

come. Others, presumably, must ultimately either go out of business or transfer West or to Canada, except insofar as they may be able to get supplies of pulpwood from Canadian lands in private ownership. The lumber industry has had to migrate from New England to the Lake States, thence to the South, and now to the Pacific Northwest. In the almost complete absence of forestry practice in the Eastern States, it is logical to expect that at least a part of the pulp and paper industry must in the long run, migrate also. There are great opportunities for the manufacture of pulp and paper in the States of the Rocky Mountain region and of the Pacific Northwest. If lumber from these regions can be shipped for consumption in New England, as is now being done, surely the high prices prevailing in the pulp and paper industry will also justify similar shipments. The industry is already established in the Northwest and its further development there on a large scale can not be other than merely a matter of a little time.

It should be noted also that United States interests requiring supplies of pulp are now planning on the erection of additional pulp mills in Eastern Canada, as well as in Labrador. These developments, with others in prospect, may be relied upon to supply the requirements in the course of a little time. As a matter of fact, so far as Canadian pulpwood must be depended upon, it is to the advantage of the paper mills, the publishers and the general public in the United States that it should be manufactured into pulp in Canada. So far as the publishers and the public are concerned, their immediate interests would be equally well provided for if the process of manufacture in Canada were carried to the point of actual production of newsprint, as is already being done on a large and increasing scale. Some of the owners of pulp mills, as such, are, of course, inevitably affected. The Federal Trade Commission of the United States is on record as stating that the cost of converting pulpwood into paper is much less in Canada than in the United States.

Canada is now the second best customer of the United States for goods manufactured in that country. In fact, the existing exchange situation, so seriously unfavorable to Canada, is at least largely due to the fact that Canada buys a much greater quantity of goods in the United States than she sells there. There is, therefore, no inherent anomaly or impropriety on the part of Canada in desiring to increase as much as possible the value of her exports to the United