

dependent upon Canada for their raw material, had assisted in bringing about the condition of affairs now existing. The rights of limit holders were then dealt with. It was admitted by a large majority that it would have been unfair on the part of the government to apply the manufacturing clause to licenses that are current at the present time. Moreover, the government had to consider what would be the effect of such a course upon the interests of those who have been in the habit every winter of receiving employment in connection with the lumbering operations on the Georgian Bay limits. Had these conditions been imposed, practically no logs would have been taken out during the present winter, and that would have meant almost starvation to large numbers of settlers in the communities who live in the neighborhood of these lumbering regions and who depend from year to year upon the work they themselves and their teams are able to get during the winter's lumbering operations. There had been changes on previous occasions during the existence of licenses, but they had not been so serious in nature as the present one. The government had raised the Crown dues on logs from 75 cents to \$1 per thousand feet, and increased the ground rent from \$2 to \$3 per square mile. Every limit that was sold from time to time now was sold on the distinct and thorough understanding that the dues might be increased. But for reasons which he had stated, the government had felt that it would be a confiscation to have interfered with the operations of lumbermen under licenses existing during the present year.

Mr. Gibson then compared the position of the Georgian Bay and Ottawa lumbermen. The latter were nearer the eastern market, and were in a position to pay the two-dollar duty. They were therefore opposed to anything that would have the appearance of retaliation. Other arguments against the manufacturing clause were that it would depreciate the value of Canadian limits, and would prejudicially effect Canadian capital, seeing that the limits held by Americans were largely carried by Canadian banks; also that it would lead to the suspension of the operations of Americans in this province, thereby throwing a great many men out of work, and causing a stoppage of the expenditure heretofore made for teaming and supplies. All these considerations had to be carefully considered by the government, but while no doubt there were risks to be run, the government concluded that the objects to be gained, viz., the preservation of our timber supply, the decreased annual cuttings, and the home manufacture, were worth the risk.

Mr. Gibson, in conclusion, stated that the new regulations might serve the useful purpose of ultimately leading to the adoption of some practical forestry scheme whereby the amount of the timber cut each year might be controlled.

Mr. Whitney, leader of the Opposition, asked if the intention was that all licenses hereafter renewed will contain provisions compelling the sawing of the logs in Canada, but that they will not be interfered with during the present year. He was given a reply in the affirmative.

Mr. Reid inquired regarding the restriction of the present winter's cut.

Mr. Gibson replied that, from information received of the probable cut, they had not thought it necessary to impose any restrictions.

INTERVIEW WITH THE ATTORNEY-GENERAL.

A DEPUTATION of Canadian lumbermen waited upon the members of the Ontario Cabinet on Friday, December 10th, and renewed their request that such measures be adopted as would compel the manufacture of saw-logs in Canada. The chief speakers were Messrs. James Scott, John Waldie, John Bertram and E. W. Rathbun, comprising the committee appointed at the previous meetings of lumbermen in Toronto to wait upon the government.

Ald. Scott gave the following reasons why all new licenses issued after April 30th, 1898, should contain a regulation that all timber cut on the Crown lands of Ontario shall be sawn, made into square timber or otherwise manufactured in Canada:

- (1) The retaliatory clause of the Dingley bill passed by the United States has made it difficult for the Dominion government, without grave hardship and dislocation of trade being threatened, to place an export duty on saw-logs.
- (2) Under present conditions of free logs for export and a duty of \$2 per thousand feet, sawing on the Georgian Bay for the American market could not be continued; the business of sawing lumber would, of necessity, be transferred to Michigan.
- (3) This would effect not only Canadian operators, but also Americans who have established their saw mills in Ontario, and who are certainly entitled to consideration.
- (4) It would be a ruinous policy to provide the raw material free from our forests for competition against our own mills, who would be handicapped by the \$2 duty.
- (5) If the exportation of logs cut on Crown lands was entirely stopped, Canadian lumbermen would enter no complaint of the \$2 duty, considering it entirely a matter under the jurisdiction of the United States.
- (6) While fully recognizing the rights of proprietorship, both of Canadians and Americans, in all licenses issued by the Crown, we consider the retaliatory clause an interference with our rights, and as Americans have induced the situation, it is for them to apply the remedy.
- (7) What Canadian lumbermen want is simply equality and fair play in the work of utilizing the product of their own forests.
- (8) If a duty of \$2 is charged on lumber entering the United States, then an equal export duty should be charged on logs.
- (9) Until the privileges contemplated by clause 7 be enjoyed, the only remedy is to prohibit the export of logs cut on Crown lands, and place American stumpage owners on the same footing as Canadians.
- (10) Whenever, therefore, an equalization of conditions is brought about the embargo placed on the export of logs should be taken off.

This statement was signed by Messrs. J. Scott; Huntsville Lumber Co., N. Turnbull, sec'y.; E. W. Rathbun, Wm. Irwin, John Bertram, Thos. M. Sheppard, Imperial Lumber Co., C. D. Warren, president; J. & T. Conlon, James Playfair, W. J. Sheppard, Chew Bros., Burton Bros. and J. S. Playfair, on behalf of the deputation.

