

However, the industrial development of Canada was a matter of small beginnings and gradual growth in the face of difficulty over a period of many years. In the pioneer days, eastern Canada, though with a sparse population, set out modestly but not less surely upon the path of progress. The comparatively small home market, restricted at the present time to a population of nine millions, a large part of it in scattered agricultural areas, is one of the difficulties of the present situation. Yet Canada is now not merely the second largest manufacturing country in the British Empire, but the exports to the other Dominions consist largely of manufactured goods. The exports of manufactured and partly manufactured goods to the United States also exceed the exports of raw material. The rate at which this movement is to continue depends almost entirely upon growth within the Dominion—upon the further development of the many-sided physical assets of the country. A classification based on the component material of the chief product of value in each manufacturing establishment was applied for the first time in the compilation of the returns for 1920. The number of groups was reduced from fifteen to nine to correspond with the external trade classification, and the classes of industry were somewhat altered to conform with recent industrial organization.

The Vegetable Products Group.—With the exception of rubber and sugar factories, the industries of this group are dependent mainly upon domestic farm products as raw materials. The milling industry, which has existed to meet domestic needs for more than 300 years, is one of the Dominion's oldest industries, but it is only within recent times that its progress has become spectacular. The war and the demand it created gave a great impetus to this trade, and the 434 flour mills, many of them of the most modern type and highest efficiency, have now attained a capacity far in excess of Canada's demands—sufficient, indeed to produce flour for no fewer than 20 million people. During 1922, productive capacity reached 134,125 barrels per day, and during the crop year ended August 31, 1923, about 11 million barrels were exported to many countries, Great Britain and Germany receiving the largest consignments. The flour manufactured from Canadian hard spring wheat is particularly sought after in overseas markets, and this, as well as similar products, is also finding a ready sale in the far East, where bread is being consumed to a greater extent than formerly. Other industries contributing largely to food manufacture are sugar refineries and, to a lesser degree, plants engaged in the canning of fruit and vegetables.

Raw material imported from tropical countries forms the basis for an industry of a different character. Canada now stands fourth among the countries of the world as a manufacturer of rubber goods. Existing plants represent a capital of over \$50,600,000 and find employment for about 10,400 workers.

Animal Products.—Another form of food manufacture—that associated with slaughtering and meat production—has also made great strides. It comes as a surprise to many that slaughtering and meat-packing was until lately at the head of all other single industries in regard to the value of the products, and is now only surpassed by the pulp and paper and flour-milling industries. The leather industries have long been established on a considerable scale, mainly, of course, because the large number of cattle raised and slaughtered provide a ready supply of hides. There are large tanneries in the eastern provinces, and no fewer than 181 boot and shoe factories were in operation in 1922, chiefly in Quebec and Ontario, representing a total capital of nearly \$29,900,000, with an annual output of