

### Subsection 7.—Principal Commodities Imported and Exported.

The commodities which make up Canada's external trade are shown in detail for the four latest fiscal years in Tables 12, dealing with exports, and 13, with imports, beginning on p. 538 and p. 550, respectively.

**Canada's Principal Imports.**—Statement XI, which follows, shows the long-term trend of principal commodities imported into Canada in the fiscal years 1890, 1900, 1910, 1920, 1930, and 1937. In the interpretation of the trends in imports, shown in this statement, the effects of price changes and of fluctuations of the so-called business cycle should be kept in mind. Thus the Bureau of Statistics' index number of wholesale prices on the 1926 base was 59.3 in the calendar year 1889, 52.1 in 1899, 59.5 in 1909, 134.0 in 1919, 95.6 in 1929, and 74.6 in 1936, these calendar years approximating to the fiscal years ended 1890, 1900, 1910, 1920, 1930, and 1937. In the matter of business fluctuations, the fiscal year 1910 was influenced by the general development boom in Western Canada, 1920 was affected by the feverish activity which immediately followed the War, 1930 represented the end of the security inflation period and the beginning of the downturn, while in 1937 the effects of the depression and price decline were still being felt, although there was a distinct improvement as compared with the low figures of 1933.

During the period of 47 years covered by the statement, great changes have occurred in the character of the leading imports, due to developments both in the industrial organization of the country and the goods consumed by the people. Thus in 1890, many present-day leading imports, such as crude petroleum, automobiles and parts, artificial silk, electrical apparatus, aluminium, were either non-existent or formed very insignificant items of trade. Imports of farm implements in 1890 were valued at only \$161,000 but, due to the tremendous agricultural expansion in Canada since that time, as well as to increasing mechanization of agricultural operations, imports of farm implements have grown to a large item in spite of the wide development of their manufacture within the country. On the other hand, a number of the leading imports of 1890, such as woollen goods and raw wool, sugar and products, silk goods, tea, grain products, and meats, have become relatively much less important as imports. Then again, there were certain leading imports in 1890, such as coal, rolling-mill products, machinery, and fruits, which still remain among the chief items of imports owing to the absence of coal and high-grade iron ore deposits in the central portion of Canada, where population and industry are chiefly concentrated, and to the demand for fruits which cannot be grown in Canada. 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, p. 535.

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 prosperous business activity capital expenditures are high as are also expenditures upon luxuries. It is, therefore, an indication of returning prosperity in Canada to find imports of machinery, rolling-mill products, electrical apparatus, farm implements, automobiles, unmanufactured wood, etc., recovering something of the relative importance among imports which they held for a few years up to 1930.