

amounting to \$71,062,580 in 1938,* \$91,121,629 in 1937,* and \$72,202,983 in 1936; the gross value of production as \$183,897,503 in 1938,* \$226,244,711 in 1937* and \$185,144,603 in 1936; and net† value of production, \$89,034,186 in 1938,* \$106,013,221 in 1937,* and \$87,150,666 in 1936.

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 first 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 \$13,641,798 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 1938 amounted to \$145,957,022, representing the difference between exports and imports of pulpwood, pulp, paper, and paper products.

The United States market absorbs annually over 99 p.c. of Canada's pulpwood exports, about 82 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 of the Department of Mines and Resources.

*Owing to the adjustment in connection with combined paper mills and paper-converting mills, the 1937 and 1938 figures are not exactly comparable with those of previous years.

†Gross value of production less cost of power, fuel, and consumable supplies, as well as cost of materials.

13.—Quantities and Values of Lumber, Shingles, and Lath Produced in Canada, 1928-38.

NOTE.—Figures for the years 1908-27, inclusive, will be found at p. 300 of the 1931 Year Book.

Year.	Lumber Cut.		Shingles Cut.		Lath Cut.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	M ft. b.m.	\$	M	\$	M	\$
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	895,799	3,860,799
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
1935.....	2,973,169	47,911,256	3,258,253	7,593,765	226,854	536,087
1936.....	3,412,151	61,965,540	3,019,030	6,754,788	286,323	874,231
1937.....	4,005,601	82,776,822	3,048,395	7,631,691	392,922	1,231,965
1938.....	3,768,551	72,633,418	2,761,978	6,894,654	229,467	656,230