

the United States; what position would this country be placed in? I would strongly urge that action be deferred until the next meeting of Congress in December, to see if we cannot get a rearrangement and modification of the tariff. This step has never been taken, but I have reason to believe it would be successful. When the Dingley bill was being considered, I made an effort to have the duty kept down to one dollar, but the Dominion government refused to make the requisition. The proposal to re-enact the McKinley bill has never been made. The wood schedule was not considered on its own footing. It was a question whether the Dingley bill should stand or fall, and consequently it received the support of some who were opposed to the duty on lumber. If the lumbermen of this country would prefer to have a one dollar duty and no export duty, the course which I suggest should be pursued. Can we not afford to wait a few months, and endeavor to get as near as possible what we want? If the matter is left in status quo, I believe an arrangement can be made."

Mr. Charlton then submitted an amendment to the resolution, which, as it was finally altered, read as follows:

"Resolved, That, in the opinion of this meeting, action upon the question of imposing export duties or of prohibiting the export of sawlogs should be deferred until after the next meeting of the American Congress, in view of the possibility of receiving a more satisfactory adjustment of the American lumber duties."

Mr. E. W. Rathbun, of Deseronto, followed as an advocate of the original resolution. The question was one, he said, involving great difficulties, and the first impulse was to retaliate. It was probable that they would be charged with adopting retaliatory measures, and it was unfortunate that the word "retaliation" should have been brought into the discussion. It first appeared, however, in the lumber clause of the Dingley Bill, and some action was therefore necessary. Mr. Rathbun continued: "Mr. Charlton states that he does not own a saw mill in the United States. If this is correct I owe him an apology, as I have always understood that the firm of J. & T. Charlton, of Tonawanda, represented Mr. John Charlton, and also that that gentleman had interests in the state of Michigan."

Mr. Charlton: "I never had a saw mill; I have only a tug; it is a Canadian tug, and we are willing to do business wherever we can get it. I am a Canadian lumberman, and own no mills in the United States."

FOREST PROTECTION ADVOCATED.

Mr. Rathbun: "I thought Mr. Charlton's considerations would have been in favor of exporting logs to the United States. Looking at the question of timber supply, we have in this country probably forty billion feet of timber. This is being reduced at the rate of $1\frac{1}{4}$ billions annually. We therefore have no more than will be required for the industries of our own country. It is only a question of a little time when we will not have sufficient timber for our own purposes, and for the proper protection of our water courses. Have we any pine to spare that will not be required for our own industrial interests?" asked Mr. Rathbun. He thought the provincial government had a perfect right to impose the export duty, which was not retaliation, but simply a return to a principle which was temporarily abandoned some years ago when the lumber duty was reduced to one dollar per thousand feet. He did not think Mr. Charlton's statement that we could obtain a one dollar duty from Congress was correct. This was an opportune time to act, as the western states were now in a very prosperous condition. There was a wonderful consumption of lumber in Nebraska and other western states, and this would continue to increase. The effect would be that increased prices would follow, and this would be attributed to the imposition of a duty on lumber. This would be followed by an agitation by consumers to have the duty repealed. There was a clause in the Dingley bill providing that the governments of the two countries could meet and reduce the duty to a certain

extent, but he had very little consolation in looking to Washington for help, and hence was driven to the conclusion that some steps should be taken by the provincial authorities. Lumbermen who had good pine could still market it in the United States and make a profit, but the two dollar duty practically marked down as worthless 25 per cent. of the timber of Canada. This would have the result of increasing the fire risk, inasmuch as the poorer timber would be left standing in the woods. At every point where there is a saw mill, the workmen were encouraged to build homes, towns and villages spring up, and the municipalities spend money to facilitate the exchange of traffic. He considered it unjust that all such investments should be practically wiped out by the imposition of a duty by the United States government. The United States had not more than seven years' supply of white pine timber, and he estimated that under the present conditions our 40,000,000,000 feet of timber would be wiped out of existence in twenty years. Referring to freight rates, Mr. Rathbun stated that the rate from Ottawa to New York was little more than one-half that from the Georgian Bay district to the same point, while lumber could be laid down at Montreal at about one-quarter the cost. This he asked the Ottawa lumbermen to consider carefully. At the government sale of 1892 he had urged that the same conditions be included in the regulations as those which were adopted by the Ontario government in their recent sale of limits, and in this he solicited the assistance of the banks and railway companies. They, however, did not interest themselves in the matter, and he was unable to influence the government to take any action. He was confronted with the fear that the restriction asked for in the resolution would not affect the licenses dated 1st of May last, and could not become operative until the 1st of May, 1898. This winter there would probably be taken from the Georgian Bay district 750,000,000 feet of logs, and he regretted that some restriction could not be put on to prevent this being done. It was said that the Georgian Bay district did not manufacture as much lumber as the Ottawa valley, but he wished to point out that much of the timber which was now taken to the Ottawa mills should properly be manufactured in the Georgian Bay district. The timber was the foundation of so many industries that it should be kept in Canada for manufacturing purposes. The United States were actuated entirely by their own interests, as evidenced by their bonding act. In conclusion, he argued that some steps should be taken to protect the settlers.

Adjournment was then announced for lunch.

AFTERNOON SESSION.

