

The gross output of the industry increased rapidly and steadily until the boom years following the Great War, when it jumped to a peak of over \$232,000,000 in 1920. This was followed by a drop in 1921, but since that year there has been a steady recovery, resulting in a total for 1928 of \$233,077,236, which exceeds the abnormally high total value reported in 1920.

There are to-day three classes of mills in the industry. These in 1928 numbered 33 mills making pulp only, 47 combined pulp and paper mills, and 30 mills making paper only. The present tendency is toward the building of the larger combined mills of the type known as "self-contained newsprint mills", and also toward the merging of individual companies into a comparatively small number of large groups.

The rapid development of this industry 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. 288.

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 5 shows the annual production of this commodity from 1908 to 1928, together with the quantities used by Canadian pulp-mills and the quantities exported.

##### 5.—Production, Consumption and Export of Pulpwood, calendar years 1908-1928.

Years.	Total Production of Pulpwood.			Used in Canadian Pulp-mills.		Exported Unmanufactured <sup>1</sup> .	
	Quantity.	Total value.	Average value per cord.	Quantity.	Per cent of total production.	Quantity.	Per cent of total production.
	cords.	\$	\$	cords.	p.c.	cords.	p.c.
1908.....	1,325,085	7,732,055	5.84	482,777	36.4	842,308	63.6
1909.....	1,557,753	9,316,610	5.98	622,129	39.9	935,624	60.1
1910.....	1,541,628	9,795,196	6.35	598,487	38.8	943,141	61.2
1911.....	1,520,227	9,678,616	6.37	672,288	44.2	847,939	55.8
1912.....	1,846,910	11,911,415	6.46	866,042	46.8	980,868	53.2
1913.....	2,144,064	14,313,939	6.67	1,109,034	51.7	1,035,030	48.3
1914.....	2,196,884	14,770,358	6.72	1,224,376	55.7	972,508	44.3
1915.....	2,355,550	15,580,330	6.61	1,405,836	59.7	949,714	40.3
1916.....	2,833,119	19,971,127	7.05	1,764,912	62.3	1,068,207	37.7
1917.....	3,122,179	26,739,905	8.56	2,104,334	67.4	1,017,845	32.6
1918.....	3,560,280	37,886,259	10.64	2,210,744	62.1	1,349,536	37.9
1919.....	3,498,981	41,941,267	11.99	2,428,706	69.4	1,070,275	30.6
1920.....	4,024,826	61,183,060	15.22	2,777,422	69.0	1,247,404	31.0
1921.....	3,273,131	52,900,872	16.16	2,180,578	66.6	1,092,553	33.4
1922.....	3,923,940	50,735,361	12.93	2,912,608	74.2	1,011,332	25.8
1923.....	4,654,663	57,119,596	12.27	3,270,433	70.3	1,384,230	29.7
1924.....	4,647,201	57,777,640	12.43	3,316,951	71.4	1,330,250	28.6
1925.....	5,092,461	62,181,537	12.23	3,668,959	72.0	1,423,502	28.0
1926.....	5,621,305	68,100,303	12.14	4,229,567	75.2	1,391,738	24.8
1927.....	5,929,456	70,284,895	11.85	4,387,687	74.0	1,541,769	26.0
1928.....	6,328,586	74,848,077	11.83	4,796,320	75.8	1,532,266	24.2

<sup>1</sup> Exports of pulpwood in the calendar year 1929 were 1,294,995 cords.