

Summary: Canada's Economy

Contributors to the Economy

Canada is rich in natural resources. The prairie provinces of central Canada have extensive grasslands for raising beef cattle. They have rich soil for growing wheat. Farmlands along the St. Lawrence River produce grains, vegetables, and fruit. People plant potatoes and raise dairy cattle on the east coast. The Grand Banks, located off the coast of Newfoundland, is one of the world's most productive fisheries. Canada's vast forests make the timber industry important. Mines in northern territories yield iron ore, gold, silver, copper, and other metals.

Trading with other countries has helped Canada's economy grow. Almost 80 percent of Canada's raw materials are shipped as exports around the world. Canada's main exports are wood and paper products, fuel, minerals, aluminum, wheat, and oil. Canada and the United States have a valuable trade partnership. Most of Canada's exports go to the United States. Most of its imports are from the United States.

Industry and the Economy

Service industries include health care, education, and banking. These industries employ about two-thirds of Canada's work force. In addition, about 30 percent of Canadians work in manufacturing industries.

Transportation is a major Canadian industry. The ability to import and export goods and move them across Canada affects many consumers and businesses. Canada's geography often helps transportation, but it can also hinder it. Canada has natural transportation corridors. Rivers and coastal waters, sometimes combined with canals and locks, provide convenient travel routes. Another important route is Canada's transcontinental railway system. Canada also has transportation barriers. In much of the north, snow and ice block travel by land or water. The Rocky Mountains in western Canada are also a major obstacle. Where transportation is difficult, industry develops slowly.

Before You Read

Find and circle each vocabulary word.

industry *noun*, an area of economic activity

export *noun*, a product traded or sold to other countries

import *noun*, a product brought into the country through trade or sale

transportation corridor *noun*, a path that makes transportation easier

transportation barrier *noun*, a geographic feature that prevents or slows down transportation

After You Read

REVIEW Why are transportation corridors important to the development of industry?

Draw a box around the sentences that help you answer the question.