

*Forestry Department*

square miles or approximately 60 per cent are capable of producing merchantable timber, and of this area 70 per cent is accessible. I think the importance of a forest area is greatly enhanced by being accessible, either because it is near the area where an industry operates or because it is serviced by roads which permit entry by those who wish to carry on the lumbering industry. Not only, of course, is the forest area made more important because of accessibility, but the means of protecting that area from fire, from insects or from disease is made much easier for those who are concerned with these matters if they are able to get directly to the spot.

These forests of Canada provide the raw material for Canada's largest industry, the pulp and paper industry. It should be of interest to all Canadians that of every \$3 earned nationally in Canada, \$1 is derived from the pulp and paper industry. It has been the leading industry in Canada for many years, and since the second world war it has kept apace with industrial expansion in this country. The pulp and paper industry is first among all industries in its net value of shipments; it is first in exports; it is first in total wages paid; it is first in total capital investment. It is first as a consumer of electrical energy and is also the largest buyer of goods and services, including transportation. Over 80,000 men are employed permanently, year by year, and nearly a quarter million men are employed on a seasonal basis. The actual wage payments amount to over half a billion dollars per year, with an added \$250 million paid to transportation and slightly more for buying transportation and other services.

The total output is valued at \$1.4 billion. It exceeds the value of the annual production of wheat and all other grains. It has a value twice as large as the total production of all forms of metal mining and contributes \$1 billion a year to our export trade. The expressed intention of the industry to double its output in 15 or 20 years, together with a comparison of the amount of money spent on administration, research and subsidy in the fields of mining and agriculture with the amount spent on forest administration and research by the federal government would indicate that further and more precise attention is needed by our forest industries.

Canada's leadership in the pulp and paper industry is founded on a combination of bountiful forests, water and water power and ready access to the markets of the United States as well as the overseas markets of the world. Great progress has been made in this country since the first newsprint was made in Quebec in 1803. Landmarks toward our present position as a world producer may

be cited as follows: 1841 when groundwood paper was made for the first time in the western hemisphere in Halifax; 1864 when soda pulp was made at Sherbrooke in Quebec; 1866 when the first groundwood pulpmill was erected at Valleyfield in the province of Quebec, and also the year 1888 when the first sulphite mill was built at Merriton, Ontario.

In Newfoundland, my own province, the pulp and paper industry has a most interesting history. When the early settlers came to Newfoundland, of course, they came to fish. However, it was not very long before they realized the importance of the forests which surrounded these early settlements in providing wood for boats as well as wood for building the settlements in which they lived. A gradual development from the axe stage to the stage where waterwheels were used for the sawing of timber brought these forest industries, even in those early days, to something of real importance. Even in 1890 and in 1900 Newfoundland had a fair export trade in lumber. The first pulpmill was built in 1897 by Harvey and Company and operated, I think, for about five years in a place known as Black River. It was then known as the Newfoundland Wood Pulp Company Limited.

Then at the turn of the century Lord Northcliffe of England was looking around for a private supply of newsprint for his printing plants. He was directed to Newfoundland, with the result that he came to that province and formed a company on January 7, 1905. The construction of the mill at Grand Falls was begun in July, 1905, and the first real newsprint was produced on December 22, 1909. Today this mill is producing a far greater amount of newsprint than was intended when the mill was originally built, and plays a very important part in the economy of Newfoundland.

Following the first world war economic conditions in Newfoundland were in a very sad state indeed, and the government of the day, seeking employment for its many people, saw the possibilities of another pulp and paper industry. It was at this time that the English government was eager to lend money because it wished to convert some of the engineering possibilities which had been noted during the first world war to a peacetime basis, and so it was that the English government was able to lend Newfoundland a certain amount of money which enabled Newfoundland to build a mill at Corner Brook, in my own riding. At that particular time, in 1925, Corner Brook was a small settlement of four or five families, yet 35