

with the woods operations. These form 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 \$6,680,307 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 1934 amounted to \$120,200,491, 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 about 80 p.c. of her pulp and paper shipments. About half 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.

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 when 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. Production in 1921 decreased by over a third and the average value by over \$10 a thousand feet. This was followed, with one exception, by annual increases up to 1929 and then by annual decreases down to 1932. There were increases in 1933 and 1934. British Columbia now produces 57 p.c. of the total. Table 13 gives the production of lumber, lath and shingles in each year from 1920 to 1934; comparable figures for 1908 to 1919 inclusive are given at p. 300 of the 1931 Year Book.

13.—Quantities and Values of Lumber, Lath, and Shingles Produced in Canada, calendar years 1920-34.

Year.	Lumber Cut.		Shingles Cut.		Lath Cut.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	M ft. b.m.	\$	M	\$	M	\$
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	5,690,328
1923.....	3,728,445	108,290,542	2,718,650	9,617,114	1,153,735	6,324,747
1924.....	3,878,942	104,444,622	3,129,501	10,406,293	1,165,819	5,975,253
1925.....	3,888,920	99,725,519	3,156,261	11,154,773	1,292,963	6,415,927
1926.....	4,185,140	101,071,260	3,299,397	10,521,723	1,378,366	6,527,060
1927.....	4,098,081	97,508,786	2,837,281	8,716,085	1,322,665	5,603,396
1928.....	4,337,253	103,590,035	2,865,994	10,321,341	1,138,417	4,802,616
1929.....	4,741,941	113,349,886	2,707,235	9,423,363	835,799	2,860,799
1930.....	3,989,421	87,710,957	1,914,836	5,388,837	398,254	1,154,593
1931.....	2,497,553	45,977,843	1,453,277	3,331,229	228,050	576,080
1932.....	1,809,884	26,881,924	1,802,008	3,556,823	208,321	474,889
1933.....	1,957,989	27,708,908	1,939,519	4,448,876	151,653	332,364
1934.....	2,578,411	40,509,600	2,408,616	4,422,578	177,988	412,844

The total number of sawmills, tie, shingle, lath, veneer, stave, heading and hoop mills, and mills for cutting-up and barking or rossing of pulpwood reporting in 1934 was 3,572, as compared with 3,517 in 1933. The capital invested in these mills in 1934 was \$71,649,186, employment amounted to 22,605 man-years and wages and salaries amounted to \$14,118,200. The logs, bolts and other raw materials of the industry