

community to the industrial centre. There is to-day practically no form of industrial activity in which wood is not used, directly as a raw material or indirectly as, for example, in the form of paper. The primary operations in the woods provide work during part of the year for at least 200,000 individuals, largely during the season when employment in manufacturing industries is at its minimum. This has a valuable steadying effect on general labour conditions throughout the year.

The manufacture of lumber, which depends to a large extent on building and construction operations and the export markets, has shown wide fluctuations. The peak, reached in 1911 with a total cut of 4,918,000 M ft. b.m., has never been equalled. It was followed by a general decline to the 2,869,000 M reported for 1921. A second peak of 4,742,000 M was reached in 1929. Production then decreased annually to a minimum in 1932 amounting to 1,810,000 M. There were increases in 1933, 1934, and 1935.

The manufacturing industries that draw their principal raw material from the sawmills reached their maximum production in 1929 with a gross value of \$146,950,000 and then declined to \$52,289,642 in 1933 but increased to \$57,860,721 in 1934 and to \$64,802,326 in 1935.

The pulp and paper industry is a comparatively recent development in Canadian industry. In 1881 there were only 36 paper and 5 pulp mills in operation in Canada. By 1923 the industry had displaced flour milling as Canada's most important manufacturing industry and in spite of recent vicissitudes has held that position up to 1935, when it was displaced by the non-ferrous metal smelting and refining industry. In employment and salaries and wages paid, pulp and paper is still, however, the dominant industry. The peak of production was reached in 1929 when 4,021,000 tons of wood pulp and 3,197,000 tons of paper were produced. In that year there were 108 pulp and paper mills in operation, consuming 5,278,000 cords of pulpwood and using hydro-electric power valued at more than \$13,000,000. During 1926, Canada, for the first time, produced more newsprint than the United States and has maintained the leadership in spite of decreases in production. During 1935 this industry produced 3,868,341 tons of pulp, the highest production since 1929, and 3,280,896 tons of paper, an all-time record. Of this paper, 2,765,444 tons was newsprint, more than three times the production of the United States.

The manufacturing industries which draw their principal raw material from the pulp and paper mills reached their maximum production of \$187,882,000 in 1929. In 1934 production was \$139,108,400 and in 1935, \$147,801,647.

**Iron and Its Products.**—The manufacture of iron and steel and their products is one of Canada's basic industries. In 1935 over half a billion dollars was invested in the 1,249 establishments in this line of business, 95,000 persons were given employment and the payroll amounted to \$110,000,000. Gross production was valued at \$390,000,000, a figure which was just a little more than half of the value reported for 1929.

Although ore for the manufacture of iron has not been mined in Canada for some years, there exists a primary industry of considerable size. There are now four concerns which make pig iron, one being in Nova Scotia and three in Ontario. The former company uses Nova Scotia coal and iron ore from the great Wabana deposits, which it controls, on Bell island, Newfoundland. The other concerns import ore and coal from the United States. These companies have 10 blast furnaces available for use which, if operated at capacity, could produce 1,500,000 long tons of pig iron annually. They also operate open-hearth steel furnaces and