of Canada to change them to more suitable forms for export. The comparatively small home market, a large part of it in scattered agricultural areas, has always limited the range of goods which may be economically manufactured in Canada for that market. As the Canadian population increases and as the means of distribution improve, the range of goods that may be efficiently manufactured for the home market is being constantly widened, although, as the general standard of living in 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.

GROWTH OF MANUFACTURING INDUSTRIES
1917 — 1938

GROSS VALUE OF PRODUCTS
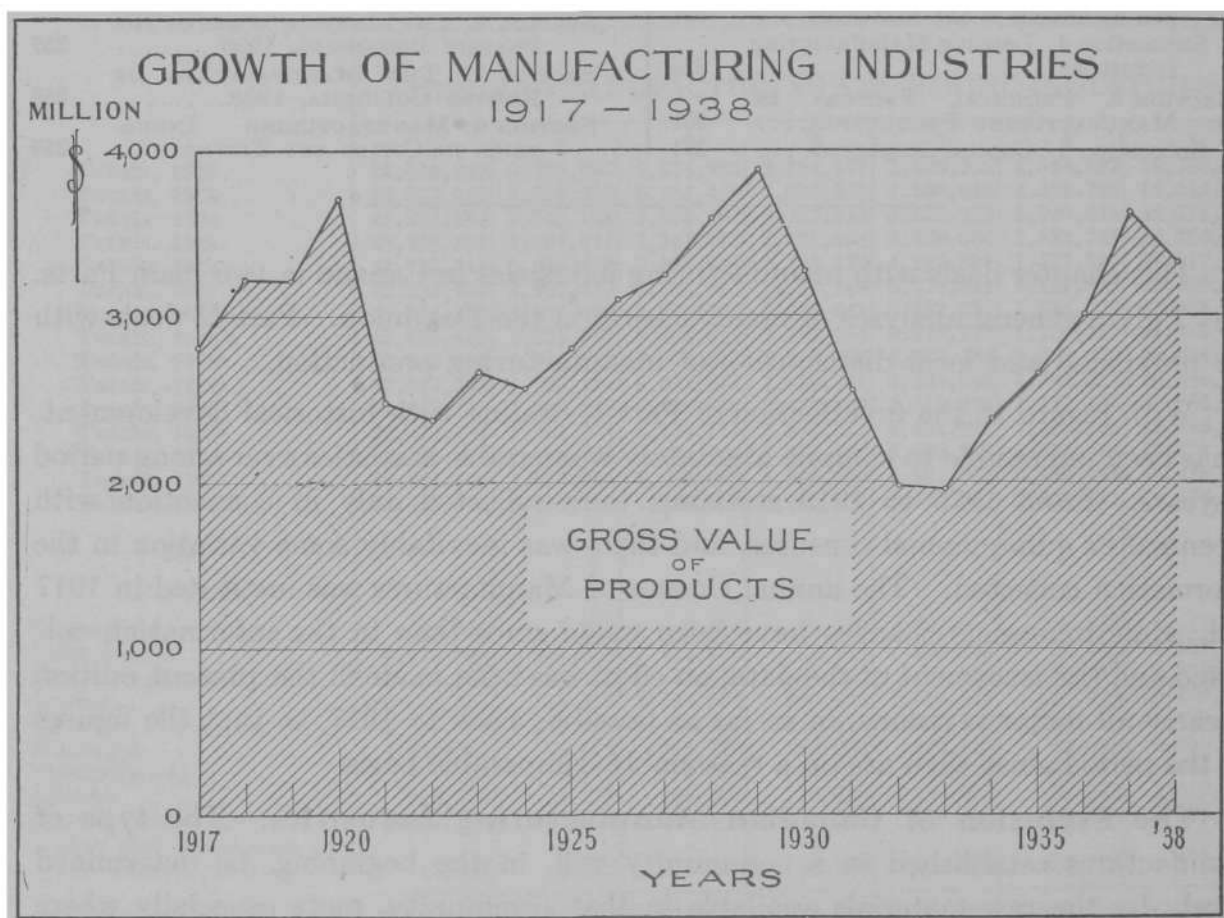
From the beginning, important manufacturing operations in Canada have been associated with the preparation of natural products for export. Early examples were the curing of fish and furs and the preparation of forest products. In the days of wooden ships, shipbuilding was an important industry along the St. Lawrence River and in the Maritimes. 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 agri-