

Conservation

A monthly bulletin published by the
Commission of Conservation, Ottawa, Canada.

VOL. IX

JANUARY, 1920

No. 1

Home Manufacture of Our Pulp and Paper

Industry now Employs 16,000 More Persons than a Decade ago—Embargoes on Export of Pulpmwood Justified.

Canada's wise policy of benefiting by the home manufacture of her natural resources is exemplified notably in the pulp and paper industry. In 1908, according to Government statistics, only 36 per cent of Canada's pulpmwood cut was manufactured in the Dominion, whereas 64 per cent was exported raw. In 1917, over 70 per cent was manufactured in Canada, less than 30 per cent being exported in a raw state.

Ten years ago, the number of employees in the pulp and paper industry of Canada was about 10,000. The number of employees at present is estimated at 25,000, and the annual wage bill at \$20,000,000. The exports alone for the past fiscal year from this industry are around \$100,000,000, about 90 per cent of the newsprint manufactured in Canada is exported. More than one-third of the newsprint used in the United States is of Canadian manufacture.

Prospective increases in the capacity of Canadian plants will bring the production of newsprint during the coming year, on a conservative estimate, to a total of 50,000 tons.

The importance of all this in the maintenance and development of the economic structure of Canada can scarcely be over-emphasized. Obviously, it would be the poorest and of public policy for the respective provincial governments to relax the existing embargoes upon the export of raw pulpmwood from Crown lands. Such a course would inevitably mean reducing the supplies of raw material available for Canadian mills, as well as the more rapid depletion of our pulpmwood forests, resulting in their comparative exhaustion within a measurable period of time. About 1,000,000 cords of pulpmwood are now exported in a raw state, all of it from lands in private ownership. Practically all of this goes to the United States.

The phenomenal growth and development of the pulp and paper industry in Canada serves strongly to emphasize the urgent need for the perpetuation of our great pulpmwood forests, in order that the great industry may be per-

British Columbia Government Reaps Profit from Higher Prices of Lumber

Sliding Scale Arrangement Made in 1914 Assures Province a Share in Unearned Increment from Increasing Stumpage Values

In 1914, the British Columbia Government entered into an agreement with the holders of timber-cutting rights on Crown lands, whereby the amount of the timber royalty was fixed according to a sliding scale based on the average selling price of lumber f.o.b. mill. At the end of each five-year period, the schedule was to be adjusted for the next period, taking as a basis the average price for the first four and a half years of the preceding period.

Lumber, at that time, was selling at about \$12.50 per 1,000 b.f. until the price exceeded \$18. The government was, however, to receive an increasing share in any excess above that price as follows:

1920-1924	..... 25 per cent	1940-1944	..... 35 per cent
1925-1929	..... 30 "	1945-1949	..... 40 "
1930-1934	..... 30 "	1950-1954	..... 40 "
1935-1939	..... 35 "		

This arrangement recognized the principle that the public, as a part owner of the timber, was entitled to a share of the unearned increment in the value of stumpage as reflected in lumber prices. At the same time, it provided security to the lumber industry against charges which might not permit of a reasonable operating profit.

As a result of the greatly enhanced price of lumber, especially during the last two years, the average price for the years 1915 to 1918 and the first six months of 1919 was approximately \$19.50. During the period, 1920-1924 the government will, therefore, receive an additional 37 cents per 1,000 b.f. for the timber cut from Crown lands. As the average royalty, during the last period, was about 75 cents per 1,000 b.f. the increase will amount to about 50 per cent and should add from \$300,000 to \$350,000 to the annual revenue of the province.

The following table shows the increase both in the quantity of lumber cut and in the price during the last five years:

Year.	Quantities, feet B.M.	Amount received	Avg. price per M. feet
1915	..... 747,096,710	\$ 9,307,408.27	\$12.46
1916	..... 1,010,427,819	15,012,050.67	14.86
1917	..... 1,166,489,300	23,163,129.54	19.86
1918	..... 1,208,201,605	31,004,178.08	25.74
1919 (6 months)	..... 620,307,280	14,079,740.25	22.70
Total 4½ yrs.	..... 4,752,522,714	\$92,658,506.81	\$19.50

—Roland D. Craig

manent instead of merely transitory, as has proved to be the case in the greater portion of the eastern United States. There fire protection has been wholly inadequate and logging methods have been destructive, seeking, for the most part, the greatest immediate profit, without any conscious attempt so to regulate methods of logging as to leave the cut-over area in a condition to produce another crop.

Fortunately, in Canada, the great bulk of the forests are in public ownership, and the public, as a whole, can afford to take the thought for the distant future.

The increasing employment of trained foresters by Government services, as well as by pulp and paper companies, offers distinct encouragement for the future.—

Chyle Leavitt

FUR-FARMING CONFERENCE

A Conference of Fur Farmers, Fur Dealers and Trappers has been called by the Commission of Conservation to meet in Montreal on the 19th and 20th February. The programme for the conference is not yet complete, but will include addresses and discussion by the leaders of the rapidly growing fur-farming industry. Fur-farming has passed the experimental stage and is now on a solid commercial basis. It is also hoped to have an exhibition of black, silver, and cross fox furs, the pelts of fur-bearers reared in captivity.

In 1913, the Commission of Conservation issued a report on Fur Farming, for which there was a large demand. A supplementary report on this important industry will be issued early in the year.

Saw-mills to Close for Lack of Trees

Great Industry is Threatened with Extinction for Want of Raw Material—Object Lesson for Canada

Five thousand saw-mills in the southern United States will discontinue operations within the next three years owing to the decline in the supply of southern pine. This statement of Col. Henry Graves, Chief Forester of the United States Forest Service, is a startling reminder that the timber resources of America are not unlimited. The men who openly scoffed at the idea of such depletion occurring at all are being rudely awakened and a national forest policy is being advocated and considered with unusual interest in the United States.

The outstanding features of the forest policy recently enumerated by Col. Graves are: First, that the Federal, state and municipal governments largely increase the area of public-owned forests either by purchase, or exchange for stumpage; second, that Federal aid be provided to the states which are willing to provide the necessary machinery for the protection and reproduction of the forests. The scheme also suggests that assistance be given annually to timberland owners who may be prepared to practise forestry on their lands.

The first, and by no means the smallest, obstacle to such proposals is public apathy. A vigorous educational campaign will be necessary to undo the work of those who persistently instilled the idea into the minds of United States citizens that the forests could not be exhausted. The people must be brought to realize the fallacy of such a doctrine and that only a united nation-wide effort can save a great national industry from decline. As soon as public opinion has been aroused, a complete census of existing supplies will be necessary, for such information has never been brought together in the United States.

Canada is undoubtedly in a better position than the United States because a much larger area of her forest lands are still held under the Crown and exploitation has not proceeded so far. American governments have postponed action so long that the outlay necessary to retrieve their position will be enormous.—A. Donnell.