

further converting of paper within the pulp and paper industry itself represents only a small part of Canada's production of converted paper and boards, the bulk of which is still made in special converting mills classified in other industrial groups.

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 109 mills in operation in 1945. The employees numbered 39,996 and their salaries and wages amounted to \$80,462,644. 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 \$179,369,499 in 1945, \$157,995,141 in 1944 and \$143,956,462 in 1943; the gross value of production as \$398,804,515 in 1945, \$369,846,086 in 1944 and \$344,411,614 in 1943; and net value of production, \$180,401,885 in 1945, \$174,492,103 in 1944 and \$164,244,088 in 1943.

The pulp and paper industry is one of the leading single manufacturing industries in Canada. It was first in gross value of production from 1925 to 1934, but was replaced in 1935 by non-ferrous smelting and refining; it was first for many years in capital invested, in net value of production and in wages and salaries paid. During the war years, because of the extraordinary demands for munitions, vehicles and certain food products, such industries as non-ferrous metal smelting and refining, miscellaneous chemical products, slaughtering and meat packing, shipbuilding and repairs, iron and steel products and automobiles advanced temporarily to higher positions. This situation was quite abnormal, however, and the pulp and paper industry is resuming its former place as the leading peacetime industry in Canada. 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. In world trade, generally speaking, pulp and paper are Canada's main commodities; usually greater than wheat and far greater than nickel. Newsprint alone, over a considerable period, has brought Canada more export dollars than wheat, nickel or any other single commodity*. The United States market absorbs, annually, practically all pulpwood exports, over 75 p.c. of the pulp and the paper shipments of Canada. About one-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.

* For reasons given in Section 1, Part II of Chapter XXIII, gold is excluded from Canadian trade statistics.