Canadian production at that time upon the eastern forests, mixed-farming areas, and fisheries. The five leading exports in 1936 were very unimportant in 1890. The year 1910 is the earliest year in the statement in which wheat appears as the leading export, although this first occurred in 1906. The rise of the great pulp and paper industry to a leading position has been still more recent, and similarly with regard to the production of non-ferrous metals, automobiles, and rubber tires. The export of non-monetary gold bullion has been of sufficient importance for separate classification only since 1926. On the other hand, exports of the products of mixed-farming operations, such as cattle, hides, cheese and butter, while showing wide fluctuations, have not expanded proportionately, and in some cases were very little or no greater in 1936 than in 1890. Much of the new agricultural area developed since 1890 has been better adapted to grain growing than to mixed-farming operations, so that, owing to the growth of population, the production of the older mixed-farming districts is to a larger extent consumed within the country. The rapid progress during the past two decades of the mining and metallurgical industries producing non-ferrous metals in Canada is illustrated in this statement by the increased importance since 1910 of exports of non-monetary gold, copper, nickel, silver, zinc, lead, aluminium, and platinum. The part played by these industries in supporting Canada's export trade has increased since 1930 with the curtailment of world trade in agricultural products. Indeed, in 1936, these great mining and metallurgical industries provided exports almost equal to those of agriculture and greater than those derived from the forest resources of Canada. In this connection mention should be made of the influence of low-cost hydro-electric power. The direct effect of Canada's resources of water power may be traced in the statement not only in the growth of exports of pulp and paper and of electrical energy but also