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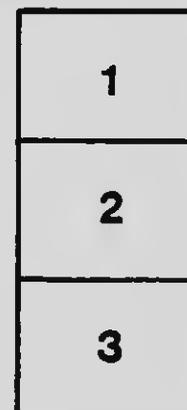
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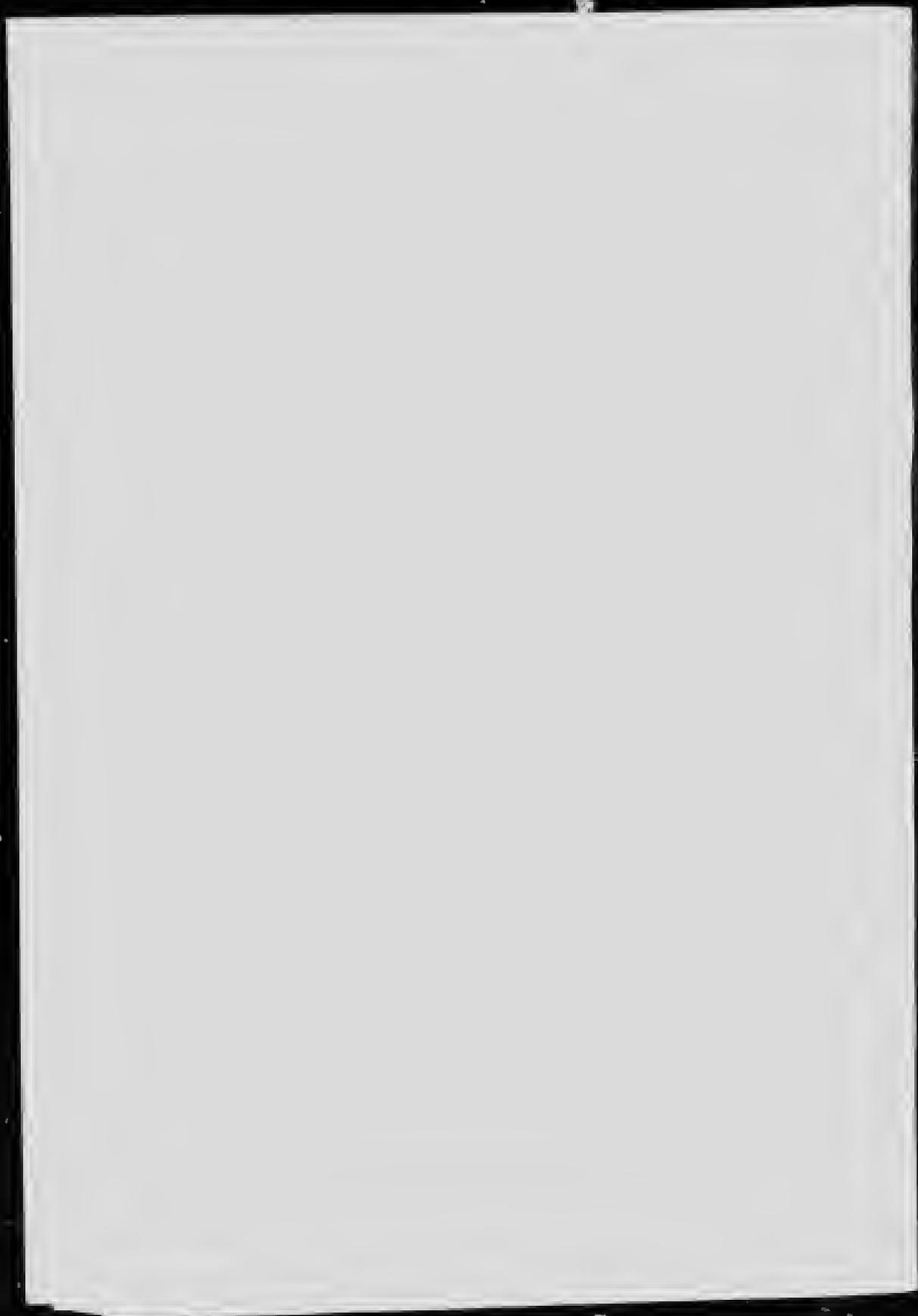
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SPEECH

OF THE

HON. S. N. PARENT

PREMIER.

UPON THE PULP WOOD QUESTION.

Delivered in the Legislative Assembly, Quebec, April 25th, 1903.

QUEBEC.