Ald. Scott supplemented the statement with a few observations. He said that the lumbermen of the province had not changed their views in regard to the matter, and did not take back nor modify anything that they had said on former occasions. He stated that he had never taken the position that Canadians were not willing to trade with the Americans under a free exchange of forest products. He did not think the lumbermen of the country took the view that under no circumstances should the export of logs be permitted.

Mr. Gibson: The Government are being told every day that every log should be manufactured in the country.

Ald. Scott replied that he did not think the former deputations had urged that there should be no exception to the rule.

Mr. John Bertram favored a policy that would secure the free entry of all our products into the United States. There was a large quantity of timber other than pine, such as spruce, hemlock and cedar, standing on the lands which had been sold, the cutting of which into ties, posts and other articles would give work to Canadians. If free entry into the United States market could be secured for this, great advantage would result to this country. The utilization of the coarse products of the forest with free entry into the United States would be worth more to the country than all the logs that Americans had purchased.

Mr. E. W. Rathbun thought the recommendation of very mild form. It was not a question of how much standing timber we had, but of the quantity of white pine and spruce there was in the United States which could be put in a marketable form to compete with similar kinds of Canadian timber on the markets of the world. Accepting the statements of authorities in the United States and in the Old World, the supply from both sources was very limited. Therefore the important question for us to de-

cide, bearing in mind our own resources, and the resources of our competitors, the industries that the forests would sustain, and the demands of foreign markets for the products of these forests, was whether we were not justified in taking the position that Ontario timber should be manufactured within our own borders. He approved of the principle of not restricting the sale of timber limits, and not excluding anyone who would bring capital into the country, but he believed that if the whole of the timber was required to be manufactured here, capitalists and enterprising men would be attracted to Canada from the United States to a greater extent than ever before.

Mr. Hardy: The Michigan lumbermen are very powerful in their own state. Does it occur to you, Mr. Rathbun, that the Michigan Legislature might throw obstacles in the way of Canadian trade, in connection with railway traffic, etc.?

Mr. Rathbun replied that these things should be considered. He was strongly opposed to retaliation, but did not anticipate any danger from restrictions such as Mr. Hardy mentioned.

Mr. Hardy asked if any estimate had been made of the quantity of lumber cut by small local mills.

Mr. Rathbun could give no accurate figures. He admitted that the smaller mills were too apt to be lost sight of. Pine was not everything. Our cedar, hardwoods, spruce, etc., were more and more wanted in the markets of the world. The demand for box shooks and similar stock was rapidly increasing. Replying to a question by Mr. Hardy, he stated that he did not think there would be any slump in the value of timber limits by compelling timber to be manufactured in this country.

Mr. Waldie followed, also touching upon the bonding question. He was strongly in favor of compelling the manufacture of saw-logs in Canada, and gave the following reasons therefor:

1st. As I believe it is the only name by which we can retain any portion of the business of sawing lumber in the Georgian Bay, and prevent the depopulation of our towns in that district.

2nd. It is the only available means that will tell as a factor if Michigan mill men desire to influence legislation at Washington. The lumbermen of Canada having already asked the Dominion government to take power to put an export duty on logs, and that power not being exercised, has prejudiced the position of Michigan men at Washington, who ask that the agreement covering the \$1 duty on lumber and free logs between the two countries should be restored. I firmly believe that an absolute restrictive condition should be inserted in all the licenses that will be issued on the 30th of April next, and to prevent if possible the impression that has by some means gained a footing in the United States, that Canada will do nothing to retain the manufacture of the logs within the Dominion.

3rd. If the Georgian Bay is to obtain a fair share of the export trade to England, it must be by increasing the manufacture at certain points, so that a sufficient quantity can be supplied by the foreign trade in competition with such points as Albany, Tonawanda and Saginaw. What the English buyer requires is to get a large quantity of a certain class of lumber at one point; and this condition not only applies to the lumber trade, but to all other manufacturing industries in Ontario which are looking to an export market for their products.

Some remarks by Mr. Loughlin, M.P., brought up the question of the utilization of the coarse forest products. Mr. Rathbun held that a greater manipulation of the coarse timber should be encouraged in this country. There was a wide market in England for box shooks.

Mr. Hardy: How much lumber could Great Britain use for box shooks?

Mr. Rathbun: All we can manufacture in Canada from cull lumber.

The question of an import duty on lumber was then raised. Mr. Ross asked: Is it a fact that coarse lumber manufactured in Michigan mills from Canadian logs is being shipped into Canada, competing with Canadian lumber?

Mr. Waldie replied that it was a fact. This lumber was being brought into Sarnia, Windsor, Chatham, London, Hamilton and Toronto. He believed from twenty to thirty million feet were imported annually.

Upon being asked, Mr. R. Laidlaw, of Toronto, stated that this year he had brought to Sarnia from Duluth some 4,000,000 feet.

Mr. Hardy said he had noticed that Manitoba took 14,000,000 feet of lumber. What was the duty, he enquired.

Mr. Bertram: None.

Mr. Hardy: Would it be practicable to put a duty on in Ontario and the eastern provinces, and not in Manitoba?

Mr. Bertram replied that it would not. Any duty imposed would have to apply to the whole of Canada. He pointed out that the mill owners in Northwestern Ontario who sold their output in Manitoba, would at once request the same protection for that province as was given Ontario.

Mr. Waldie said that the Georgian Bay mills could supply the Manitoba market if the C.P.R. would give reasonable rates, but they could not be induced to do so.