

this Province and the people of this Province. (Cheers). Now, sir, what are the facts with reference to this particular pulp concession? A right was granted to certain individuals who were to form a company to cut for a period of 21 years the pulp timber on a large tract of land along the Montreal River and certain tributaries. The contract is dated the 3rd day of March, 1902. The concessionaires under the contract were obliged to erect a pulp and paper mill north of Pembroke, costing at least \$500,000. This mill was to have a capacity of 150 tons of pulp per day and was to employ at least 250 men. The concessionaires were apparently unable to finance the undertaking, and as a result, acting by authority of a certain provision contained in the agreement, the present Government cancelled the contract. A new contract was made and great credit is claimed for this Government because of the fact that they were able to secure to the Province by means of the new contract the sum of \$200,000. But, sir, let us examine these contracts and ascertain all the facts. The new contract is made with certain Ottawa parties. These parties at the time of the making of the new contract had already a mill in the course of construction, not north of Pembroke, but down in the city of Ottawa. This is said to be a very large mill costing about \$1,500,000, and therefore presumably of three times the capacity of that required by the old contract, and therefore able to utilize and take from that north country three times the amount of spruce and other pulp timbers. Now, sir, what about the value of spruce and other pulp timbers in 1902 when the first bargain was made and that of 1907 when the second bargain was made, and what about the actual prices charged the concessionaires in the respective agreements? I find, sir, that between the years 1902 and 1907 the value of pulp wood used in paper-making in the United States increased in value in those years 122 per cent., and in Canada about 100 per cent. Pulp wood in the United States is well nigh exhausted. Hence the very rapid rise in price. And yet, sir, although the advance in value of these timbers in these years—a fact that is well known to practical men—was so very marked, I actually find on comparing the agreement of 1902 with that of 1907 that the present Government charged only the same price,

viz., 40 cents per cord on the stump for the main timber, the spruce, and that there is just the increase on the other timbers such as poplar and whitewood from 10 to 20 cents per cord. I say, sir, emphatically that the increase in price paid under the new agreement is not at all in proportion to the increase in value between the years 1902 and 1907. (Cheers). All other terms of the agreement are substantially the same. But, sir, the basic idea in the agreements made by the old Government was one of colonization. Let me illustrate. Take for example the Spanish River pulp concession. Go with me to Espanola, near Webbwood. See one of these old agreements worked out. See the company obliged to build its mill in that north country. See the thriving village immediately spring up. See the settler move in. The moment he takes up land, that moment all the timber on his land is taken out of the concession, and he owns it. Sir, from the first moment he swings his axe to cut down the first tree, so as to clear the ground for his first shanty, he has a mill at his door giving him a market and a fair price for his timber. (Cheers). What will the poor settler do in that Montreal district with the mill away down at Ottawa? (Cheers). He has no mill in his locality to buy his timber. Nothing to encourage him to go up there to locate. Nay, sir, anyone who knows anything as to clearing knows what will happen there. That great stretch of clay land will be stripped of timber and will become one continuous slash of tree tops and underbrush. The country will thus be bedevilled for purposes of settlement. And yet the innocent member for North York, who I am bound to say made the most concise, logical and by long odds best speech on the Conservative side of the House in this debate, asks "what difference does it make where the mill is so long as the money comes into the treasury?" (Laughter). The difference is, sir, that the old agreement contains the true colonization idea. "What difference does it make where the mill is?" says this Government champion. If there were yet in North York any of the old loggers who cut, logged, branded and burned their forest timbers and the honorable member were to ask them "What difference whether there is a mill in the locality or not?" I fear they would never suspect that he has lately been thinking of subjects over which the Minister