

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 about ten 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 and her exports of manufactured and partly 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 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.—Though first in value of gross production in 1932 this group ranked only fourth in the number of people employed and salaries and wages paid. 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 for their raw materials. They produced in 1932, 20.6 p.c. of the total manufacturing production and employed 14.6 p.c. of all persons engaged in manufacturing industries.

The flour-milling industry is the leading industry of the group from the point of view of gross value of products. This industry, which has existed to meet the domestic needs for more than 300 years, is one of the Dominion's oldest manufactures, 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. The 394 flour mills, many of them of the most modern type and highest efficiency, have 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 10,737,266 barrels in 1928 to 5,131,781 barrels in 1932, but in spite of the decrease, Canada continues to be one of the leading exporters of wheat flour.