

manufactured goods to the United States 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 I.—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, sugar factories and rice mills, 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. Since then, the industry has been adversely affected by the difficulties which beset the Canadian grain trade and the great decline in the prices of grains. Exports of wheat flour declined from 11,808,775 barrels in the crop year ended July 31, 1929, to 6,778,023 barrels in the following crop year. The flour manufactured from Canadian hard spring wheat is of very high baking quality and a recovery of purchasing power in Europe and the Orient would contribute toward the return of flour exports to their former volume. 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 1929 a capital of over \$73,000,000 and gave employment to more than 17,700 workers receiving \$20,000,000 in wages and salaries and producing goods to the value of over \$97,000,000.

The beverage industries—breweries, distilleries and wineries—which are important elements of the vegetable products group, have expanded from a production of \$30,000,000 in 1922 to \$111,000,000 in 1929, owing partly to the modification of prohibition laws in Canada and also to the fact that a large part of their production was exported to the United States. The tobacco industries, another important factor in the vegetable products group, had a total production in 1929 of nearly \$85,000,000.

Animal Products.—Another form of food manufacture—that of slaughtering and meat-packing—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 the single industries in regard to the value of the products, and is now only surpassed by the