



passed the sawmills. It has been the leading industry in gross value of production since 1925, when it replaced the flour mills, and also first in net value of production since 1920, when it outstripped the sawmills in this respect. Only 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 \$15,269,660 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 1928 amounted to \$193,673,186, 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 84 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.

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.