

EXPORT OF SAW-LOGS.

Future Ontario Licenses will Provide for the Manufacture of the Timber in Canada.

ON Monday, December 20th, the Ontario government submitted the timber bill to the House. This bill, in brief, provides that Ontario saw-logs shall in future be manufactured within the borders of the Dominion, a provision which will meet with the hearty approval of lumbermen and Canadians in general. Hon. Mr. Gibson, Commissioner of Crown Lands, introduced the measure, and accompanied it with a somewhat lengthy statement of the situation. It is entitled "An Act Respecting the Manufacture of Pine Cut on the Crown Domain," and reads as follows:

THE TIMBER BILL.

1. All sales of pine timber limits or berths by the Commissioner of Crown Lands which shall be hereafter made, and all licenses or permits to cut pine timber granted by the Commissioner, shall be so made or granted subject to the condition set out in the first regulation of schedule A of this Act, and it shall be sufficient if such condition be cited or mentioned as 'The Manufacturing Condition' in all notices, licenses, and permits or agreements or other writing.

2. The regulations set out in schedule A to this Act are hereby approved.

3. The Lieutenant-Governor-in-Council may make any further or additional regulations necessary to enable the Commissioner of Crown Lands to carry into effect the object and intent of the regulations contained in schedule A.

4. This Act shall come into force on the 29th day of April, 1898.

SCHEDULE A.

1. Every license or permit to cut pine timber on the ungranted land of the Crown, or to cut pine timber reserved to the Crown on lands located, sold, granted, patented, or leased by the Crown, which shall be issued on or after the 30th day of April, 1898, shall contain and be subject to the condition that all pine which may be cut into logs or otherwise under the authority or permission of such license or permit shall, except as hereinafter provided, be manufactured into sawn lumber in Canada, that is to say, into boards, deal, joists, lath, shingles, or other sawn lumber, or into waney board or square or other timber, in Canada; and such condition shall be kept and observed by the holder or holders of any such license or permit who shall cut, or cause to be cut, pine trees or timber under the authority thereof, and by any other person or persons who shall cut or cause to be cut any of such pine trees or timber under the authority thereof, and all pine so cut into logs or otherwise shall be manufactured in Canada as aforesaid.

2. Should any holder of a timber license or permit, or any servant or agent of such holder, or any person acting for him, or under his authority or permission, violate or refuse to keep and observe the condition mentioned in the preceding regulation, then, and in such case, the license or permit to cut pine timber on the berth, territory, lot, or lots included in the license or permit, and on which or any part of which the pine was cut, and in respect of which or any part of which there was a breach of such regulation or a refusal to observe or keep the same, shall be suspended and held in abeyance, and shall not be re-issued, nor shall a new license issue, unless and until so directed by the Lieutenant-Governor-in-Council, and then only upon such terms and conditions as the Lieutenant-Governor-in-Council may impose.

The Commissioner of Crown Lands, his officers, servants, and agents, may do all things necessary to prevent a breach of the aforesaid condition or regulation, and to secure compliance therewith, and may, for such purpose, take, seize, hold, and detain all logs so cut as aforesaid, and which it is made to appear to the Commissioner of Crown Lands it is not the intention of the license, owner, or holder, or person in possession of, to manufacture or cause to be manufactured as aforesaid in Canada, or to dispose of to others who will have the same manufactured in Canada, until security shall be given to her Majesty satisfactory to the Commissioner that the said condition will be kept and observed, and that such logs will be manufactured in Canada as aforesaid; and in the event

of refusal on the part of the licensee, owner, or holder, or person in possession of such logs, to give such security within four weeks after notice of such seizure and demand of security by, or on behalf of the Commissioner, then the Commissioner may sell or cause to be sold such logs by public auction, after due advertisement, to some person or persons who will give such security to Her Majesty as the Commissioner may require that such logs shall be manufactured in Canada. The proceeds of such logs shall, after such sale, and after deducting all expenses of such seizure and sale, and any sum due and owing to Her Majesty for or in respect of any timber dues, trespass dues, ground rent, or on account of the purchase of any timber or timber berths by the owner, licensee, or holder of a permit, or other person who has cut or caused to be cut such logs, or who is the owner or holder of the same, be paid over to the person entitled to the same.

4. Provided, nevertheless, that nothing in the preceding regulations which requires pine logs or timber to be manufactured in Canada as aforesaid shall apply to logs or timber cut and in use in Canada for any purpose for which logs or timber in the unmanufactured state are or may be used.

5. Provided, further, that these regulations shall not apply to the east half of the township of Aweres, in the district of Algoma, containing 18½ square miles, nor to 22 square miles in the district of Thunder Bay, composed of berths 2, 3 and 4 of the timber sale of 1890.

