

Section 2.—Production of Industrial Groups and Individual Industries.

One of the factors in the progress of Canada is the possession of many natural resources favourable to industrial growth. It is upon the country's agricultural resources, forests, minerals and wild life that Canada's industries are mainly based. The sea and lake fisheries also make an important contribution of raw materials to the manufacturing industries of the Dominion. Nevertheless, the industrial development of Canada was a matter of small beginnings and gradual growth over a period of many years, and the comparatively small home market, restricted at the present time to a population of nine and three-quarter millions, a large part of it in scattered agricultural areas, is still one of the difficulties of the situation. Yet Canada is now not merely the second largest manufacturing country in the British Empire; her 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 materials. The rate at which this movement is to continue will depend almost entirely upon growth within the Dominion—upon the further development of the many-sided physical assets of the country.

Subsection 1.—Manufactures Grouped by Chief Component Materials.

A classification based on the chief component materials in the various products of 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 developments. Subsequently the central electric stations industry was taken out of the miscellaneous class and now forms a class by itself.

Vegetable Products.—With the exception of rubber, coffee and spices 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 423 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. During 1928, productive capacity reached about 121,000 barrels per day, and during the crop year ended July 31, 1929, nearly 11,809,000 barrels were exported to many countries, Great Britain receiving the largest consignments. The flour manufactured from Canadian hard spring wheat is particularly sought after in overseas markets and is finding a ready sale in the Far East, where wheat bread is being consumed to a greater extent than formerly. Other industries contributing largely to food manufacture are sugar refineries, bread, biscuits, etc., and, to a lesser degree, plants engaged in the canning of fruits and vegetables.

Raw material imported from tropical countries forms the basis for an industry of a different character. Canada is now among the leading countries of the world as a manufacturer of rubber goods. Existing plants represented in 1928 a capital of over \$70,000,000 and gave employment to more than 17,000 workers receiving \$19,000,000 in wages and salaries and producing goods to the value of over \$97,000,000.