

in salaries and wages. Capital invested in the industries of the group amounted to \$1,103,984,216; the gross value of its products was \$1,001,563,243 and the net value, \$508,835,982.

Exports of Wood and Paper Products.—The forests of Canada contribute substantially to the export-trade values. During the calendar year 1944 exports of wood and paper products amounted to \$440,901,011 and made up 12·8 p.c. of the total value of Canadian exports for the period, amounting to \$3,439,953,165. Domestic exports of wood and paper products were exceeded by those of agricultural (vegetable and animal) products, which made up 32·4 p.c. of the total, and by mineral products with 34·0 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 1944 this excess from trade in all commodities (excluding gold) was \$1,724,200,000. In comparison, the gross total contribution from trade in "wood, wood products and paper" only, amounted to \$397,700,000.

Section 7.—Timber Control*

Canada's 500,000,000 acres of productive forested land have taken on a new significance, not only because of the part they played in the War of 1939-45, but also because of their great and growing importance to the Canadian economy in the post-war world.

At the outbreak of hostilities in 1939, the Canadian lumber industry was experiencing a period of reasonable activity. During the following winter the cut of logs was increased but, on the whole, the industry experienced no great dislocation until early in the summer of 1940. Then the conquest of Western Europe by Germany produced an entirely new situation.

To meet this emergency, the Department of Munitions and Supply established a Timber Control on June 24, 1940. Apart from applying the brakes to runaway prices, the heaviest task facing the Control during its first six months was the purchasing of lumber for departmental account and facilitating deliveries to war projects undertaken by the construction industry. At that time, Royal Canadian Air Force projects were built under contract but Army training camps were built by the Royal Canadian Engineers and lumber for the latter was purchased outright by the Department.

By December, 1940, Government purchases had exceeded 110,000,000 bd. ft. and war contractors had taken an additional 260,000,000 bd. ft. In this period, several flying schools, each requiring 6 hangars and 33 other buildings, were erected in the amazingly short time of 100 days or less. More than 5,000 wooden buildings were built in 1940, and about 4,000 more in the following year.

With the sudden expansion of the war effort, the railways were soon overburdened and the Control found it necessary to eliminate cross-hauling where possible. Much large timber had to be secured from British Columbia, but otherwise the policy was to buy from the nearest source.

At the same time the Control undertook to scrutinize the specifications for buildings and for all articles made of wood so that the proper grades might be used wherever possible. This procedure saved the Government hundreds of thousands of dollars and much valuable material. Enormous quantities of lumber were used

* Prepared in the Department of Reconstruction and Supply.