

It should again be emphasized that the restrictions do not in the slightest degree, decrease the amount of pulp or newsprint available for use in the United States, and therefore do not affect either the paper manufacturers as such, the publishers or the general public. In fact, manufacture within Canada of Canadian pulpwood into wood pulp is distinctly to the advantage of the manufacturer of newsprint who also owns a pulp mill in Canada, because of the lower costs involved in such manufacture within the Dominion. Not only does the United States now receive the product of nearly all the Crown lands acquired in Canada by United States interests before the restrictions became effective, but a vast amount besides from Crown lands not so held, in addition to a very large proportion of the product of lands in private ownership. The question is whether a certain part of this pulpwood shall be manufactured into pulp while it is still in Canada, or not until after it has reached the United States. The charge of extreme general hardship and of decreased supplies and increased costs for the United States, by virtue of the restrictions, is therefore without substantial foundation.

At the Washington hearing, it was generally agreed that at least a very large factor in the present inadequacy of the newsprint supply is the excessive demand for advertising space in the newspapers. Some of the publishers traced part of this enlarged demand to the operations of the excess profits tax, the implication being that many concerns were largely increasing their expenditures for advertising in order to reduce the amount of war taxes payable to the Federal Government. So far as this may be the case, the probability would seem that it is more or less of a temporary condition, which will readjust itself in the course of a little time.

There is no record available of the shortage having been traced at the Washington hearing in part to the exports of newsprint from the United States to other countries (45 per cent greater in ^{volume} value in 1919 than in 1916), or to delay in the movement of pulpwood, pulp and paper from Canada to the United States, caused in part by disturbances of transportation due to labor unrest, and in part by the fact that there are in the United States many thousands of Canadian freight cars, the return of which to Canada had been sought with only indifferent success.

Neither, apparently, was reference made at the hearing, to the fact that, so far as New York mills are concerned, the local shortage of pulpwood is partially due to the provision