

New Brunswick, in order to evade the special tax, how were we able to ascertain that the wood cut in the Province, generally, was not manufactured, especially when it underwent all the preliminary operations here, such as cutting into blocks, removing the bark, in special mills employing a large number of hands ?

I could cite a number of cases which have been submitted to the department by forest keepers and agents, which prove that the collection of the sur-tax was impracticable. I have before me a large number of letters which have been exchanged on the subject which gave the department infinite trouble, but which I need not read to the House. The Hon. leader of the opposition is so familiar with this phase of the question that it is unnecessary to give him further explanation.

The parties interested, on all sides claimed that they had erected mills specially for stripping the bark off pulp wood for the purpose of exportation, and that this industry gave employment to a large number of hands. They further set forth that small lumber, otherwise lost, was used for pulp wood, in addition to that which they bought from settlers, and also that they had acquired rights, which were in various ways infringed.

In the presence of all these complaints, we had no option but to give retroactive effect to the tariff of 1901, by settling all accounts as if the tariff of \$1.90 had never existed; just as the Leader of the Opposition had done in 1894, by his preferential tariff of 40 cents.

One of the difficulties which we had to contend with, arose over the interpretation of the order in council of 1900, which was copied from the order of 1894. It is stated that a reduction of \$1.50, shall be allowed on the \$1.90 per cord, when the pulp wood should be manufactured in the "Province." The order does not say anything about the manufacture of pulp paper, and therefore a difficulty occurred. But this was not the only trouble. The imposition of the sur-tax only applied to the Province