

manufacture articles in which wood is the most important component, and others produce articles in which wood is necessary but forms only a small proportion of the value. There are, in addition, a number of industries that use wood indirectly in the manufacture of articles that do not contain wood as a component part. The first class includes the manufacture of paper, sash, doors, other mill-work and planing-mill products; boxes, baskets, cooperage and other containers; canoes, boats and small vessels; kitchen, bakery 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 1944, this group, comprising 10,452 establishments, gave employment to 189,674 persons and paid out \$284,436,559 in salaries and wages. The gross value of its products was \$1,093,725,822 and the net value, \$550,826,986.

Exports of Wood and Paper Products.—The forests of Canada contribute substantially to the export-trade values. During the calendar year 1945, exports of wood and paper products amounted to \$488,040,542 and made up 15·2 p.c. of the total value of Canadian exports for the period, amounting to \$3,218,330,353. Domestic exports of wood and paper products were exceeded by those of agricultural (vegetable and animal) products, which made up 37·8 p.c. of the total, and by mineral products with 30·1 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 forest and forest industries toward Canada's excess of exports over imports. In 1945, this excess from trade in all commodities (excluding gold) was \$1,681,649,146. In comparison, the gross total contribution from trade in "wood, wood products and paper" only, amounted to \$438,300,000.

Section 7.—Post-War Timber Control

An outline of the controls applied to meet the dislocation in the lumber industry during the war years is given at pp. 277-280 of the 1946 Year Book. Since the end of the War, the domestic demand for lumber for all purposes including construction, railway maintenance and general industrial use, has been extraordinarily high, and export demand has also reached unprecedented heights because of the needs for reconstruction throughout the world. Preliminary estimates for 1946 indicate a production of 4,776,000,000 ft. b.m. of lumber in Canada and it is expected that in 1947 it will reach a record of 5,000,000,000 ft. b.m. Because of the differences in domestic ceiling prices and world prices, it is necessary to continue the rigid control of exports. The policy followed is a middle course between unrestricted exports resulting in demoralization of Canadian construction, and no exports resulting in the