

The pulp and paper industry, one of the leading single manufacturing industries in Canada, was first in wages and salaries paid from 1922, when it first exceeded the sawmills, until 1942, when it was surpassed by shipbuilding, miscellaneous chemical products and aircraft. It was the leading industry in gross value of production from 1925, when it replaced the flour-mills, until 1935, when it was overtaken by non-ferrous smelting and refining, and in 1942 by slaughtering and meat packing. It has been first for many years in capital invested and in net value of production; in 1942, however, the net value of production of the shipbuilding industry exceeded it by a small margin. After the War, the pulp and paper industry will undoubtedly resume its position as Canada's most important peacetime industry. Only the manufacturing stages of the industry are considered in these comparisons, no allowance being made for capital invested, men employed, wages paid or primary products sold in connection with the woods operations. These form an important part of the industry as a whole but cannot be separated from woods operations carried on in connection with sawmills and other industries. If the \$18,565,265 worth of exported pulpwood be taken into consideration, the gross total contribution of the pulp and paper industry towards Canada's excess of exports over imports in 1943 amounted to \$252,191,146, representing the difference between exports and imports of pulpwood, pulp, paper and paper products.

The United States market absorbs, annually, practically all of Canada's pulpwood exports, over 80 p.c. of her pulp and more than three-quarters of her paper shipments. About half of the paper consumed in the United States is either of Canadian manufacture or is made from wood or wood-pulp imported from Canada.

Newsprint Control.—The situation outlined on pp. 264-265 of the 1943-44 Year Book in an article entitled "The Influence of the War on the Pulp and Paper Industry" has not altered materially during the year 1944. Production and distribution of pulpwood are still under direction of the Timber Controller, and exports to non-Empire countries are subject to permit as previously outlined.

All pulp and papers are still under the control of the Wartime Prices and Trade Board with respect to both production and distribution. This control has been very beneficial both to the industry and its customers in securing the maximum production from the wood and other materials available.

There has been an improvement in the electric power situation during the year owing to reduction in war production demands for aluminum, etc. All mills, with the exception of those located at or near Thorold, Ontario, have had full power supplies during the year. On Oct. 1, 1944, regulations were removed from the Thorold mills. The large mill owned by the Ontario Paper Company placed an additional paper machine in operation on that date and planned for further increases in 1945.

The quota arrangement discussed in the 1943-44 Year Book is still in effect. There has been no further increase in the price of newsprint since the \$4 increase as of Sept. 1, 1943. Manufacturing costs have continued to increase during 1944 and considerable difficulty is being experienced in securing sufficient woods labour, so that pulpwood production is still below the required amount. The total production of Canadian newsprint mills has averaged 253,000 tons per month during 1944, of which 200,000 tons has been shipped to the United States and the balance to Canadian and overseas markets. Pulp shipments to the United States have been averaging at the rate of 1,100,000 tons per year and pulpwood approximately 1,300,000 cords per year.