1903

SPEECH
OF THE
HON. S. N. PARENT
PRIME MINISTER

ON THE QUESTION OF
PULPWOOD AND THE POLICY OF HIS DEPARTMENT

Delivered in the Legislative Asssmbly, April 25th, 1903.

Mr. Speaker,

The motion which the Honourable member for Stanstead has presented to the House, has raised a question of importance concerning the administration of the Department of Crown Lands, on which, as the Minister in charge, I am pleased to have an opportunity of expressing my views. The Honourable member, as a Director of the Pulp Wood Association of Quebec, has a personal interest in this question. I find in a newspaper of the 20th instant the name of Mr. St. Pierre, of Coaticook, the member for Stanstead, mentioned in connection therewith.

I do not blame my honourable friend for desiring to promote his own interest. We should not, however, regard public questions solely from a personal standpoint, but rather in the interest of the whole province. Moreover, in the course of my remarks, I shall have no difficulty in demonstrating, that there is no foundation whatever for the conclusions of the motion now before the House.

This question has been persistently agitated for some time past, and it has served upon many occasions as a pretext for an attack on the Government. Many people have spoken on the subject, but I regret to say that few have manifested an adequate knowledge of the question. Those who were the most forcible in their language were either ignorant of the facts, or were merely seeking to further their own interest. I do not, as I said before, censure them for taking measures to protect their business, but I deny them the right of seeking to further their own ends to the detriment of the great mass of the people of this province.

I desire to reduce into a few words the questions now before the House :

1. What is our actual situation in respect to this question? What is our policy, if it is not that of our predecessors, with the difference that we have obtained better results?
2. The reasons why this policy was adopted, and the arguments in favour of the re establishment of the right to cut at \$1.90 per cord on pulp wood exported to the United States.
3. The reason why it is not deemed advisable to adopt the policy of Ontario. Contradictory attitude of our opponents.

I shall then briefly answer certain OBJECTIONS which have been made against our policy, which refer to the following points:

1. The DEVELOPMENT of the Pulp industry;
2. The DEVASTATION of our forests;
3. The ALIENATION of the PUBLIC DOMAIN;
4. The AMERICANS.

And lastly, I shall give the reasons which induced us to establish a permanent tariff until 1910.

OUR PRESENT SITUATION.

By an order-in-council dated the 17th of August, 1894, the tariff on pulp wood was increased from 25 cents to 40 cents per cord, and at the same time a reduction of 15 cents per cord was made on wood manufactured in this province.

There was so much objection made to this alteration, that the Hon. leader of the Opposition, who was then Commissioner of Crown Lands, caused the order-in-council to be revoked, and on the 5th of October, 1894, fixed the tariff at 40 cents per cord, without distinction.

This is what our opponents did. It is therefore inconsistent for them to now reproach us for adopting a policy which they inaugurated.

On the 18th of January, 1900, an order-in-council was passed, fixing the tariff at \$1.00 per cord, with a stipulation that a reduction of \$1.00 should be made on wood manufactured in this province.

Here is the text of the order-in-council.

Quebec, 19th January, 1900.

Present :—The Lieutenant Governor in Council.

It is ordered that the tariff of duty on pulpwood be fixed at one dollar and ninety cents (\$1.90) per cord of one hundred and twenty eight cubic feet, but that a reduction of one dollar and fifty cents per cord be allowed when the pulpwood is manufactured in this province.

(Signed), GUSTAVE GRENIER,
Clerk Executive Council.

This new regulation caused so much discontent, that on the 1st of June, 1901, the Government fixed the tariff at 65 cents per cord of 128 cubic feet, with a stipulation providing for a reduction of 25 cents per cord when the pulp was manufactured in the Dominion.

THE REASON WHY THIS POLICY WAS ADOPTED

The circumstances which led to these changes are as follows:—

1. A petition of the lumber men requesting a change.
2. That the application of the tariff of \$1.00 was not practicable.
3. That the policy was prejudicial to the interests of the province and of the settlers.

THE PETITION OF THE LUMBER MEN.

On the 29th of May, 1901, the Government received a petition from the lumber men, asking that the word "Canada" be substituted for the word "Province", and that the right to cut pulp wood be fixed at 40 cents for a period expiring in 1910. They also asked that no further restriction should be placed on the cutting of black spruce, so far as the stump measurement was concerned.

Here is the text of the petition :

Ottawa, May 29th, 1901.

