

manufacture of articles that do not contain wood as a component part. The first class includes the manufacture of paper, sash, doors, other millwork and planing-mill products; boxes, baskets, cooperage and other containers; canoes, boats and small vessels; kitchen, bakers' and dairy woodenware; wooden pumps, piping, tanks and silos; spools, handles, dowels and turnery. The second class includes the manufacture of furniture, vehicles and vehicle supplies, coffins and caskets, etc., and the use of paper in printing and the manufacture of paper boxes, bags, stationery and paper goods. The third class, where wood has a secondary importance, includes the manufacture of agricultural implements, railway rolling-stock, musical instruments, brooms and brushes, etc. The fourth class can be said to include practically every form of industrial activity, as few, if any, of these are entirely independent of the use of wood, directly or indirectly.

A classification based on the chief component material in the products of each manufacturing establishment is now largely used in compiling manufacturing statistics and for external trade purposes. Under this system most of the forest industries fall in the wood and paper group. In 1939, this group, comprising 8,538 establishments, gave 144,782 man-years of employment and paid out \$165,287,455 in salaries and wages. Capital invested in the industries of the group amounted to \$960,804,672; the gross value of its products was \$579,892,183 and the net value, \$303,662,441.

**Exports of Wood and Paper Products.**—The forests of Canada contribute substantially to her export-trade values. During the calendar year 1940, exports of wood and paper products amounted to \$348,006,396 and made up 29·5 p.c. of the total value of Canadian exports for the period, amounting to \$1,178,954,420. Domestic exports of wood and paper products were exceeded by those of agricultural (vegetable and animal) products, which made up 32·5 p.c. of the total, and by mineral products with 30·2 p.c. Wood and paper products are prominent among the individual items of export. Even more impressive is the contribution made by products of the forests and forest industries toward Canada's excess of exports over imports. In 1940 this excess from trade in all commodities (excluding gold) was \$97,003,701. In comparison, the gross total contribution from trade in "wood, wood products and paper" only, amounted to \$309,906,250.

## Section 7.—The Influence of the War on the Demand for Forest Products

When war broke out in September, 1939, Canada possessed large lumber, pulp and paper and allied industries with apparently ample reserves of excess capacity. By the middle of 1941 practically all that capacity was in full use; and it had been found necessary to install certain additional manufacturing facilities for special products. Under the pressure of war economy, wood has proved to be one of the most adaptable of all raw materials, and the wood-using industries have been able to adjust themselves to demands that change rapidly with respect to both volume and product, with minimum delay and with very little re-tooling.

**Lumber and Allied Products.**—The United Kingdom normally imports more lumber than any other country, and ordinarily took over 75 p.c. of her softwood supplies from northern Europe. After the collapse of France in June, 1940, these supplies were no longer available and Canada became practically the sole source from which further stocks could be obtained. To meet the emergency the Canadian lumber industry gave British orders priority over all others, and no effort was spared