

ally costing \$3.50, is manufactured into a finished product worth about \$40.00 per cord, all of which is for material and labor, the most of which could be produced and manufactured in Canada if the business were sufficiently large. At the present time there are over one million cords of pulp wood exported into the United States annually, worth, we will say, for convenience sake, three and a half to four million dollars. If this quantity of one million cords of pulp wood were converted into pulp, and then into paper in Canada, it would mean that an expenditure for labor and material in Canada would take place, of over thirty millions of dollars annually. For the manufacture of this large quantity of pulp and paper it would require, however, several times this amount for permanent investments in the limits, water power, mills and machinery, and this in itself would mean a huge thing for Canada.

It therefore seems to me that the principal question before the Dominion and Provincial Governments is, first, how to accomplish the manufacture of this large quantity of paper in Canada; and, secondly, how to dispose of it after it is manufactured. At the present time the United States exact a duty of \$1.67 per ton for mechanical, or ground wood pulp, and \$3.33 per ton for chemical, or sulphite pulp, and have a duty on newspaper that is prohibitive. The effect of this policy is apparent on the surface, as it provides the manufacturers in the United States with their raw material in a partly manufactured state at a low cost, and prohibits the competition of foreign paper. In addition to this, Canada seems to be the ally and friend of the U. S. manufacturers, as it allows them to come into Canada and procure their raw material, in the shape of pulp wood, with little, if any, charge, and the U. S. Government allow it to enter into the United States free of any duty. The effect of this policy on Canadian manufacturers is, to say the least, very unfair. The Canadian manufacturer of both kinds of pulp has to compete with the American manufacturer of both kinds of pulp at a disadvantage by the amount of duty imposed by the United States Gov-