

the manufacturing stages of the industry are considered in these comparisons, no allowance being made for the capital invested, men employed, wages paid nor primary products sold in connection with the woods operations which form such an important part of the industry as a whole but cannot be separated from woods operations carried on in connection with sawmills and other industries. If the \$15,702,705 worth of exported pulpwood be taken into consideration, the gross total contribution of the pulp and paper industry toward a favourable trade balance for Canada in 1927 amounted to \$179,459,362, representing the difference between exports and imports of pulpwood, pulp, paper and paper products.

The United States market absorbs annually all of Canada's pulpwood exports and over 87 p.c. of her pulp and paper shipments, and the remaining portion goes to the United Kingdom and other widely distributed overseas markets. Forty-one p.c. of the paper consumed in the United States is either of Canadian manufacture or is made from wood or wood pulp imported from Canada.

Subsection 3.—The Lumber Industry.¹

The manufacture of lumber, lath, shingles and other products of the sawmill is the second most important industry in Canada depending on the forest for its raw materials. Annual statistics covering this and other forest industries were collected and published by the Forest Service of the Department of the Interior from 1908 to 1916. Since that date the work has been carried on by the Dominion Bureau of Statistics, in co-operation with the Forest Service.

The production of sawn lumber in Canada in 1920 reached a total of over four billion feet, board measure, the highest cut recorded since 1912. This was followed in 1921, however, by a period of depression which was general throughout all fields of industrial activity. The production of lumber in 1921 decreased by over a third and the average value by over \$10 a thousand feet. Since that year there have been annual increases in cut for Canada as a whole. The tendency toward a decrease in production in Eastern Canada has been more than made up by the increased cut each year in British Columbia, which now produces over half the total. Table 10 gives the production of lumber, lath and shingles in each year from 1908 to 1926.

10.—Lumber, Lath and Shingle Production in Canada, for the calendar years 1908-1926.

Years.	Lumber cut.		Shingles cut.		Lath cut.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	M ft. B M.	\$	M	\$	M	\$
1908.	3,347,126	54,338,036	1,409,396	3,101,996	671,562	1,487,125
1909.	3,814,942	62,819,477	1,988,753	3,701,182	822,124	1,979,034
1910.	4,451,652	70,609,233	1,976,640	3,557,211	851,953	1,943,544
1911.	4,915,202	75,530,954	1,838,474	3,512,078	965,235	2,212,226
1912.	4,389,723	69,475,784	1,578,343	3,175,319	899,016	2,064,622
1913.	3,816,642	65,796,438	1,485,279	3,064,641	739,678	1,753,283
1914.	3,946,254	60,363,369	1,843,554	3,688,746	625,019	1,585,484
1915.	3,842,676	61,919,806	3,089,470	5,734,852	793,226	2,040,819
1916.	3,490,550	58,365,349	2,897,582	5,962,933	665,588	1,743,940
1917.	4,151,703	83,655,097	3,020,956	8,431,215	616,949	1,828,018
1918.	3,886,631	80,700,620	2,662,521	8,184,448	438,100	1,369,616
1919.	3,819,750	122,030,653	2,915,309	13,525,625	520,203	2,157,758
1920.	4,298,804	168,171,987	2,855,706	14,695,159	762,031	5,248,879
1921.	2,869,307	82,448,585	2,986,580	10,727,096	804,449	4,188,121
1922.	3,138,598	84,554,172	2,506,956	10,397,080	1,031,420	5,600,328
1923.	3,728,445	108,290,542	2,718,650	9,617,114	1,153,735	6,324,747
1924.	3,875,942	104,444,622	3,129,501	10,406,293	1,165,819	5,975,353
1925.	3,888,920	99,725,319	3,156,261	11,154,773	1,262,963	6,415,927
1926.	4,185,140	101,071,260	3,239,397	10,521,723	1,378,366	6,527,060

¹ An article on "The History of the Canadian Lumber Trade", by A. R. M. Lower, M.A., appears at pp. 318-323 of the 1925 edition of the Canada Year Book.