Hon. S. N. Parent,
Premier, and Minister of Crown Lands,
Quebec,

Sir,

Enclosed you will find the petition of those in the trade, and hope you will see your way to give this matter your best and most favourable consideration; owing to the absence of Mr. McLachlin and Mr. C. Edwards, I have been unable to procure their signature, but they are with
Yrs.

I have the honour to be, Sir,

Your obedient servant,

(Signed), H. K. EGAN.

(Soon after Messrs. McLachlin and Edwards expressed their approval of the petition).

Ottawa, 29 May, 1901.

The Hon. S. N. Parent,

Premier, and Minister of Crown Lands,
Quebec.

Sir,

Your petitioners, lumbermen, and timber limit owners of the Province of Quebec have the honor to submit the following facts:

That a sale of timber limits is advertised to take place at Quebec on the 4th proximo.

That we consider in the public interest and that of the Province, some modifications of the regulations at present governing the manufacture of pulpwood should be made, and that the Order-in-Council in so far as it discriminates against the other Provinces of the Dominion, should be amended so as to permit of the manufacture of spruce, anywhere within the Dominion.

That we, your petitioners, have been quite extensively engaged in the manufacture of spruce and have been large contributors to the revenue of your Department, and have had vested rights long before the present act governing the cutting of spruce was passed.

That the tariff on spruce wood cut on the licensed lands of the Crown (if manufactured within the Dominion) be fixed at forty cents per cord, up to the year 1910, inclusive of the present year.

That no restrictions be placed upon the cutting of black spruce in so far as the stump diameter is concerned.

And your petitioners as in duty bound will ever pray.

Signed :—J. R. Booth, Alexander Fraser, David McLaren, Hawkesbury Lumber Co., H. K. Egan, general manager, A. Lumsden, George Bryson, The Rideau Lumber Co., Ltd., J. N. P. Gillies Bros Ltd., D. G., The Riordan Paper Mills, Ltd., P. W., G. H. Perley & Co., Davidson & Thackray, Fraser & Co., James Bryson, The Hull Lumber Co., Ltd., Chs E. Read, sec.

The Department having examined the allegations of the petition and having found them reasonable, made a report recommending that the request be granted, and that the stump measurement of pulpwood be fixed at 7 inches.

Here is a translation of the report of the Department :
Memorandum on letter 8900,01 of the Lumber merchants of the Province of Quebec.

A petition signed by many lumber merchants, dated 29th May, asked that the tax imposed upon pulpwood intended for the manufacture of paper pulp in the Dominion of Canada, be fixed at 40 cents per cord of 128 cubic feet, and maintained until the year 1910.

This demand, for the reasons alleged in the petition, appears to me to be just.

Moreover, the Department is aware from experience, that the duty of \$1.90 per cord upon pulp wood manufactured into paper pulp outside of the province is practically inapplicable. In a number of ways, which we are unable to prevent, it is found that the Crown is defrauded. For example, it is impossible to collect this tax on the wood cut by the settlers for clearance purposes upon lots under location tickets. Through divers influences, and false declarations, this wood only pays 40 cents a cord, or is allowed to pass without duty as coming from lots held under letters patent. It would require an army of agents to cope with the situation, or to form a regular Customs organization. In fact, we have only been able to collect this tax of \$1.90 in a few isolated cases. The holders of licenses are thus placed

in a disadvantageous position compared with the proprietors of lots, and the value of our berths is thus depreciated.

This tariff is also of a nature to hinder the sale of our limits, because the capitalists of other provinces and of the United States who would buy them, are not all ready to commence at once to manufacture the pulp in this province. Many have made this observation to the Department.

Under the circumstances I think it wise to re-establish the tariff of 40 cents a cord (being equal to 66 $\frac{2}{3}$ c. per 1,000 ft. plank measure) for all wood manufactured into paper pulp in the Dominion of Canada.

As far as other wood destined to be manufactured into pulp outside of the Dominions concerned, it seems to me that the duty of 65 cents per cord (being equal to \$1.08 per 1,000 ft. plank measure) representing a difference of 25 c per cord, is high enough, seeing that only one concern in this province, the Saint Maurice Lumber Co., exports pulp wood to the United States, and that this wood undergoes, before it is exported, certain preliminary operations, such as stripping off the bark, in a mill which the Company has constructed at great cost on the river Batiscan, and which employs a large number of workmen.

The tariff thus fixed upon pulp wood ought to be permanent until 1910, for pulp as well as for other wood, and for the same reasons which induced the Department to give this guarantee to holders of licenses.

