

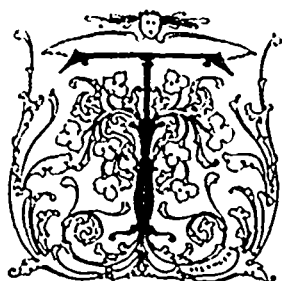
here to be made into pulp, or even sawn into deal, whence they can be transported to River du Loup, on the St. Lawrence River, a distance of 113 miles. The cost of the transfer of pulp from Connor's Station to Boston is 17c. per hundred : 118 miles from Connor's Station will place the spruce product of the upper St. John on the wharf at River du Loup, the whole distance being by rail, and at this wharf vessels from Europe can load and discharge. Thus the vast forests on the upper St. John, in Quebec, can be utilized in such a manner as to give manu-

factures of pulp in Maine, within fifty or sixty rods of Connor's Station. The output can go in bond to Boston via the Fenimore or Intercolonial and other roads, or it can be carried by barge up the St. Lawrence either to New York or to the cities on the lakes. Thus the duty will be saved. There are many millions of acres of spruce land on the St. John above Connor's Station, and at and above that station is the only place above the Grand Falls where logs can be held to any extent in the upper St. John."



HOW PULP MANUFACTURING WAS INJURED.

AN ARTICLE SHOWING WHY CANADA IS LOSING \$2,000,000 WORTH OF TRADE EVERY YEAR.
A GREAT TRADE DECLINING.



HERE were forty pulp mills in Canada some five years ago, and now there are about twelve running full time, although 32 are enumerated in a list given elsewhere. Why has this once prosperous trade declined? Why do our legislators allow Canada to lose \$2,000,000 worth of trade annually?

To discuss this question of trade on purely theoretical grounds with a free trader would be useless. He would simply say: "You must force no industry; let it grow naturally." Hence this article starts out with the assumption that its readers will admit that all the varying circumstances of friendly and hostile tariffs must be considered by the Canadian Government in their relation to each particular industry which the country affords. Free trade is a theory good when universally applied; protection is a theory good when applied under certain circumstances. These are the premises on which the following arguments are based:

Under the Mills Tariff Bill in the United States, pulp was on the free list. It was then that the pulp mills of Canada grew in number and capacity. Logs were cut into the well-known four foot lengths, and every day hundreds of cords found their way into the grinders and the digesters. It was free trade, and everything was prosperous so far as the Canadian pulp manufacturing was concerned. The American paper mills wanted Canadian pulp and they got it without a tax. The Canadian pulp mills drew on Canada's great stock of spruce timber and made the pulp. But suddenly all is changed.

The McKinley Bill was passed one day by the U. S. Congress, and \$2.50 import duty was demanded on every ton of wood pulp taken into the United States, and \$6 on chemical and \$7 on bleached chemical. Spruce logs could be imported free still, and hence pulp stopped going in, and the spruce logs began to go in in increased quantities, and the work of transforming this timber into pulp was then done in the American pulp mills, while the Canadian mills went idle. This is where Canada's adhesion to free trade should have stopped. Protec-

tion should have come in to the aid of a declining industry. But the Government has seen mill after mill close down, and yet refused to put an export duty on spruce logs. If they had issued a proclamation of this kind "The Canadian Government has decided, until further notice, to place an export duty of \$3 per cord on all spruce logs exported to any country imposing an import duty of \$2.50, or over, per ton on wood pulp," there would have been a different tale to tell.

What would have been the tale? Instead of shipload after shipload of pulp leaving Portland, Me., for England, enormous quantities of pulp would be exported from Montreal, Quebec, St. John and Halifax to supply the British market. Canadian spruce would not be taken into the United States, manufactured there, and then sent on to England. The Canadian vessel owners would have earned a few hundred thousand dollars extra; Canadian exports would have increased a million or more dollars; while Canadian labor would have smiled and grown fat.

To-day the Michigan and Wisconsin mills are buying spruce timber from Northern Ontario, cleaning the logs slightly, and then towing them across the lakes to the American mills, there to manufacture them into pulp. They save the import duty of \$2.50, \$6, or \$7, as the case may be, and they save the freight that would be paid to the Canadian railroads and freight steamers. The Canadian forests are being depleted, the Canadian vessel owners and railroad companies deprived of revenue, the Canadian working man driven to seek work across the line, and a great industry is lost to Canada.

How much spruce timber goes to the United States each year to be made into pulp? Probably 2,000 cords daily. This brings in a big revenue, but this revenue might be trebled and quadrupled by having the wood transformed into pulp before it is exported. Wood pulp is worth \$14 to \$15 per ton, and chemical pulp \$40 to \$50 per ton. The wood is worth \$2 to \$5 per cord, and a cord of wood will make about a ton of pulp. A glance will thus prove the assertion that the value of Canada's exports in this particular branch would be quadrupled by imposing a duty as has been suggested.

The trade with Great Britain is just beginning. Wood