

*Supply—Defence Production*

effect has been that United States mills which formerly produced newsprint have been converted to the production of more profitable lines, such as tissue papers, wallboard and products other than newsprint. The brunt of furnishing North America with newsprint has fallen very largely on Canada.

It is a fine business, but at the same time I think the business is entitled to a price for its product which will allow it to grow and keep up with the demand. Recently the newsprint industry has been faced with a reduction in the work week from 48 hours to 40 hours and in addition to that there has been an increase in the weekly take-home pay. It has been faced with increased costs for its woods operations and for all supplies that it has to buy.

When we were informed that the Abitibi paper company found it necessary to declare an increase in the price after July 1, the situation was explored carefully because we knew from experience the political repercussions that would follow any change in the price of newsprint. The matter was referred to the economic committee of the cabinet whose report was considered by the full cabinet. In view of the facts disclosed by our own officials we felt that we could not object to the \$10 increase which the industry, as represented by Abitibi, found necessary and therefore we took no action in the matter.

**Mr. Knowles:** I thank the minister for the statement he has made, but there are two or three questions I should like to ask. The minister gave both percentages and absolute figures concerning the consumption of newsprint within Canada since the end of world war II. Has the minister comparable figures showing the quantities of newsprint that have been exported from Canada?

**Mr. Howe:** The quantities exported to the United States were as follows:

	tons
1947 .....	3,685,000
1948 .....	3,881,000
1949 .....	4,056,000
1950 .....	4,302,000
First quarter, 1951 .....	1,042,000

The Canadian consumption of newsprint has gone up steadily. In 1947 it was 6.9 per cent of all paper consumed in North America; in 1948, 7.3 per cent; 1949, 7.6 per cent; 1950, again 7.6 per cent; and for the first quarter of 1951, 7.8 per cent.

**Mr. Knowles:** I thank the hon. member for these further figures. In fact it was the last figures that I was anxious to get. Now another question. Is the price obtained for newsprint in Canada the same as is obtained for newsprint exported to the United States?

**Mr. Howe:** It is a trifle less, the differential being a survival of war controls. I think it is \$4 per ton less at the mill for newsprint supplied to Canada than for newsprint for export.

**Mr. Knowles:** I have one other question. I note that there has been a fairly substantial increase in the absolute number of tons consumed in Canada, 275,000 tons in 1947 and 355,000 tons in 1950. It would appear that the figure would be about the same for 1951. It is 116,323 for the first four months, and if you multiply that by three it comes out close to the 1950 figure. I should like to know whether the minister can give any sort of idea as to how that increase has been divided between the large dailies and the smaller papers, both dailies and weeklies, that are trying to get established. I have in mind three or four smaller papers that report considerable difficulty in getting the newsprint they need. They are aware of the fact that there is such a thing as newsprint control, and that there have been these increases in newsprint consumed in Canada. Is there not some way in which, in view of the increased quantities that appear to be available for consumption in Canada, these smaller papers can get their proportionate share?

**Mr. Howe:** It is difficult for every newspaper in the world to get additional newsprint. There is hardly a week goes by that there are not two or three important publishers from somewhere in the world in my office demanding that we give them an increased amount of newsprint. My hon. friend knows there is newsprint on the New York market selling for around three times the price of contract newsprint just because it is free newsprint. It is not easy to take care of new demands because they come from every quarter in the world. I think Canada is perhaps losing more good will through newsprint than anything else because we cannot take care of the requirements of all countries that think we should help them out in this situation. I have gone into the matter pretty carefully, and I believe our industry is trying to do a real job with Canadian newsprint. Certainly no Canadian contract has ever been varied as far as the news trade is concerned. Two or three years ago, shortly after the war, any newspaper could contract for all the paper it wished, and most newspapers did contract directly with the mills for their supplies. These contracts have been taken care of and increased from time to time as the situation warranted. However, I think the newspapers to which my hon. friend refers are taken care of ordinarily by jobbers. There again I think the jobbers try to take