Respectfully submitted,

(Signed),

PAUL BLOUIN.

Supt. of Forests.

Quebec, 31st May, 1901.

I entirely agree with the views expressed by the superintendent in the foregoing report.

(Sig),

E. E. TACHE,

A.-C.

Quebec, 31st, 5, 1901.

It was also alleged that long experience had proved that the application of the tariff of \$1.90 was ineffective, seeing that there were many ways in which the lumber merchants could evade it. It is well known that the river St. John flows towards New-Brunswick. The prohibitory measure restricting the manufacture of pulp wood solely in Canada, would not prevent the lumber being floated down the river St. John; and seeing that there are no regulations of this nature in force in New-Brunswick, the lumber could be exported from that Province to the United States, in order to evade the tax. In another part of the Province, the river Ottawa offers facilities for evading the law in this manner.

It is claimed that the Americans would pay \$1.90 per cord, just as willingly as they would pay 65 cents, because they are in need of our wood. This might be the case were it not possible for them to obtain a supply from the holders of lots under letters patent, from the seigneuries, from New-Brunswick and Nova-Scotia, and even from Ontario, at a lower price. We must not lose sight of the policy of retaliation, which in the hands of the Americans might prove a serious menace to the exportation of pulp from this province. The same conditions might prevail with regard to manufactures. We shall never be able to force the Americans to open up manufactories in our midst, so long as it is possible for them to obtain raw material elsewhere than from our Crown Lands.

PREJUDICIAL TO THE FINANCES OF THE PROVINCE

If such a right had existed, the capitalists of other provinces, as well as those of the United States, would not have been disposed to undertake the manufacture of pulp in our province, and they would have abstained from bidding for our lands. The consequence would have been to lessen the demand for our limits, to lower the selling price, to diminish the amount of wood cut, and thus to deprive the Province of a considerable source of revenue. Is it not possible that our opponents are jealous of the business like policy which we have adopted, which has

enabled us to derive revenue from sources which proved almost unproductive under their regime?

PREJUDICIAL TO SETTLERS.

Perhaps it is not generally understood, that under such a system the interests of the settlers would be sacrificed to the profit of those holding lots under letters patent. Nevertheless, the settlers, in whom our opponents profess to take such a deep interest, would, under the policy of which they boast, have to sustain a loss equal to the tax imposed upon the wood they sold, while at the same time the proprietors of lots under letters patent, and seigneuries, paid no duty!

The prohibition which is asked would protect a certain class only, namely the manufacturers of pulp and paper. The Government of a country, however, must show favour to no particular class, but must be guided by the interest of the public generally. The only result which would follow the maintenance of the high tariff which they desire, would be a reduction in the demand and price of pulp wood, and this would deprive the settlers of a means of subsistence, while clearing their lands.

And after all, this duty of 65 cents a cord on wood exported to the United States, is higher than that imposed on spruce logs, which, for example, is 65 cents per 1,000 feet; while 65 cents per cord of 128 cubic feet is equal to \$1.08 per 1,000 feet board measure.

Do our opponents wish us to place obstacles in the way of the Americans by the imposition of this tax? We should not forget that out of the 300,000 cords of wood which are exported to the United States, not more than about 50,000 are from our Crown Lands.

SOME OF THE COMPLICATIONS OF THE QUESTION.

The Honourable Chief of the opposition will, I think, agree with me when I say, that few questions are more complicated, or attended with more difficulties, than the

discrimination of tariff on various kinds of wood. In fact the sur-tax on pulp wood has been a source of difficulty since the commencement, and practically it has been impossible to collect it.

The question is not one of yesterday. It dates from the year 1894, when the Honourable chief of the opposition was in power, and personally administered the Department of Crown Lands. The sur-tax at the time was only 15 cents per cord; yet my Honorable friend met with so many difficulties in the application of the tax, that in the course of a few months he deemed it advisable to adopt a uniform tariff on all woods.

I have before me a memorandum, approved by the Honourable Mr. Flynn, setting forth the numerous complications and difficulties which were presented in the collection of the small difference of which I speak, and shall take the liberty of reading it.

DUTIES UPON SPRUCE, AND SETTLEMENT OF CERTAIN
ACCOUNTS IN THE ST. MAURICE AGENCY.

The cord of pulpwood of 128 cubic feet contains about 600 feet board measure.

