THE PULP AND PAPER INDUSTRY IN CANADA

No industry in Canada has made the same rapid strides during recent years as the pulp and paper industry. For years this industry was practically neglected, and the few mills operating in the country found it rather difficult to make a reasonable profit on the money invested. The big mills on the continent were located south of the border, and the smaller Canadian mills operating in a less remunerative field, were unable to make much headway. Careless methods of cutting and the heavy demands made upon American forests, exhausted their available supplies of pulpwood, and the Americans turned to Canada. For some time, American mill owners were allowed to take out pulpwood without any let or hindrance. However, some two or three years ago Sir Lomer Gouin put into force a measure prohibiting the exportation of pulpwood cut on Crown Lands. Later, this was followed by similar measures by the Legislatures of New Brunswick and Ontario.

Almost immediately following the prohibition of Sir Lomer Gouin, the pulp and paper industry in this Province took on a new lease of life. American manufacturers knowing that they could not get pulpwood from Canada, crossed the border, bought up limits and located their mills on this side of the line. In the one year following the passing of the measure, no less than 19 pulp, paper and lumber companies were incorporated in this Province, with a capitalization of $41,709,000. In addition to the American capital which floated in, many new Canadian companies were incorporated, and a great deal of British and French capital sought investment in pulp and paper propositions. Coupled with this activity, came an increased demand for all kinds of paper, so that the established mills entered upon a new era of prosperity; in fact, the fine earnings being made by the established pulp and paper mills proved so attractive to promoters that a number of pulp and paper companies were incoroporated that had no license to do business at all. The result of the activity in promoting companies is seen in the tremendous increase in the output of pulp, newspaper, kraft paper and all other commodities having to do with the industry.

According to the latest statistics, there are to-day in Canada and Newfoundland, 85 pulp and paper manufacturing firms, of which 83 are located in Canada and 20 in the Province of Quebec. The latter produce about 50 per cent of the total production in Canada, turning out over 800 tons of newspaper, as well as many other kinds of paper. The following are the mills located in Canada and Newfoundland, viz.:—

	Canada.	Nfld.	Total.
Firms	83	2	85
Mills—			
Paper	53	1	54
Pulp.	70	2	72
Groundwood	45	2	47
Sulphite	17	1	18
Soda pulp	5	0	5
Sulphate	3	0	3

At the present time, Canada is producing in the neighbourhood of 300 tons of suphite pulp per day. According to figures prepared by the Canadian Pulp and Paper Men's Association, it is shown that the increase in tonnage of sulphite mills for 1913, is 760 tons per day; in other words, the amount of new sulphite to come into the market during the present year, is more than double the present output of the sulphite mills. Many of the sulphite mill men are fearing this increased output. Canada's exports of sulphite to the United States in the month of March amounted to 900 tons, while the United States' total importations were in the neighbourhood of 3,000 tons, the bulk of which came from Europe. A conservative estimate places the increased demand for sulphite at about 100 tons per day, but declares that there is no place for an increased output of 760 tons per day. Further than that, the new tariff put in force by the United States, discriminates against Canadian made sulphite. Under this new tariff, all sulphite from Canada, whether cut from freehold or Crown Lands, will pay a duty of one-tenth of 1 per cent, or about $2 per ton, it is possible for European makers of sulphite to put their product in the United States $5.33 per ton cheaper than the Canadian manufacturer can put it. This will practically mean that Canadian sulphite is shut out of the American market, and some of the new mills now starting up will find it difficult to make good profits. There is no doubt but that in time they will adjust themselves to the changed conditions, but it would look at the outset as if Canada had gone a little too heavily into the manufacture of sulphite pulp.

During 1912 a total of 1,846,910 cords of pulpwood were cut in Canada, of which 866,042 cords were exported in the raw or unmanufactured state. The 1912 figures show an increase of 21 1-2 per cent over the total cut for 1911, while the increase in the manufacture of pulp amounted to 28.8 per cent, and the increase in the export of raw pulpwood to 16.6 per cent. In 1911 the percentage of wood exported in the raw state was 55.8 per cent; in 1912 this increased to 56.1 per cent. In 1912 63 per cent of our woodpulp went to the United States. Great Britain took 37 per cent; Japan for the first time entered the market, taking 1,046 tons of chemically prepared pulp. The United States, however, remains our best customer, and with the growing scarcity of her own pulp forests, will continue as such.

—Bank exchanges last week exhibit considerable irregularity and make quite an indifferent comparison with both last year and two years ago, the total at all leading cities in the United States amounting to only $2,688,015,021 as against $3,089,712,351 for the same week in 1912 and $2,737,311,510 for the corresponding week in 1911, thus showing losses of 13.1 and 1.8 per cent, respectively compared with those years.

—Ottawa has a new five-million dollar company known as the Oil Shales Co. of Canada, Limited, to do a general mining and exploration business.