

\$597,908,918, the employees numbered 31,016 and their salaries and wages amounted to \$44,737,379. If the pulp made for their own use in combined pulp and paper mills is disregarded the total of materials and supplies used in the industry as a whole can be considered as amounting to \$79,933,657 in 1939, \$71,062,580 in 1938, and \$91,121,629 in 1937; the gross value of production as \$208,152,295 in 1939, \$183,897,503 in 1938, and \$226,244,711 in 1937; and net* value of production, \$103,123,660 in 1939, \$89,034,186 in 1938 and \$106,013,221 in 1937.†

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 \$11,901,480 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 1939 amounted to \$157,454,661, 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 sawn lumber is the second most important industry in Canada depending on the forest for its raw materials.

The total number of sawmills, tie, shingle, lath, veneer, stave, heading and hoop mills, and mills for cutting-up and barking or rossing of pulpwood that reported in 1939 was 3,941, as compared with 3,873 in 1938. The capital invested in these mills in 1939 was \$85,628,394, employment amounted to 32,399 man-years and wages and salaries amounted to \$26,396,308. The logs, bolts and other materials and supplies of the industry were valued at \$54,447,549 and the gross value of production was \$100,132,597. The net production in 1939 was \$44,852,358.

Lumber production in Canada reached its maximum quantity in 1911 with almost five billion ft. b.m. The maximum value was reached in 1920. Average values were fairly uniform up to 1916 but increased rapidly from 1917 to 1920, only to decline gradually during the following years to the lowest level for the entire period, which was reached in 1933. Increases took place each year from 1934 to 1937, but there was a decrease in 1938, followed by an increase in 1939.

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

† Owing to the adjustment in connection with combined paper mills and paper-converting mills, the 1937 to 1939 figures are not exactly comparable with those of previous years.