

The presence of these different combinations in one mill makes it difficult to separate many of the statistics relating to the manufacture of pulp, basic paper 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 figures for 1937 and subsequent years, 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 103 mills in operation in 1940. The capital invested amounted to \$642,979,942, the employees numbered 34,719 and their salaries and wages amounted to \$56,073,812. 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 \$108,758,862 in 1940, \$79,933,657 in 1939 and \$71,062,580 in 1938; the gross value of production as \$298,034,843 in 1940, \$208,152,295 in 1939, \$183,897,503 in 1938 and \$226,244,711 in 1937; and net* value of production, \$158,230,575 in 1940, \$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 \$12,521,880 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 1940 amounted to \$234,254,085, representing the difference between exports and imports of pulpwood, pulp, paper and paper products.

The United States market absorbs, annually, practically all of Canada's pulpwood exports, over 80 p.c. of her pulp and about three-quarters 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 1940 was 4,675, as compared with 3,941 in 1939. The capital invested in these mills in 1940 was \$91,602,899, employment amounted to 39,501 man-years and wages and salaries amounted to \$34,021,825. The logs, bolts and other materials and supplies of the industry were valued at \$70,948,598 and the gross value of production was \$134,762,893. The net production in 1940 was \$61,700,043.

* 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 1940 figures are not exactly comparable with those of previous years.