

Canada and the United States share a valuable trade partnership. Most of Canada's exports go to the United States. Most of its imports, or goods brought into the country, are from the United States. In 1994, Canada, the United States, and Mexico signed the North American Free Trade Agreement, or NAFTA, which lowered trade barriers among the three countries.

Industry and the Economy
Canada's well-educated work force is important to its economy. Canadians work in all four types of industry seen in the chart shown below. Since World War II, Canada has shifted from a mostly rural economy to a major industrial and urban economy.

Types of Industry	
Primary Industries	Prepare and process raw materials, such as timber, wheat, and iron ore, so other companies or consumers can use them <i>Examples:</i> farms; mining companies; logging companies
Secondary Industries	Manufacturing—turn raw materials into products that consumers or other businesses can use <i>Examples:</i> bakeries; car manufacturers; furniture makers
Tertiary Industries	Service industries—do not make goods or consume goods; distributors—move goods from the manufacturer to another business or to consumers <i>Examples:</i> wholesalers; transportation companies (truck, train, airplane, or ship); retailers of food, clothing, and other goods; health care; education; recreation; banking
Quaternary Industries	Pass on information <i>Examples:</i> communication companies, such as Internet service providers and cable companies; financial, research, and other companies that gather and pass on information

Tertiary, or service, industries, such as health care, recreation, education, transportation, banking, and the government, occupy about two-thirds of Canada's work force. About 30 percent of Canadians work in secondary, or manufacturing, industries. One of Canada's main products is transportation equipment, including automobiles, trucks, subway cars, and airplanes. Food processing, especially meat and poultry processing, is an important industry in Canada as well. Canada also makes chemicals, medicines, machinery, metal products, steel, and paper.

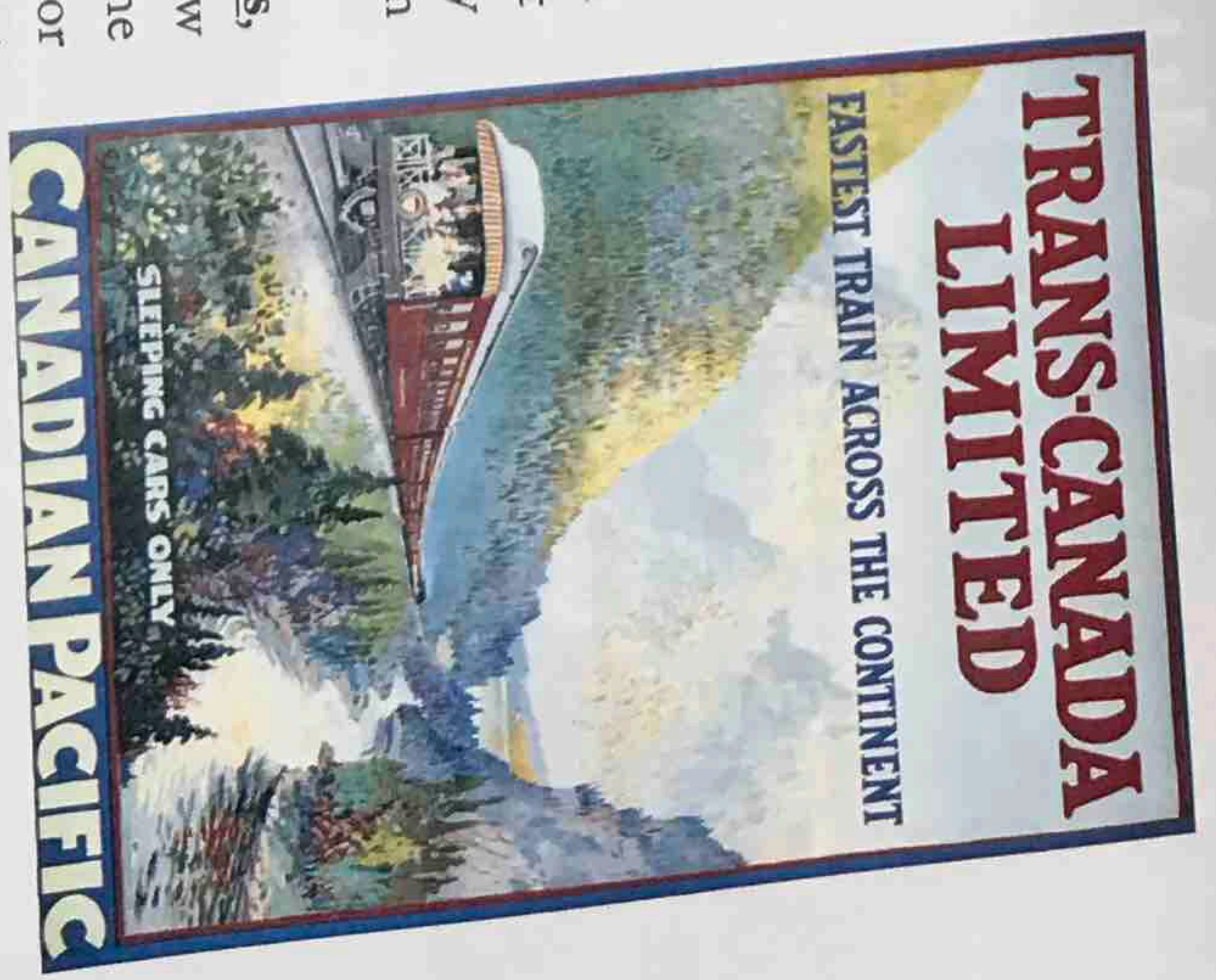
Transportation
Transportation is a major Canadian industry. The ability to import and export goods and move them from place to place across Canada's vast land area affects many consumers and businesses.

Reading Social Studies
B. Analyzing
Effects Why are transportation corridors important to the development of industry?

Vocabulary
transcontinental: spanning or crossing a continent

Canada's geography both helps and hinders transportation. Canada has natural **transportation corridors**, or paths that make transportation easier. Rivers and coastal waters, sometimes combined with human-made canals and locks, provide convenient travel routes. The St. Lawrence Seaway, for example, allows oceangoing ships to travel between the Atlantic Ocean and the Great Lakes. Another important route is Canada's transcontinental railway system, which crosses the continent from coast to coast.

Canada also has **transportation barriers**, or geographic features that prevent or slow down transportation. In much of the north, snow and ice block travel by land or water. The Rocky Mountains in the west are another major obstacle. Industry develops slowly in regions where transportation is difficult.



Region • The Canadian Pacific Railway Company completed a transcontinental line from Montreal to a Vancouver suburb in 1885. ▲

SECTION 3 ASSESSMENT

Terms & Names

1. Explain the significance of.

(a) industry	(b) export	(c) import
(d) transportation corridor	(e) transportation barrier	

Using Graphics

2. Make a chart like the one shown below to list goods that might be produced in each area.

Prairie Provinces	St. Lawrence River Valley	East Coast	British Columbia	Northern Territories

Main Ideas

3. (a) What important factors have helped build Canada's economy?
(b) Give an example of a primary, a secondary, a tertiary, and a quaternary industry.
(c) What are some transportation corridors and barriers in Canada?

Critical Thinking

4. Drawing Conclusions
Why do you think Canada and the United States have become such good trade partners?
Think About
 - ♦ geographic location
 - ♦ their languages
 - ♦ their governments

ACTIVITY -OPTION-

Imagine that you are prospecting for gold in Dawson during the Klondike Gold Rush. Write a newspaper article describing what you have brought with you, how you traveled there, and what the town is like.