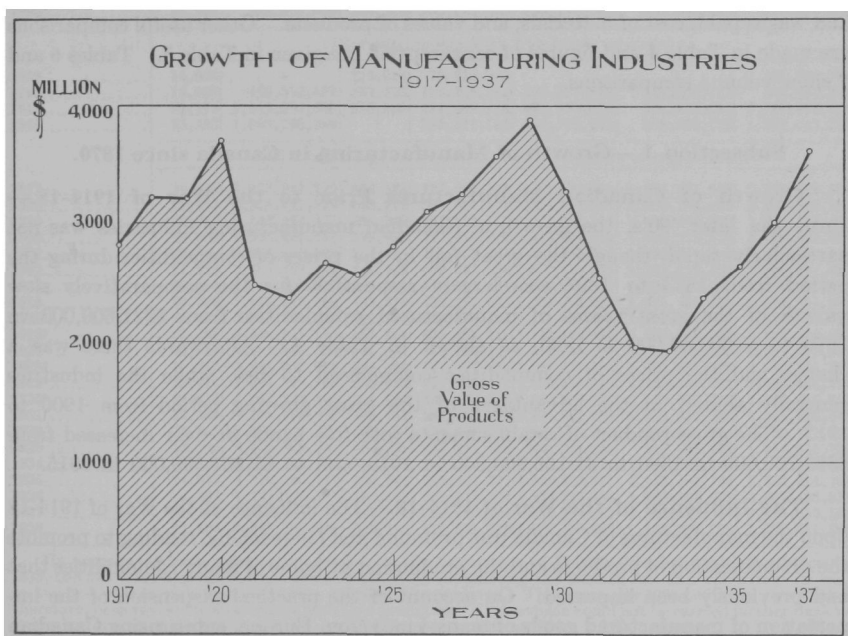


Canada rises, the variety of fabricated goods for which there is an effective demand within the country is continually expanding, so that there will always be a place in the Canadian market for imports of highly fabricated goods.

A striking modern feature of manufacture for the home market is the importation of raw materials not indigenous to Canada for the production of goods for which there is a large domestic market. Typical examples are the cotton textile and the rubber goods industries. Furthermore, a large iron and steel industry has grown up in Nova Scotia, Quebec, and Ontario, dependent upon imported iron ore from Newfoundland and the United States.



From the beginning, important manufacturing operations in Canada have been associated with the preparation of natural products for export. Early examples were the curing of fish and furs and the preparation of forest products. In the days of wooden ships, shipbuilding was an important industry along the St. Lawrence and in the Maritime Provinces. Similarly, under modern conditions, the largest industries are mainly based upon the country's natural resources in agriculture, forests, and minerals, while cheap water power is an important factor in the ability of these great manufactures to compete successfully in world markets.

Under modern conditions the major part of Canada's exports of natural products have undergone some manufacturing process before being shipped abroad. Typical examples are: wheat flour, dairy products, and dressed meats arising from the agricultural resources; lumber, shingles, and pulp and paper from the forests; refined metals from the mines; and cured and canned fish from the Atlantic and Pacific fisheries. The proportions of manufactured goods among Canadian exports are given in the "Condensed Preliminary Report on the Trade of Canada, 1938-39", pp. 37-43, and in the External Trade chapter of this volume (see Index).