

of war materials. Following the War, however, the proportion of manufactured goods subsided slightly and in 1920 the eight leading exports, with their aggregate value exceeding 50 p.c. of total exports were the products of primary industry—wheat, meat, flour, planks and boards, newsprint, cattle, wood-pulp and fish.

In the twenty-year period between the two wars, primary products continued to dominate Canadian export trade. There was a definite trend towards an increased manufacturing content in the commodities exported, but manufacturing generally took the form of the further processing of raw materials, rather than a gradual development of a separate and integrated manufacturing industry such as has occurred in the United States. One of the best examples is the pulp and paper industry, where the chief product can be exported in three forms: pulpwood, the basic raw material; wood-pulp, an intermediate stage; and the finished product, newsprint (although wood-pulp and pulpwood may have other uses). In 1910, the relative proportions of these three stages of the product were 44, 37 and 19, respectively. In 1920 the proportions had changed to 8, 40, and 52 and in 1930 to 7, 21 and 72. By 1939, newsprint formed 73 p.c. of the combined total.

Reference should also be made to the growth of the Canadian mining industry in the years immediately after the War of 1914-18. The fall in prices materially reduced the cost of operating gold mines and this industry expanded rapidly. By 1941 gold production exceeded \$200,000,000 in value, although it declined subsequently by nearly 50 p.c. due to the impact of the War of 1939-45. (Gold has been excluded from trade figures because of the difficulty of distinguishing between exports of new gold and exports of monetary gold used in settling international capital obligations.) The production of base metals—nickel, copper, zinc and lead—showed a similar rapid growth, and exports of these products in 1946 exceeded in total the value of gold production.

The following statement shows the relative proportions of exports in each of the stages of manufacture for representative years. The distinction between the three stages is somewhat arbitrary, and in assessing the charge it is well to keep in mind that the fully manufactured group, at least before 1939, consisted in large part of processed raw materials such as flour, canned meat and newsprint.

III.—PERCENTAGES OF RAW, PARTIALLY AND FULLY MANUFACTURED GOODS EXPORTED FROM CANADA, SIGNIFICANT YEARS, 1900-45

Year	Raw Materials	Partially Manufactured	Fully Manufactured	Year	Raw Materials	Partially Manufactured	Fully Manufactured
	p. c.	p. c.	p. c.		p. c.	p. c.	p. c.
1900.....	41.5	17.7	40.8	1933.....	42.7	14.2	43.1
1910.....	51.2	16.1	32.7	1937.....	38.2	22.5	39.3
1914.....	63.2	10.1	26.7	1939.....	27.8	26.6	45.6
1926.....	46.1	14.7	39.2	1945.....	26.7	16.6	56.7
1929.....	48.0	14.5	37.5				

The structure of Canadian import trade according to the stage of production has remained surprisingly stable since the beginning of this century. Fully manufactured goods formed between 60 and 70 p.c. of total imports, with raw materials approximately 25 p.c. The type of commodities imported showed a similar stability. Coal, farm and other machinery and heavy iron and steel products, and consumer goods in partly finished or fully manufactured form such as alcoholic beverages,