

States, and this must mean the greatest possible production of manufactured articles. There is, further, no logical or proper basis for resentment on the part of the United States because of such a feeling by Canada.

The Underwood resolution stresses the point that United States holders of pulpwood licenses in Canada have, by virtue of the later imposition of restrictions upon raw pulpwood, been caused hardship, great and irreparable injury being done them, by making valueless their large investments and by depriving them of the property interests of the wood to which they had been conveyed all property rights; also, that the wood standing and growing upon the 10,000 square miles of licensed Crown lands in Quebec held by these United States interests, if available for the use of such interests would be "sufficient in annual yield to relieve the present scarcity and prevent threatened exhaustion of pulpwood in the eastern part of the United States, to lower the cost of the raw material of the American newsprint industry, and to stabilize the price of newsprint paper to the consumer, besides assuring an additional supply of raw material that would justify investments for increased production, and affording the relief needed while awaiting the results of a national policy of forest conservation and reforestation."

To this it may be answered that the restrictions complained of have not, as a matter of actual fact, deprived United States investors of their investments in Canada; they simply require them, as a matter of provincial policy, to carry the raw material through at least one stage of manufacture, namely, into wood pulp or lumber, etc., within Canada. Stumpage values have so greatly appreciated that the holder of any such license could, if he wished, readily realize a large profit upon his investment, by sale. Or he can provide for manufacture of the pulpwood into pulp or paper in Canada, as many United States concerns have done or are doing, including the International Paper Company, the chief complainant.

As has been stated, it is only the owner of a pulp mill dependent upon Canadian raw pulpwood, who is adversely affected to any serious extent, and he still has the privilege of competing for some part of the million cords of pulpwood cut annually from privately-owned lands in Canada and exported to the United States, as well as for United States pulpwood on the open market, in addition to supplies from his own lands, if he still has any such containing pulpwood.