Upon resuming the debate at 2.30 p.m., the first speaker was Mr. C. Beck, of Penetanguishene, who stated that it was a question with him whether his mills on the Georgian Bay should be operated or closed down, as under the present conditions it was impossible to operate them at a profit. The firms that had removed from Michigan to the Georgian Bay were sorry for it, and unless some steps were taken they would probably be removed back again. He referred to the advantageous position of the Ottawa lumbermen; they had an advantage over the Georgian Bay people of from two to three dollars in freight, and over Michigan manufacturers of one dollar or more. Manufacturers on the Georgian Bay were debarred from the British market by high freight rates. The Ottawa manufacturers could ship the coarser grades in spite of the two dollar duty. He did not agree with Mr. Edwards that the meeting was a mistake, as the lumbermen had a perfect right to meet together and discuss questions affecting the trade. The lumbermen stood isolated; they had no association. It was his proposition to have the meeting called to endeavor to form an association, which would be a factor in improving their position. He pointed out that the towing of logs from his limits to the mill cost him almost as much as it cost the Michigan manufacturers to tow their logs across to Michigan. Further, the Ottawa manufacturers had not paid as high prices for their limits. In reply to Mr. Edwards' question, he stated that the annual capacity of the Georgian Bay mills was about 400,000,000 feet. There were exported to the United States yearly probably 300,000,000 feet of logs. He thought the adoption of the restriction submitted in the resolution would, in the long run, be the making of Canada, as the natural resources of the country should be manufactured here. There was a clause in the Dingley bill that if American labor was employed in

manufacturing, the lumber might be imported into the United States free of duty. This, in his opinion, was a gross injustice. More lumber was exported from the United States than Canada exports, and he could understand why we should not handle our own trade. He knew a large box factory at Tonawanda that obtained most of its lumber from Canada, all of which was exported to South America. We should endeavor to seek new markets, and not be subject to the tariff changes of the United States every three or four years.

Mr. Charlton: "A practical action would be to impose an import duty on American lumber. I have already urged this, but was told by Mr. Fielding that there was strong opposition to such a duty in the Northwest. I learned the other day that a large bill at Quebec was being filled by Southern lumber. I would suggest that the meeting petition the government to impose a duty equal to that levied by the Americans on Canadian lumber."

THE OPPOSITION AGAIN HEARD.

Mr. A. H. Campbell, jr., seconded Mr. Charlton's amendment. In doing so he said: "I understood that this was a lumbermen's meeting, and I think we should look at the question from a lumberman's point of view. Statistics show that Canada does not supply sufficient lumber to the United States to enable us to dictate in the slightest degree as to how that country should arrange her tariff. We supply, including logs, about $3\frac{1}{2}$ per cent. of the total lumber trade of the United States—only a drop in the bucket. So far as the United States politicians are concerned, I feel satisfied they will look upon the restriction proposed by Ald Scott's resolution as the same as an export duty. There is no doubt but that the tariff has hit the lumbermen hard, but the only remedy proposed is an export duty on logs, and no one has shown that any benefit would result to lumbermen if this were done. Some of the speakers said that they could not manufacture lumber in this country under a duty of \$2 a thousand. How, then, could they expect to manufacture if the United States imposed a duty of \$4 or \$5, as they threaten to do in case of Canadian retaliation. Now we should consider what the loss would be if an export duty were imposed. We cannot manufacture for a market under a four or five dollar duty, and in the event of stringency, fire, etc., we could not even sell our logs to the United States. Look to the farmer for an example. When the McKinley bill was passed the farmers were shut out of the United States market. What did they do? They went to work to seek new markets, and have found them to-day. This is exactly what the lumbermen must do. We lumbermen on the Georgian Bay have to awaken to the fact that an earthquake like the McKinley bill may come at any time, and that the United States is not our market. We must find some more stable market for our lumber, but in the meantime why not keep our little trade with the United States? To do otherwise would be suicidal policy."

Mr. A. E. Dymont, of Thessalon, strongly opposed the original resolution. As a limit holder and manufacturer, his first impulse upon reading the Dingley bill was to retaliate. He felt satisfied the resolution, if acted upon, would cause an additional import duty. Because we take a flank movement to overcome the difficulty, they were not going to submit to it. For the sake of national honor, he hoped that no such action as proposed would be taken. The Americans had invested millions of dollars in Canada, many of them to their sorrow, and had paid two, yes, three prices for their limits. Now they proposed preventing these people from doing what they liked with their own property. No argument had been shown as to how the lumbermen would be benefitted by the resolution. He favored Mr. Charlton's amendment.

Mr. Edwards pronounced himself as an out-and-out free trader. With him it was a matter of principle. "If," said Mr. Edwards, "I were personally to suffer by it, I would still favor Americans manufacturing Canadian logs if they could supply the people of this country with cheaper lumber than Canadian mills. I am opposed to an export duty under any circumstances. The Canadian export duty on logs cannot do any good unless it is to remove the import duty on lumber. True, the forests are a great asset to each province, but much more timber has been destroyed by fire than ever was cut by the lumberman's axe. American manufacturers would had with delight a \$4 instead of a \$2 duty. Canada exports annually 700,000,000 feet of lumber to the United States, and the result of a higher duty would be the shutting down of Canadian mills, the ruination of the wholesale trade,