

PUBLISHED EVERY FRIDAY

BY

The Monetary Times
Printing Company
of Canada, Limited

Publishers also of

"The Canadian Engineer"

Monetary Times

Trade Review and Insurance Chronicle
of Canada

Established 1867

Old as Confederation

JAS. J. SALMOND

Managing Director

FRED. W. FIELD

Editor

A. E. JENNINGS

Advertising Manager

Canada's Pulp and Paper Industry

CANADIAN Mills are Mainly Equipped for Manufacture of Wet Pulp; 90 per cent. of United Kingdom's Chemical Wood Pulp Imports was in Dry State—Dominions Royal Commission Suggests Introduction of "British Character" Clauses when Crown Lands are Granted for Wood Pulp Production.

THE question of the sources of supply of wood-pulp and paper for the British Empire has come into special prominence during the war, and the reasons why available resources within the Empire are not being fully utilized for its needs deserve careful consideration. The Dominion of Canada has recently become one of the premier pulp and paper producing countries in the world, and in their fifth interim report, the Dominions Royal Commission express their opinion that it is regrettable to find that the bulk of the exports is sent to foreign markets. The position is clearly shown by the following tables.

Table I.—Exports of Wood Pulp from Canada.

(Chemical)

Year.	United Kingdom.	United States of America.	Other countries.	Total.
1911	\$8,219	\$1,298,162	\$ 1,720	\$1,308,101
1912	1,920	1,585,615	—	1,587,535
1913	643	1,995,817	104,382	2,100,842
1914	5,412	2,660,013	257,658	2,923,083
1915	800	4,550,196	255,626	4,806,622

(Mechanical)

Year.	United Kingdom.	United States of America.	Other countries.	Total.
1911 ...	\$ 488,709	\$3,796,427	\$122,295	\$4,407,431
1912 ...	672,441	2,834,329	—	3,506,770
1913 ...	827,490	2,580,463	749	3,408,702
1914 ...	1,162,470	2,253,621	25,650	3,441,741
1915 ...	1,495,521	2,893,618	70,400	4,459,539

Table II.—Exports of Paper from Canada.

Year.	United Kingdom.	United States of America.	Other countries.	Total.
1911 ..	\$841,100	\$ 2,052,259	\$1,031,016	\$ 3,924,375
1912 ..	609,506	2,057,610	1,213,947	3,881,063
1913 ..	585,001	4,369,417	1,373,356	6,327,774
1914 ..	510,818	10,566,359	1,609,719	12,686,896
1915 ..	594,453	12,879,204	2,035,925	15,509,582

The United Kingdom, on the other hand, derives its supplies of wood pulp and paper mainly from Scandinavia.

Commenting on this situation, the report says: "We made careful inquiry into the reasons for the state of affairs described. Apart from the obvious consideration that the United States provide a ready market with good prices and a rapidly increasing demand, one of the main reasons, as might be supposed, lies in the cost of freight. Freight rates for wood pulp are higher to the United Kingdom from Canada than from Norway and Sweden. Correspondingly, freights to the United States are lower from Canada than from Scandinavia. We are informed also (1) that the Canadian mills are mainly equipped at present for the manufacture of wet pulp, whereas 90 per cent. of the chemical wood pulp imported into the United Kingdom in recent years was in the 'dry' state; (2) that the cost of production in Scandinavia was lower than that obtaining in Canada, the difference being due not so much to variations in the rate of wages as to lower initial capital charges and lower rates of interest.

"It does not appear, in the above circumstances, that the existing condition of affairs is likely to change materially, but it is clearly desirable that such steps as are possible should be taken to encourage export to places within the Empire.

"We should like to see 'British Character' clauses, such as those required in respect of oil-bearing lands, introduced in the future when leases of Crown lands in Canada are granted for the purpose of producing wood-pulp, and it is also not unreasonable, we think, that companies obtaining leases should be required to instal plant capable, if necessary, of producing dry pulp.

"We do not think that alarm need be felt lest such action should constitute a handicap to the development of the Canadian wood pulp and paper trade. All the evidence available points to the conclusion that the demand for these commodities is likely to outrun the supply in the not distant future."

The report is signed by Lord D'Abernon (chairman), Sir H. Rider Haggard, Mr. Tom Garnett, Mr. W. Lorimer, Mr. J. Tatlow, Sir Alfred Bateman (who acted as chairman during the Canadian tours of the Commission), Sir George Foster (Canada), Hon. J. R. Sinclair (New Zealand), Sir J. W. S. Langerman (South Africa), and Sir Edgar R. Bowring (Newfoundland).