

Subsection 2.—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.

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 Merritton 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 1927, there were in operation in Canada 42 pulp-mills, 42 combined pulp and paper-mills and 30 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. Summary statistics for the combined pulp and paper industry are given on p. 309.

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 of their spruce and balsam logs to pulp-mills. So far as operations in the woods are concerned, it is often impossible to state whether the timber being cut will eventually be made into lumber or into pulpwood.

On account of legislation already referred to, pulpwood cut on Crown lands must in every province be manufactured into pulp in Canadian pulp-mills. The pulpwood which is exported to the United States is cut from private lands. Table 4 shows the annual production of this commodity from 1908 to 1927, together with the quantities used by Canadian pulp-mills and the quantities exported.