

# REFERENCE PAPERS

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## PULP AND PAPER IN CANADA

### HISTORY

The welfare and activity of the pulp and paper industry, Canada's largest manufacturing industry, has a direct effect on the economic well-being of the entire country. The manufacture of pulp and paper is a comparatively recent development in Canadian industry. Prior to 1860 no woodpulp was used or produced. Rags, straw, esparto grass, cotton waste and other substances were the materials that went into the production of paper.

The first wood-grinder to manufacture woodpulp was installed at Valleyfield, Quebec, in 1866. During the same year the first Canadian chemical woodpulp mill was constructed at Windsor Mills in Quebec. In the next decade the use of woodpulp in paper-making expanded, and in 1887 the first Canadian sulphite mill was established in the Niagara Peninsula.

By the beginning of the 20th century the annual output of the industry had exceeded \$8,000,000 in value. Gross production steadily increased up to the boom years after World War I when the production peak jumped to more than \$232,000,000 in 1920.

There followed a slump period in 1921, after which there was a steady recovery. The industry's second peak was reached in 1929 with an output valued at \$243,970,761. This peak was followed by annual decreases until 1933, then annual increases to 1937. The following table lists the gross value of production and represents the sum of the values of pulp made for sale in Canada, pulp made for export and paper manufactured:

### GROSS VALUE OF PRODUCTION OF THE PULP AND PAPER INDUSTRY

1929 .....	\$ 243,970,761
1930 .....	215,674,246
1931 .....	174,733,954
1932 .....	135,648,729
1933 .....	123,415,492
1934 .....	152,647,756
1935 .....	159,325,546
1936 .....	183,632,995
1937 .....	226,244,711
1938 .....	183,897,503
1939 .....	208,152,295
1940 .....	298,034,843
1941 .....	334,726,175
1942 .....	336,697,277
1943 .....	345,653,470

### BACKGROUND OF THE INDUSTRY

Rapid development of the pulp and paper industry is due principally to the existence in Canada of abundant water power adjacent to extensive forest resources of pulpwood, coupled with an increasing demand for newsprint in the international market. Canada's vast fresh water areas situated above sea level afford a capacity for great hydro-electric power.