of housing. In the postwar period, housing has expanded faster than the over-all economy and family formation, first because of the housing backlog developed during the depression and war years and later because of the movement of people from farms to urban centres and the shift of city population to suburban areas. However, this potential for lumber requirements was counterbalanced to some extent by a drop in lumber consumption per dwelling unit, related in part to changes in architecture, types and sizes of units built and the use of smaller sizes of lumber based on increasing technical knowledge. Moreover, competition resulted in the displacement of lumber by plywood, fibreboards and other wood products as well as by plasterboards, stone, concrete, aluminum and other non-wood products. Lumber requirements were also affected by the recent rapid rise in the construction of apartments, in which the average amount of lumber used for each housing unit is only about one third that used for a single-family house.

The use of veneers and plywood instead of solid lumber means a saving in conversion from log to finished product. Yellow birch produced in Quebec and Ontario makes a high quality facing material for furniture and wall panels. Douglas fir plywood produced in British Columbia is primarily a construction material but is also used for packaging and other purposes. Particle board, formed from chips, flakes or shavings with an organic binder combined with heat, has grown in importance because of the desire to utilize wood waste or residues and because it is an inexpensive substitute for lumber. Fibreboard, another competitor for lumber, can also be produced from a wide variety of wood species and residues as well as from other fibrous material.

Many other wood products, although also subject to keen competition, continue in demand. Shingles and shakes have been largely displaced by mineral roofing and siding but are still used where appeal and beauty are requisite. Although concrete and metal are used for railway ties and mine pitprops in many other countries, in North America wood is still used for these purposes and a considerable volume of demand continues for other products varying from poles and piling to fencing and charcoal, flooring, sporting goods, wooden handles, etc.

International Competition.—Most of the world's forest products are produced within the consuming region and international trade is dominated by the movement of goods from Canada to the United States, and from Scandinavia and the Soviet Union to Britain and Western Europe. Although wood requirements are rising rapidly in Europe and Japan and it is anticipated that imports will increase from Canada, nevertheless 80 p.c. of Canada's exports still go to the United States, about 10 p.c. to Britain and only about 10 p.c. to other overseas countries.

While Canadian wood products are facing severe competition in many fields, output is increasing to meet rising demand associated with favourable economic growth at home and abroad since early 1961. Approximately 40 p.c. of Canadian lumber is consumed in the domestic market and over three quarters of the exports go to the United States. Lumber demand in the American market has been growing at an annual rate of approximately 2½ p.c. in recent years but Canadian exports to the United States have been rising about 9 p.c. a year. This situation reflects the rapid rise in American prices for saw timber resulting from competition from veneer and pulp mills for the relatively scarce larger-sized wood; Canada's share of the American market, which was 8½ p.c. in 1956, rose to 13½ p.c. in 1963. Canadian sawmills have an easier supply in saw timber although prices may soon rise if smaller-sized wood is required. In Europe, with costs rising because of the utilization of small-sized wood, imports are increasing to meet greater demand. Canadian exports to Britain were fairly high until 1955 but then declined as shipments from Finland and the Soviet Union began rising. However, Canada's lumber trade with Britain has improved since 1960. Canadian exports to the Common Market countries are not large but have been rising by nearly 50 p.c. a year since 1960. In Japan costs are also rising and Canadian lumber exports have jumped from almost nothing in 1960 to 300,000,000 bd. feet in 1963, but sales to such traditional markets as Australia and South Africa have been somewhat lower in recent years.