

ernment on the pulp. This competition at certain times has been ruinous to the Canadian manufacturer. As an example, during the summer of 1901, the paper market was very dull, and, as a consequence, the amount of pulp consumed by paper manufacturers diminished considerably. The over-production of pulps in Canada and the United States was very large, and the prices dropped until they reached a point where a loss was incurred. The over-production was caused *absolutely* by the American pulp mills that procured their supply of pulp wood from Canada, and, as a consequence, owing to the protective duty the United States pulp manufacturers had, the Canadian pulp manufacturers were obliged to curtail their manufacturing operations until such time as prices reasserted themselves. This state of affairs would not have happened had not Canada allowed her pulp wood to go out of the country for a mere song. As I mentioned before, the over-production of pulp was caused by the pulp manufacturers in the United States who procured their supply of wood in Canada. If these mills had been out of the market, it would not have been necessary for Canadian manufacturers to have curtailed their operations last summer. It is true people say Canada has the world for its markets in pulp and paper, but I am afraid too many people hazard this opinion without giving it the consideration it demands. In England, where our principal market at present for both pulp and paper lies, we have the serious competition of Norway and Sweden, and it is no mean competition. Whilst I do not believe that either Norway or Sweden have as good wood for manufacturing pulp or paper as Canada has, still they have many advantages that we have not, and, as a consequence, they are able to sell their pulp and paper in England at a very low cost, and which Canada is obliged to meet in order to procure business.

It certainly seems absurd that Canada should allow her pulp wood to be exported from the country for a very slight charge, and that the American manufacturers, who use this wood, do not have any competition in the finished