6. The foregoing regulations shall not come into force unless and until they shall be approved by an Act of the Legislature.

MR. GIBSON'S SPEECH.

In introducing the bill, Mr. Gibson referred to the fact that not until recent years had the question of the exportation of saw-logs from the Georgian Bay called for special consideration. He submitted the following statement, compiled from the trade and navigation returns of the Dominion, showing how far these particular exports have been going on from Ontario from the year 1880 down to the end of last year:

Year.	Feet.	Value.
1880	72,000	\$ 784
1881	2,020,000	13,298
1882	2,632,000	20,208
1883	1,243,000	13,323
1884	1,641,000	11,397
1885	964,000	7,906
1886	378,000	2,284
1887	2,864,000	24,429
1888	6,349,000	49,000
1889	383,000	3,270
1890	10,834,000	94,254
1891	32,116,000	261,479
1892	36,699,000	313,281
1893	73,887,000	651,122
1894	125,837,000	1,050,550
1895	277,837,000	2,359,278
1896	211,745,000	1,859,369
Total	787,481,000	

Mr. Gibson pointed out that during the past 30 years the Dominion government had taken the following steps in connection with an export duty on saw-logs: The Canadian parliament in 1866 fixed an export duty on saw-logs of \$1 per thousand feet board measure. That remained the law of the land for about twenty years. In 1886 the Dominion parliament increased the export duty to \$2 per 1,000 feet, and by the same measure the Dominion government were authorized by order-in-council to increase it to \$3 per thousand if thought expedient. Then in 1888 the Dominion government were authorized by the Dominion parliament, whenever it was deemed to be advisable in the public interests, to reduce or remove the export duty on saw-logs. On Nov. 13, 1888, under the Act of 1888, the export duty was increased to \$3 per thousand feet board measure. Then again in 1889, by order-in-council, the duty was reduced to \$2 per thousand feet board measure, and on Nov. 11, 1890, a further order-in-council was passed entirely removing the export duty.

It was always considered, Mr. Gibson said, that there was more money for the country in a free export of lumber or manufactured timber from this country into the United States than there would be by the imposition of any duty upon the export of the unmanufactured material. That seems to have been the view by which the parliament of Canada and the Dominion government had been actuated, and he had no doubt that that was the correct view so far as this country was concerned, in realizing on the products of our forests, whether they be pine timber, cedar, tamarack, or any other variety of our timber resources.

The position remained as above described until a recent date, when the Dingley bill was passed by the American Congress, imposing a duty of \$2 per thousand upon lumber going into the United States from this country. That was, of course, a reversal of the policy of the previous Administration, and naturally a very important change in policy. But the feature of the legislation which has caused the trouble was the retaliatory clause, the effect of which was that while our mills, or lumbermen, after manufacturing their logs into lumber and taking that lumber to the American market, are charged \$2 per thousand, the Michigan lumbermen who tow the logs over to the American side and manufacture them into lumber in their mills there have an absolute advantage of \$2 per M over their Canadian competitors.

Referring to the cost of sawing logs, Mr. Gibson said: "It is urged that the main part of the industry is in the sawing of logs. That is not the case. Since taking charge of my department, the duties of which have necessarily brought me into contact with these questions, I have been surprised to find how small the proportion of the labor engaged in the conversion of saw-logs into lumber was to the whole cost of the production of lumber, from the cutting of the material as it stands in the tree. I have here a calculation showing pretty conclusively that four-fifths of the total cost of labor is expended in the cutting of the trees in the woods, piling them, hauling them out to the streams, running them down the streams to the lake, and putting them into rafts for towing. I have a statement from a lumberman of great experience, one whose testimony on such matters would, I am sure, not be gainsaid for a moment in this House, as to the actual cost of milling. It is as follows:

Cost of sawing lumber at Peter's mill, including repairs, breakages, breakdowns, oil, fitting up in the spring, labor, and everything else—17,000,000 feet being shipped—\$1.14½ per M.

Cost of shipping, freight and loading on ship, \$1.12½ per M., the shippers themselves loading it from the front rows of piles.

In years when we did the loading ourselves the entire cost was about 17 cents per M. So that the moving of the rear piles to the front would be from 8 cents to 10 cents, or in all:

Sawing..... \$1.14½
Loading (if all done)..... 17

\$1.31½

If, in loading, the shippers as part of freight load the front piles, the moving to the front would not cost more than 10 cents, thus, deducting from above.. 7

\$1.24½

If freight is per Canadian vessels, then there is to be added freight..... 1.12½

\$2.37

The speaker then referred to the fact that the Michigan lumbermen themselves, who were