

and converted paper products. All converting operations carried on in paper mills in this industry are now attributed to the particular industrial group of converting plants to which they properly belong. The 1937 figures therefore exclude all information pertaining to paper converting which tends to lower perceptibly all the principal statistics of the pulp and paper industry and to render these figures not strictly comparable with those of previous years. Including manufacturing operations as far as the basic paper-making stage, there were altogether 98 mills in operation in 1937. The capital invested amounted to \$570,352,287, the employees numbered 33,205 and their salaries and wages amounted to \$48,757,795. If we disregard the pulp made for their own use in combined pulp and paper mills we can consider the total of materials and supplies used in the industry as a whole as amounting to \$91,121,629 in 1937, * \$72,202,983 in 1936 and \$57,995,037 in 1935 and the gross value of production as \$226,255,915 in 1937* as compared with \$185,144,603 in 1936 and \$182,651,282 in 1935. The net† value of production amounted to \$106,013,221 in 1937, * \$87,150,666 in 1936 and to \$81,973,352 in 1935.

The pulp and paper industry, one of the leading single manufacturing industries in Canada, has been first in wages and salaries paid since 1922, when it first exceeded the sawmills. It was the leading industry in gross value of production from 1925, when it replaced the flour-mills, until 1935 when it was overtaken by non-ferrous smelting and refining. It has been second to central electric stations in net value of production and capital for some years. Only the manufacturing stages of the industry are considered in these comparisons, no allowance being made for capital invested, men employed, wages paid, or primary products sold in connection 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 \$12,088,329 worth of exported pulpwood be taken into consideration, the gross total contribution of the pulp and paper industry toward Canada's excess of exports over imports in 1937 amounted to \$181,278,079, representing the difference between exports and imports of pulpwood, pulp, paper, and paper products.

The United States market absorbs annually all but a very small part of Canada's pulpwood exports, about 85 p.c. of her pulp and 77 p.c. of her 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 former 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, 1934, 1935, 1936,

* Owing to the adjustment in connection with combined paper-mills and paper-converting mills, the 1937 figures are not exactly comparable with those of previous years.

† This is the net value of production as calculated for years since 1934. It is obtained by deducting cost of power, fuel, and consumable supplies, as well as cost of materials, from gross value of production.