

The first timber shipped from Canada to Europe was in 1667 during the French régime, and consisted mostly of square timber and masts and spars for the French navy. The export to England began to develop in the early part of the 19th century. Quebec was the centre of the square and waney timber trade, which reached its maximum in 1864, when as many as 1,350 sailing vessels entered that port and carried away over 20,000,000 cubic feet of timber, most of which was white or "Quebec" pine. The increase in the production of sawn lumber, the "deal trade", and the increasing scarcity of suitable material, resulted in a steady decline in the exports of square and waney timber, and Montreal became the centre of activity in exportation.

With the growing production of deals and other sawn lumber, the trade with the United States increased until, in 1925, Canada exported almost 2,000,000,000 board feet of sawn lumber to that country. The total value of exported sawn lumber and other unmanufactured or partially manufactured forest products in the fiscal year ended Mar. 31, 1927, was \$107,855,000, of which about \$89,750,000 worth went to the United States and \$8,066,000 worth to the United Kingdom. The remaining export trade was widely distributed throughout both trans-Atlantic and trans-Pacific channels.

3.—The Pulp and Paper Industry.

The manufacture of pulp and paper is a comparatively recent development in Canadian industry. Paper was first manufactured in Canada about a hundred years ago, but prior to 1860 no wood pulp was used or produced. Rags, straw, esparto grass, cotton waste and other substances were the raw materials used. The first paper-mill was established at St. Andrews in Quebec (then Lower Canada) in 1803 by a party of Americans who obtained concessions from the seigneurs. In 1825, at Crook's Hollow, was erected the first paper-mill in what was then Upper Canada. Mr. Crooks, the founder, earned a bounty of £100 from the Government for the first sheet of paper made in the province.

What is claimed to be the first wood pulp mill in Canada was erected by Angus Logan and Company at Windsor Mills, Quebec, about 1870. The Riordons were among the first to manufacture groundwood pulp, and in 1887 Charles Riordon brought the sulphite process from Austria, and installed at Merriton a sulphite mill which is still in existence. In the census of 1871 no pulp-mills are mentioned, but in 1881 five mills were in operation, with a total capital of \$92,000, 68 employees and an output valued at \$63,000. In 1891 there were 24, and in 1901, 25 mills. Since that date the advance in this industry has been still more rapid. At the end of 1926, there were in operation in Canada 44 pulp-mills, 36 combined pulp and paper-mills and 35 mills making paper only, and since then the number has increased. This development is due chiefly to the existence in Canada of abundant water powers adjacent to extensive forest resources of pulpwood species. The importance of this combination is evident from the fact that energy to the extent of practically 100 h.p. is necessary for the production of one ton of paper. Summary statistics for the combined pulp and paper industry are given on p. 319.

The industry in Canada includes three forms of industrial activity, the operations in the woods, with pulpwood as a product, the manufacture of pulp and the manufacture of paper. These three stages cannot be treated as entirely distinct nor can they be separated from the different stages of the lumber industry. Some of the important pulp companies operate sawmills to utilize the larger timber on their limits to the best advantage, and many lumber manufacturers divert a proportion