

Paper AND Pulp News.

DEVOTED TO THE INTERESTS OF CANADIAN PULP AND PAPER MAKING.

MONTREAL AND TORONTO, JANUARY, 1897

KEEP UP THE DUTY.

THE paper and pulp men of Canada are watching with keen interest the action of the Dominion Government in reference to the appeal of the wall paper manufacturers for a continuation of the duty upon wall papers. They are interested because the wall paper trade is a large consumer of wood pulp and paper, and any action by which that trade is prejudicially affected also operates injuriously to their own interests. The case presented to the Tariff Commission by the deputation of wall paper manufacturers was very strong. The issue as presented was clear and definite; it was that without a specific duty upon wall paper, or a partially specific duty, it would be impossible to manufacture wall paper in Canada. The ad valorem duty had been tried and was found to be a miserable failure owing to the impossibility of properly classifying goods, and also because under it job lots were dumped by American manufacturers upon the Canadian market below cost price in order to dispose of surplus stocks and maintain prices in their home market. Another class of competition with which the Canadian manufacturer had to compete was that of what is known as "push" goods, which are manufactured cheaply by large American trusts or combines for the purpose of pushing the smaller concerns to the wall, and sold below cost, the loss being recouped by the profits upon the finer grades. The former Government saw the justice of the claim as presented by the Canadian manufacturers, and in 1894, when revising the tariff, the duty was fixed at 35 per cent. on paper hangings printed on plain ungrounded paper, which is the cheapest grade, and 25 per cent. and 1½c. per roll on all other grades. The Canadian manufacturers are willing to accept a continuance of that tariff, although under it they suffer materially from dishonest classification. The statistics furnished by the deputation show that, although the cost of manufacture is larger in Canada, owing to the limited demand and consequent larger relative proportion of expense, the home manufactured article is better in quality and as low in price as on the other side of the line except in case of job lots and push goods referred to. A large number of hands are employed in this industry, and from the manner in which the deputation was received there is every reason to hope that the Government will not deliberately close down the factories and drive the employes elsewhere by reducing the tariff.

Sir Richard Cartwright appeared to take a deep interest in all that was said, making enquiries especially upon the point as to the relative prices at which paper hangings are retailed in Canada and the United States. The reply that he received was accepted by him as satisfactory to the extent that no further question was asked. Of greater interest to the paper and pulp industry will be the remark volunteered by Sir Richard to the effect that some of their friends were of the opinion that Canada would be-

come the great wood pulp exporting country in the world and that he thought there was a great deal in the idea. Coming from the source which it did this is encouraging to those who have so long and earnestly endeavored to conserve our natural resources by placing an export duty upon spruce logs for pulp wood. Once the members of the Government realize the magnitude of Canada's resources in the supply of raw material for the manufacture of paper and the natural power for converting it into the finished article, it should be an easy matter to obtain that assistance in the way of tariff legislation which is necessary to build up a large export trade.

ALL WANT AN EXPORT DUTY.

ALL the pulp dealers in the country are in favor of an export duty on pulp wood. In fact, we have yet to learn of anyone connected even in a remote way with the paper trade who has expressed the contrary opinion. Briefly, the position is this. We ship to the United States annually not less than 500,000, some authorities assert 750,000, cords of pulp wood. On this no duty is paid. The United States pulp maker gets his wood free. The Canadian manufacturer must look to the United States as a market for his pulp, Canada being but a small consumer. He has to pay 10 per cent. duty on pulp shipped into the United States. On account of this duty he is at a great disadvantage in competing against the pulp manufactured there from Canadian logs on which no duty has been paid. Surely, at the very least, sufficient export duty should be imposed on our logs to place our manufacturer on an even footing with the pulp maker in the United States.

As to the amount of duty which should be imposed, Mr. Eddy, before the Tariff Commission, at Ottawa, expressed the opinion that it should be \$4 per cord. One of the dealers in Montreal, supporting this opinion, said: "The duty on pulp going into the United States is about \$1.20 per ton. But the difference in the freight on pulp and pulp wood is about \$3.50 against the pulp exporter. So that \$4 a cord export duty hardly places us on an equal footing with the United States on their market." The argument advanced by those in favor of an export duty is that Canadian pulp wood is necessary to the United States, and if a duty is imposed it would mean the building of large mills, and the investment in Canada of a portion of the immense capital at present employed in the pulp industry in the United States. The most prevalent opinion, however, is that \$2 a cord export duty would be sufficient at first, and would, it is contended, place the manufacturers of both countries more nearly on an equal footing. It would, at the same time, bring a large revenue until trade had accommodated itself to the new order of things and the new Canadian pulp mills got into working condition.