

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 1933, this group ranked only third in the number of people employed and fourth in 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 1933, 20·2 p.c. of the total manufacturing production and employed 14·8 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 413 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 5,570,424 barrels in 1933, but in spite of the decrease Canada continues to be one of the leading exporters of wheat flour.

The rubber industry is another industry of importance in the industrial life of the country. Canada now ranks among the leading countries of the world as a manufacturer of rubber goods. In 1930 she was the fifth largest importer of raw rubber in the world, ranking after the United States, the United Kingdom, France and Germany. In 1933, however, Japan and Russia were also ahead of Canada in the imports of raw rubber. Existing plants in 1933 numbered 45 and represented a capital investment of \$65,314,472, including equipment and working capital. These plants furnished employment to 9,758 persons who received \$8,910,124 in salaries and wages and produced goods valued at \$41,511,556. They also used raw materials to the value of \$12,914,680, mainly imported from tropical countries. The rubber industry also forms an adjunct of considerable importance to the cotton yarn and cloth industry, which supplies tire fabrics. The industry, besides supplying the domestic market, contributes materially to the export trade of Canada. The products find their way to the remotest parts of the world, as a glance at the list of countries to which rubber tires are shipped would show. Spain, Peru, Dutch East Indies, British East Africa and China are but a few of the far-flung countries into which Canadian tires find their way.

The fruit and vegetable preparations industry, which includes canned fruits, canned vegetables, pickles, vinegar, jams, etc., comprises another large division of this group. In 1933, this industry reported an output valued at \$29,981,400, a