

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 consists of 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 of manufacturing and commerce between continents and countries.

The data of Table 18 have been specially tabulated to show at a glance this information for all countries of any importance that trade with Canada. Table 19, 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 development of Canadian manufactures, although the dislocations in trade caused by the Axis invasions that cut off supplies of essential commodities must be borne in mind in making comparisons with the corresponding tables in earlier Year Books.

18.—Imports and Exports, by Continents and Leading Countries, According to Degree of Manufacture, 1943

Continent and Country	Imports						Domestic Exports (Excluding Gold)					
	Raw Materials		Partly Manufactured		Fully Manufactured		Raw Materials		Partly Manufactured		Fully Manufactured	
	Value	P.C. of Total	Value	P.C. of Total	Value	P.C. of Total	Value	P.C. of Total	Value	P.C. of Total	Value	P.C. of Total
EUROPE	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
Belgium.....	1	47.3	Nil	-	1	52.7	Nil	-	Nil	-	Nil	-
Eire.....	Nil	-	"	-	2	100.0	4,070	81.7	230	4.6	685	13.7
France.....	"	-	"	-	6	100.0	Nil	-	Nil	-	Nil	-
Italy.....	"	-	"	-	3	100.0	98	1.1	"	-	8,717	98.9
Netherlands.....	47 ²	100.0	"	-	Nil	-	Nil	-	"	-	Nil	-
Spain.....	15	1.7	495	54.5	398	43.8	"	-	122	72.3	47	27.7
Sweden.....	Nil	-	Nil	-	2	100.0	"	-	Nil	-	44	100.0
Switzerland.....	"	-	"	-	3,752	100.0	531	4.6	"	-	11,049	95.4
United Kingdom.....	4,089	3.0	7,762	5.8	123,114	91.2	119,063	11.5	208,810	20.2	704,774	68.3
TOTALS, EUROPE¹	4,253	3.0	8,277	5.9	127,815	91.1	130,578	11.6	220,278	19.6	775,253	68.8

¹ Less than \$1,000.² Ex-bond.³ Totals include other countries not specified.