

with this wood all manufactured in Canada he will have a market nearer home, not only for his wood but a bigger and better market for his farm produce as well.

To offset the tremendous loss of standing timber caused by the spruce bud worm in Canada during the past two or three years, no paper mill should cut a living growing tree on its own limits just as long as it can buy a cord of this fee land wood that is daily crossing the line, simply cutting the burned and blown down timber and salvaging such worm killed timber as is economically possible.

I am not cutting a tree on my own lands while I can buy a cord of wood; notwithstanding the fact that I have the largest amount of standing timber of any pulp company in Canada, based on the capacity production of my mills, and to which holdings I am adding as rapidly as possible.

The million or more cords of wood that is being annually shipped to the United States, returning only about 15 million dollars, if made into pulp and paper here would not only enrich this country to the extent of more than eighty million dollars per year, but would prolong the life of all of our pulp and paper mills a period of at least five or six years beyond their present expectancy.

This large additional income is doubly important in view of the unfavorable trade balance between the two countries, and would to a large extent help to correct the present deplorable condition of exchange.

Canada is in a very independent position as the United States simply must have our paper—she has no alternative. Newsprint cannot now be landed in New York from Scandinavia for less than \$170 per ton. $8\frac{1}{2}$ c per pound, and even then only in limited quantities. Our production has increased to such an extent that we are now producing a total of 800,000 tons of paper per year, which is very nearly half the consumption of the United States, and we shall very soon be producing much more than half, owing to the fact that many of the American mills will be forced out of business from lack of a wood supply. Strange as it may seem many of their mills do not own an acre of timberland. With the exception of the Oxford Paper Company, and the Great Northern Paper Company, the larger mills in the United States own timberlands