

4.—Equivalent Volumes of Standing Timber Cut in Canada and Values of Products of Woods Operations, by Provinces, 1935 and 1936.

Province.	Equivalent Volumes in Standing Timber.		Values of Products.	
	1935.	1936.	1935.	1936.
	'000 cu. ft.	'000 cu. ft.	\$	\$
Prince Edward Island.....	12,212	12,550	506,954	520,483
Nova Scotia.....	122,105	121,446	6,006,233	6,199,647
New Brunswick.....	159,319	161,560	8,543,401	8,848,883
Quebec.....	850,443	931,505	41,268,620	47,417,044
Ontario.....	514,481	558,792	27,996,771	31,570,806
Manitoba.....	63,089	37,224	2,089,487	2,426,001
Saskatchewan.....	79,216	77,267	2,119,402	2,038,647
Alberta.....	104,597	101,474	3,073,760	3,048,013
British Columbia.....	535,347	670,948	23,857,151	32,734,704
Totals.....	2,440,969	2,702,766	115,461,779	134,804,228

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 United States citizens who obtained concessions from the seigneurs. Upper Canada's first mill, which is still in operation, was built in 1813 at Crook's Hollow (now Greenville) near Hamilton, and the Maritime Provinces entered the industry in 1819 with a mill at Bedford Basin near Halifax.

In 1866, Alexander Buntin installed at Valleyfield, Quebec, what is claimed to have been the first wood grinder in America and began the manufacture of wood-pulp by the mechanical process. During the same year Angus Logan and Co. built the first chemical wood-pulp mill in Canada at Windsor Mills in Quebec. During the next decade the use of wood-pulp in paper making was extensively developed and in 1887 Charles Riordon installed the first sulphite mill in Canada at Merritton in the Niagara peninsula; by the beginning of the century the output of the industry had exceeded \$8,000,000. In 1907 the Brompton Pulp and Paper 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, after which there was a steady recovery, resulting in a second peak in 1929 of \$243,970,761. This was followed by annual decreases down to 1933 and annual increases up to 1937.

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