

18.—Comparison of the Values and Volumes of Imports and Exports, by Main Groups,
1938-40—concluded

Group	Imports for Consumption			Domestic Exports (Excluding Gold)		
	1938	1939	1940 ¹	1938	1939	1940 ¹
Index Numbers of Physical Volume (1935-39=100)						
Agricultural and Vegetable Products.....	103.8	105.4	110.4	81.4	104.0	93.1
Animals and Animal Products.....	94.0	123.6	119.9	93.3	108.8	128.4
Fibres and Textiles.....	94.4	104.0	119.0	109.2	121.3	166.6
Wood and Paper.....	106.6	109.7	108.5	84.9	102.5	129.7
Iron and Its Products.....	98.2	99.3	168.4	97.7	103.1	144.5
Non-Ferrous Metals.....	108.4	111.3	205.7	113.2	117.4	121.7
Non-Metallic Minerals.....	98.3	110.0	123.2	92.7	108.1	126.3
Chemicals and Allied Products.....	98.9	126.4	140.2	97.3	129.8	166.7
Miscellaneous.....	116.3	123.0	253.0	119.5	104.3	229.3
Total Indexes of Physical Volume.....	100.7	108.0	143.8	92.7	107.8	122.2

¹ Subject to revision.

Subsection 4.—Proportions of Trade in Raw and Manufactured Products

The stage attained in the industrial development of a country is indicated by the character of the goods it imports and exports. In the early years of Canada's development, imports were made up chiefly of manufactured products and exports of raw and semi-manufactured products. Since the beginning of the twentieth century this position has been almost reversed; a large percentage of imports into Canada now consists of raw material and semi-manufactured products to be used in Canadian manufacturing industries, while exports consist, to a great degree, of products that have undergone some process of manufacture. With the growth of population and the establishment of industries using mass-production methods, it has become profitable to import raw materials such as rubber, cotton and sugar for processing in Canadian factories; such industries can easily produce more finished products than the domestic market can absorb and, therefore, an export trade in these finished goods has become established.

In trade with countries possessing highly developed manufacturing industries, Canada's imports consist of manufactured products and her exports to those countries are made up largely of raw materials and semi-manufactured products. On the other hand, in trade with countries of South America and Africa, whose industrial development is not so advanced, the reverse is true, imports being predominantly raw materials, while by far the larger part of exports are fully manufactured goods.

Analyses of Canada's trade, from the angle of degree of manufacture of imports and exports with leading countries, are of value to the student of economic relationships because they present, in summary, a picture with significant meaning in the complementary relationship existing in manufacturing and commerce between continents and countries.

The data of Table 19 have been specially tabulated to show at a glance this information for all countries of any importance that trade with Canada. Table 20, on the other hand, gives historical statistics that clearly indicate the fluctuations in imports for home consumption of important raw materials used in Canadian manufacture, irrespective of their source. In a broad way, the data reflect the develop-