

Paper and Pulp News.

DEVOTED TO THE INTERESTS OF CANADIAN PULP AND PAPER MAKING.

MONTREAL AND TORONTO, JANUARY, 1899.

DO WE WANT RECIPROCITY?

THE memorial of The Newspaper Publishers' Association of the United States to the High Commission, now sitting at Washington, has caused some commotion. The position taken by newspapermen is that they object to being squeezed in the price of paper in order to enable The International Paper Co. to pay a dividend upon the fictitious values at which inferior and worthless plants were taken into the combine. The memorial asserts that the company raised its prices on news \$5 per ton on its daily output of 1,420 tons, representing an increased tax of \$2,300,000 per annum upon the newspapers. This latter statement is probably hardly in accordance with facts as they exist at the present time, inasmuch as the manila manufacturers are protesting most vigorously because the company, finding that the supply was in excess of the demand, in order to reduce the daily output and maintain prices, shut down a number of machines and made preparations to turn them on manilas. As between the American newspapermen and the company, the question must be settled between themselves. The request of the newspapermen for a reciprocal arrangement with Canada for free paper and free pulp is, however, a question of the greatest interest to Canadians. The memorial sets forth that "a reciprocal arrangement with Canada for free paper and free pulp is advisable to insure the continuance of the present supply of free logs from Canada. The threatened retaliatory export duty upon logs to be imposed by Canada would ultimately fall upon the news paper consumer. The present consumption of pulp wood by the pulp and paper mills of the United States, including manila, book and writing, is stated, upon authority of The Paper Maker, a paper trade journal, at 2,000,000 cords per annum, which consumption requires the entire stripping of pulp timber on 625 square miles per annum. Our spruce wood supply is limited. We, therefore, urge that the Commission should take advantage of the present opportunity and immediately secure a sufficient supply of spruce freed from tariff complications. A successful and energetic competition cannot be maintained within the United States. The outside mills that do or can make paper are not equipped for the economical manufacture of news paper. We must look to Canada and the foreign countries where ground wood can be produced at a cost of \$7.50 per ton and where news paper can be produced for 1c. per lb. Free paper is, therefore, the

only strong and permanent assurance of protection from this combination."

The most gratifying feature of the memorial to Canadians is the frank confession of Canada's superior natural advantages as a pulp and paper producing country, and the dependence of United States mills upon our spruce logs. And this confession came from an organization constituted, as The American Newspaper Publishers' Association is, of men who, from their positions, are able to speak intelligently and with authority upon the subject, and including among their numbers many men whose delight it has been, in the past, to amuse themselves in "tail-twisting," and whose favorite recreation has been to enlighten their readers with stories of how they intended, some fine morning, to arise in their might and absorb "Canady" as a morning meal, and, by so doing, to teach the British a lesson. The admission receives added force and value coming from the quarter it does.

Whether the proposal, if carried out, would be an advantage to Canada, or otherwise, is a question that may fairly be debated. There is just a possibility that free trade in paper and pulp may not be desirable at the present juncture of affairs in Canada, and that it would check the rapid development of the pulp and paper manufacturing industry which now gives promise of great expansion in the next decade. The present activity in the promotion of pulp and paper mills in the Dominion, is largely the outcome of the existing conditions under which many wealthy citizens of the United States, with the shrewdness characteristic of the nation, have found it more advantageous to invest in mills in the Dominion. The reason for doing so is not far to seek. We have the raw material, and recent Provincial legislation in Ontario has shown them that we do not intend to let them continue getting our spruce to provide employment for the workmen of the United States. Quebec now threatens to follow the example of Ontario, and a material advance in the price of spruce logs in the United States is within sight, as a consequence of the shutting-off of an unfailing source of supply, that must, in the end mean, not only dearer paper to the United States consumer, but it also threatens to cripple the United States mills in the extensive export trade which, during recent years, they have been enabled to build up. They recognize that, under such conditions, Canada is more favorably situated than the United States for the cheap manufacture of paper. British capital is also seeking investment in new pulp and paper