

*The Flour-Milling Industry.*—This is the most important member of the group from the standpoint of gross value of production. Under modern conditions the industry has a capacity for flour production far in excess of domestic consumption, so that its prosperity has fluctuated widely with the condition of the export market. Exports of wheat flour declined from 10,700,000 barrels in 1928 to 4,850,000 in 1936, but in spite of the decrease Canada continues to be one of the leading exporters of wheat flour. A majority of flour-mills also grind coarse grains for the production of live stock feeds. In rural districts there are many small mills devoted entirely to the grinding or chopping of feed grains, usually on a custom basis.

FLOUR-MILLS OF CANADA, WITH THEIR EQUIPMENT AND CAPACITIES, BY PROVINCES, 1936, WITH TOTALS, 1935.

Province.	Flour and Grist Mills.	Chopping Mills.	Total Mills.	Rolls.	Stones.	Capacity of Flour-Mills.
	No.	No.	No.	pairs.	pairs.	bbl. per day.
Prince Edward Island.....	11	1	12	60	12	482
Nova Scotia.....	3	8	11	11	Nil	43
New Brunswick.....	6	21	27	50	"	390
Quebec.....	85	148	233	536	144	12,620
Ontario.....	124	513	637	1,987	41	50,333
Manitoba.....	34	7	41	555	2	11,385
Saskatchewan.....	49	19	68	553	15	13,635
Alberta.....	48	33	81	633	5	12,369
British Columbia.....	3	5	8	46	Nil	735
Totals, 1936.....	363	755	1,118	4,425	219	102,042
Totals, 1935.....	334	743	1,127	4,496	238	105,240

*Bread and Bakery Products.*—With the increase in urban population, and the changes resulting from motor transportation which make it possible for factory-made bread to be economically distributed in rural communities, the bread industry has expanded rapidly in the last decade. Table 12, p. 408, shows that in 1936 this industry ranked eleventh in gross value of products, eighth in net value, third in number of employees, and seventh in salaries and wages paid.

*Rubber Goods.*—The rubber industry in 1936 ranked third in this group and twelfth among the industries of Canada in gross value of products. This industry is, of course, closely related to the use of motor vehicles, and the fact that in 1936 Canada stood fifth among the nations of the world in the number of such vehicles registered partly accounts for her ranking among the leading countries as a manufacturer of rubber goods. The industry is able to operate so efficiently in Canada upon a quantity basis that, besides supplying the domestic market, it contributes largely to the export trade. See the Condensed Preliminary Report on the Trade of Canada, 1937-38, p. 46, where it is shown that in 1937 Canada ranked third in the export of rubber tires.

*Fruit and Vegetable Preparations.*—This industry, which includes canned fruits, canned vegetables, pickles, vinegar, jams, etc., is another important member of the vegetable products group. The industry has grown rapidly since the War. During the period 1923-36 the volume of fruit and vegetable preparations produced increased nearly 200 p.c. (see Table 7, p. 388). This growth is remarkable as it represents an increase in the domestic demand, both imports and exports being relatively small as compared with domestic production, although there is a small export surplus.

*Tobacco, Cigars, and Cigarettes.*—The tobacco manufacturing industry is another important division of this group which caters very largely to the domestic market.