

Subsection 2.—The Pulp and Paper Industry

Canada's important place in the manufacture of newsprint and paper, generally, is a growth of the present century. In 1917 paper production was valued at \$58,750,341. The gross output of the industry increased steadily until the boom years following the War of 1914-18, when it jumped to a peak of over \$132,000,000 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, with a decrease in 1938 and an increase in 1939.

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 at pp. 204-205.

There are, to-day, three classes of mills in the industry. These, in 1939, numbered 27 mills making pulp only, 49 combined pulp and paper mills and 24 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. 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.

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 that is exported to the United States, therefore, is cut largely from private lands. In 1908 almost two-thirds of the pulpwood cut in Canada was exported in the raw or unmanufactured form, but by 1916 the proportion had declined to two-fifths, and is now even less.

6.—Production, Consumption, Exports and Imports of Pulpwood, 1930-39

NOTE.—Figures for earlier years will be found in the corresponding table of previous Year Books.

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	P.C. of Total Production	Quantity	P.C. of Total Production	Quantity	P.C. of Total Production
	cords	\$	\$	cords		cords		cords	
1930....	5,977,183	67,529,622	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....	4,746,383	33,213,973	7.00	4,027,827	84.9	718,556	15.1	17,049	0.4
1934....	5,773,970	38,302,807	6.63	4,752,685	82.3	1,021,285	17.7	13,919	0.2
1935....	6,095,016	41,195,871	6.76	4,985,143	81.8	1,109,873	18.2	19,940	0.3
1936....	7,002,057	48,680,200	6.95	5,766,303	82.3	1,235,754	17.6	9,591	0.1
1937....	8,298,165	63,057,205	7.60	6,593,134	79.5	1,705,031	20.5	20,505	0.2
1938....	6,438,344 ²	53,761,999	8.35 ²	4,686,085 ²	72.8 ²	1,752,259	27.2 ²	33,668	0.5
1939....	6,899,986	58,302,668	8.45	5,360,546	76.6	1,539,440	22.3	25,694	0.4

¹ Exports of pulpwood in the calendar year 1940 were 1,551,429 cords. Publication of the 1940 Year Book.

² Revised since the pub-