

Prices are going up so rapidly in the United States that it is only a matter of two or three years until our paper manufacturers will be able to pay the present duty and compete in their market. We will then get their market for nothing—get all they are offering us now for the free run of our priceless forests. We have only to wait a little. They know that; and they are frantic to get at our forests before we realize how perfect a monopoly we possess.

If we "stand pat," their paper mills must move to Canada. There is no other way. They must come where the raw material is, if we will not allow the raw material to be shipped to them. That will mean a great and growing industry for this country. Paper mills will rise up wherever water-powers and easy access to pulp wood unite. New towns will gather about them; and our farmers will have the profit of feeding these towns.

HOW IT WILL WORK OUT.

Some idea of the interests at stake in this matter may be gleaned from the evidence of Mr. John Norris, Chairman of the American Newspaper Publishers' Association, before the Congressional Committee on Ways and Means when this agreement was up for discussion.

Mr. Norris said that he was acting for a network of newspapers throughout the United States which spend more than \$55,000,000 a year for paper. These newspapers are both Republican and Democratic, but they combine in supporting this agreement—a tremendous force in making public opinion in its favor. Mr. Norris says that they would stand to save \$6,000,000 on their paper bills if access could be got to the pulp wood of Canada. That makes six million reasons in favor of reciprocity from the view point of the American press.

The clause in the Taft-Fielding agreement suits Mr. Norris. It does not gain him access to our Crown lands at once, but he seems to have no doubt that it ultimately will. He told the Committee that the coercive measures which had been tried on the Quebec Government had failed; and that the "disastrous results of that policy are now seen in the withdrawal by Quebec of 93 per cent. of all the available pulp wood supply of that Province. It has been trying to starve the American mills and force their transfer to Quebec," he goes on. That is a policy Canada would profit by, and the Americans would lose by. But he thinks this agreement will stop it. He says:—"The paper clause of the pending Reciprocity agreement overcomes all the difficulties of that situation."

And he explains how. The agreement sets wood from private lands free. This wood will at once begin to earn the profits of access to the American market. But the paper men who draw their raw materials from Crown lands will be shut out by the American duty of \$5.75 per ton. They will begin to agitate for the removal of the Provincial restrictions on manufacture, so that they, too, can obtain access to the American paper market. This pressure, says Mr. Norris, "will be irresistible." Possibly the American "lobby" may have some effect as well. The point for us to notice is that Mr. Norris is not calculating on what the present clause accomplishes, but on what it will enable him and his friends to accomplish in the future. It is "the thin edge of the wedge."

May 1st, 1911.

CANADA'S MONOPOLY.

Some people who have not looked into the facts tell us that it is a delusion to imagine that we have a monopoly. They contend that the Americans still have plenty of pulp wood. On that point Mr. Norris said:

"Our complete dependence on outside sources for wood is shown in the fact that we bought, last year, pulp wood and pulps to the extent of 1,716,000 cords. The supply of pulp wood," he went on, "was so inadequate that we paid over \$150,000 in penalties to get wood from Canadian Crown lands." Canada got that \$150,000; and it is possible that we could use the money. "We paid," he continued, "\$19,406,074 to foreigners for pulp wood and pulps to keep American mills going." So much for the argument that the Americans still have plenty of pulp forest.

Again, it is urged that we will profit by the speedy development of our forest lands. We? Listen to Mr. Norris:—

"American paper companies have engaged in woodland speculations in Canada. The International Paper Co. has acquired above 4,000 square miles of timber rights in Canada. Its representative told the Congressional committee, in 1908, that he had figured out a profit of \$10,000,000 on its timber holdings." Who do you think will get the profit from a quick slaughter of our pulp forests?

Our forests should be treated as national capital and developed for the benefit of the whole Canadian people. They ought to be "cropped"—not massacred. An intelligent policy of re-forestation would make them a dividend-bearing investment forever.

Now, how does all this interest the farmer? We shall see. Consider the case of Shawinigan Falls. A few years ago there was nothing there but a beautiful catarnact in a forest wilderness. The farmer could not sell a bag of potatoes or a pound of butter there to save his life. To-day five thousand hungry people have to be fed there every day; and local farmers have a special value added to their land by the growing up of this town. In other parts of the country, paper mills already make local markets—the most profitable of markets—for the farmer. If we will only keep our forest monopoly until the American paper mills are compelled to come across the boundary to get at it, as the Michigan saw mills had to move over to Ontario when the Ontario Government prohibited the exportation of logs, we will have dozens of Shawinigan Falls starting up on the edge of the forest in Quebec, in Ontario, in New Brunswick and in British Columbia; and the farmers will feel the difference in the prices their food products will bring at their very doors.

Then consider the difference between selling pulp wood in the log and selling it in the paper roll. It takes about a cord and a third of pulp wood to make a ton of paper. Now, the regular price for print paper in the United States, to-day, is \$45 a ton, and the average freight from Canadian mills would be about \$5 per ton. A farmer is doing well if he gets \$5.25 a cord for his pulp wood; and pulp wood would not bring so much if our immense resources were to be opened to American exploitation.

So there you have the situation in a nut-shell.

We can sell a cord and a third of pulp wood and get \$7.00; or we can sell a ton of paper and get \$40.00. Which would Canadians rather have?