

Co. built, at East Angus in Quebec, the first mill in America to manufacture chemical pulp by the sulphate or kraft process.

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, following which there was a steady recovery, resulting in a total for 1929 of \$243,970,761 exceeding the abnormally high total value reported in 1920. This was followed by annual decreases down to 1933.

The rapid development of this industry up to 1929 was due chiefly to the existence in Canada of abundant water powers adjacent to extensive forest resources of pulpwood species and an increasing demand for newsprint paper in the United States. Summary statistics for the combined pulp and paper industry are given on p. 337.

There are to-day three classes of mills in the industry. These in 1933 numbered 28 mills making pulp only, 42 combined pulp and paper-mills, and 25 mills making paper only.

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 except under special permit. The pulpwood which is exported to the United States is therefore largely cut from private lands. Table 5 shows the annual production of this commodity from 1920 to 1933, together with the quantities used by Canadian pulp-mills and the quantities exported. For figures for the years 1908 to 1919, inclusive, see the 1931 Year Book, p. 288.

5.—Production, Consumption, Exports and Imports of Pulpwood, calendar years 1920-33.

Year.	Apparent Total Production of Pulpwood in Canada.			Canadian Pulpwood Used in Canadian Pulp-mills.		Canadian Pulpwood Exported Unmanufactured. ¹		Imported Pulpwood Used in Canada.	
	Quantity.	Total Value.	Average Value per cord.	Quantity.	Per cent of Total Production.	Quantity.	Per cent of Total Production.	Quantity.	Per cent of Total Production.
	cords.	\$	\$	cords.	p.c.	cords.	p.c.	cords.	p.c.
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	12.21*	3,668,959	72.0	1,423,502	28.0		
1926.....	5,621,305	68,100,303	12.11*	4,229,567	75.2	1,391,738	24.8		
1927.....	5,929,496 ²	70,284,895	11.85	4,387,687	74.0	1,541,769	26.0		
1928.....	6,295,912	74,587,843 ²	11.85	4,763,646	75.7	1,532,266	24.3	32,674	0.7
1929.....	6,536,335	76,120,063	11.65	5,241,340	80.2	1,294,995	19.8	37,082	0.7
1930.....	5,977,183	67,529,612	11.30	4,646,717	77.7	1,330,466	22.3	94,632	1.6
1931.....	5,046,291	51,973,243	10.30	4,088,988	81.0	957,303	19.0	59,291	1.4
1932.....	4,222,224	36,750,910	8.70	3,602,100	85.3	620,124	14.7	45,654	1.1
1933.....	4,746,382	33,213,973	7.00	4,027,827	84.9	718,555	15.1	17,049	0.4

¹Exports of pulpwood in the calendar year 1934 were 923,219 cords. ²Revised since the publication of the 1933 Year Book.