

mills; some of the British are establishing pulp mills in the Dominion, in order to insure themselves a supply of pulp at the lowest possible cost, and to render them independent of the Scandinavian mills, which, from long control of the pulp supply, have become somewhat capricious and tyrannical in their actions.

Reciprocity in paper and pulp would certainly remove the inducement to United States capital to invest in Canadian mills, and might antagonize the British manufacturers and check the flow of British capital in this direction. Certain it is, judging from past experience, that the advantage from a manufacturers' standpoint would be entirely on the side of the United States mills, their people are intensely narrow in their prejudices, as Canadians have found to their cost when trying to sell their goods on even terms with the production of United States manufacturers. An enlarged market for the manufactured Canadian article is not, therefore, to be expected. They do not expect to buy our paper, but they do expect to get our logs free in return for the privilege of an opportunity to try and make sales on equal terms. At present, failing to get free logs, there is a prospect of Canadian mills being able to sell some pulp to the United States paper mills even if the duty is retained. It is not by any means certain that reciprocity in paper would mean cheaper paper. The influence of the trust would, in all probability, be exerted to maintain prices in Canada at the same standard as in the United States. Indeed, one large Canadian mill has, if report be correct, already allied itself with the trust which handles its output.

A careful survey of the field in Canada leads to the conclusion that the day is near when all fictitiously maintained prices will be a thing of the past. When the improvements and extensions to the Canadian mills now under way, and the new paper mills in course of erection or about to be commenced are completed, the daily output will be considerably larger than the Canadian demand, and the trade will be brought down to an export basis. All the new mills are being constructed with a view to the manufacture of paper at a cost which will enable them to compete in the markets of the world. Far-seeing owners of old mills have prepared for the changing conditions, and the meaning of the heavy expenditures in improved plant is that these men do not intend to be left behind in the race. And if the paper trade of Canada is brought down to an export basis; if prices are such that Canadian paper can compete in the markets of the world, what more can the consumer ask? That is the basis which the trade is rapidly approaching, and apparently reciprocity would not help us. It might, and doubtless would, be a material benefit to the United States mills, giving them cheap spruce and thereby increasing their ability to compete with Canadian paper in the foreign markets, while the tendency would probably be the reverse of lowering the prices in the home market. Such, if the memorial is correct, has been the result of the operations of the trust in the United States.

Upon general principles, therefore, it appears that the most beneficial policy for Canada to pursue is to maintain her superiority by reserving to her own use the magnificent advantages she enjoys in her abundant supply of raw material; to cultivate the splendid market which is to be found in Great Britain for her pulp; and to develop to the utmost of her power the pulp and paper industries. There can only be one result of such a policy—her speedy attainment to the position of the greatest paper manufacturing and exporting country in the world.

BRITISH PAPER TRADE.

FROM the returns of the British Board of Trade for the 11 months ending on November 30, it appears that paper, including printed and unprinted and boards, to the value of £3,218,066 was imported into the United Kingdom, and, of this, only £77,148 was exported again. As, during the period referred to, paper of British manufacture to the value of £1,325,898 was exported, it would appear that, while the foreign article is being consumed in the home market, the home manufacturers continue to direct their efforts towards retaining the foreign trade. From the same source, however, it is gathered that in two years the exports of British-made paper have decreased by £150,000. The relative proportions of the imports of raw materials for papermaking also indicate that foreign paper is gradually making inroads into the home territory of the British manufacturer, the imports of paper having, in two years, increased in value to the extent of £350,000, while the increase in the value of raw material imported during the same period has been less than £150,000, the value of the imports for the 11 months being £2,581,973. The returns for November indicate that at the close of the year the situation was improving slightly, there being a decrease in the imports of paper and raw material and an increase in the exports of paper for that month, the chief item being a decrease of 1,648 tons in the imports of unprinted paper from the United States. The increase in the imports of wood pulp for the 11 months amounted to 18,441 tons, but esparto and rags show decreases of 10,399 and 4,182 tons, respectively. A comparison with the average prices of the previous year shows that the British paper-maker, according to his export values, received the same prices, or nearly so, as the previous year; and, as the price of his raw material only averaged £4 5s. 6d. per ton, instead of £4 8s. 6d. during the previous year, the result of the year's operations may be regarded as favorable.

THE BRITISH MARKETS.

LONDON, Dec. 31.—The large buyers in Great Britain being well supplied for the next month, are quite content to await further events, and the rise in prices asked for mechanical pulp has caused an almost total stoppage of business. The prices for sulphite are much firmer for early delivery, and from the fact that there are practically no stocks on this side of the water the stiffness of the market will probably continue; with a change from the present open weather, which is regarded as a certainty in the near future, a scarcity in spot parcels is looked for.

An early rise in price of soda pulp for prompt shipment is looked for, owing to the great scarcity and the continued heavy shipments to Germany.

CURRENT NET PRICES. C.I.F.

	£	s.	d.	£	s.	d.
Sulphate and soda, bleached, per ton.....	10	0	0	12	10	0
" unbleached, first " 	8	0	0	9	5	0
" " second " 	7	15	0	8	0	0
Sulphite, bleached, " 	11	10	0	15	0	0
" unbleached, first " 	8	5	0	11	0	0
" " second " 	7	12	6	8	0	0
Pine, dry, in sheets " 	4	5	0	4	10	0
" 50 per cent. air dry " 	2	0	0	2	2	6
" extra fine " 	2	2	6	2	7	6
Brown, dry " 	4	2	6	4	7	6
" 50 per cent. air dry " 	2	2	6	2	5	0
Aspen, dry " 	6	10	0	7	10	0