The old tariff of 25c. per cord was equal to 42c. per 1,000 feet board measure.

The present tariff of 40c. per cord is equal to 66c. per 1,000 feet board measure.

In the Eastern Townships, and other places, where pulp wood is sent out by the cord, the tariff is applied without difficulty

In the case of St. Maurice Agency, where the wood intended for the manufacture of pulp is cut up in logs, the Department has decided, by its letters of the 30th December, 1892, and of the 15th of January, 1893, addressed to the St. Maurice Lumber Co., and to the

Laurentide Pulp Co., that logs, of less than 10 inches in diameter "fit only for the manufacture of pulp" would be subject to the pulp wood tariff upon a basis of 1536 feet plank measure per cord.

It is important to note that according to the report of Mr Nagle, two thirds, of the wood subject to the pulp wood tariff in the Eastern Townships, is fit for sawing, and that only one third is unfit for anything but pulp.

It should also be born in mind that the operators of the St. Maurice carry on the pulp wood industry under less favorable conditions than those of the Eastern Townships.

Nevertheless, in the settlement of the accounts, the fact that the logs of less than 10 inches subject to pulpwood tariff "were fit only for the manufacture of pulp", was not established.

The operators in the statement of their transactions have neglected to declare this fact since 1891-1892, inclusive. They have remained content with reporting each year a certain number of logs of less than 10 inches, without saying what part of these logs "was fit only for the manufacture of pulp", according to the terms of the letter of the Department of the 16th of January 1893.

This omission must be remedied: the settled accounts must be revised accordingly, and those which have not been paid must be treated in the same manner.

The declaration of operators can be controlled by experts at the mills instructed to verify the quantity of logs of less than 10 inches "fit only for the manufacture of pulp" cut during the year 1893-1894.

In order to simplify matters, and to avoid future difficulty. I think it would be better to submit spruce, without distinction, to the uniform tariff of 6' c. per 1,000 ft. board measure. *The pulp wood in cord can be taxed without*

any inconvenience at 40 c. per cord, which comes to about the same thing.

When the operators shall have established, to the satisfaction of the Department, that a certain number of logs are unfit for sawing and only fit for pulp, the usual tax of 65 c. per 1,000 ft. could be reduced to 40 c., which seems to be a reasonable duty on defective logs.

By special request, the St. Maurice Lumber Co., obtained from the Department, by a letter of the 13th of December, 1894, consent to pay 40 c. per 1,000 feet, on spruce logs of less than 10 inches in diameter, and on large waste logs; and the operations of 1894-5 ought to be settled upon this basis.

It will suffice in that case to establish the exact quantity of the logs cut in 1894-1895.

(Signed), PAUL BLOUIN.

12 June, 1895.

The suggestions contained in the present report should, in my opinion be adopted and put into effect in the regulations concerning the duty on pulp wood, both for past years, and for those which will be made this year.

(Signed) E. E. TACHÉ,
A. C.

Suggestions approved; act accordingly.

(Signed), E. J. FLYNN,
Com. T. C.

This 9th of August, 1895.

It will be observed that according to the decision of my predecessor, the general tariff was on a basis of 40 cents per cord for pulp wood, being equal to about 65 cents per 1,000 feet, as for spruce generally, and that spruce logs of less than 10 inches in diameter never paid more than 40 cents, whether manufactured in the province or not, which would be about 25 cents per cord. The minimum

diameter of the logs which it was then lawful to cut, was 11 inches. And so, that which was illegal was legalised and encouraged by a reduction on the regular tariff, and many of these logs supposed to be unfit for lumber, and good for pulp only, could be exported at an advantage of 15 cents a cord over regular pulp wood.

I recall these facts to show what confusion there existed in the rules of the department over which I preside to day. Under the present administration these anomalies have disappeared. We have endeavoured to establish order and method out of chaos. In order to favour the lumber industry and colonization, we have reduced to seven inches the diameter of spruce cut for pulp, and to protect the pulp manufacturer, we have fixed the general tariff at 65 cents per cord, with a reduction of 25 cents on that employed in the manufacture of pulp wood or paper, in this country. Our situation is now clear and defined, and we know just where we stand.

I ask my critics to recall the difficulties which the question presented to them in 1894 and 1895, and to tell me how they can seriously propose to increase the tariff to \$1.90, a difference of \$1.50, in favour of wood manufactured in the country, when they themselves found so many difficulties attending the collection of a small difference of 15 cents, which was paid to encourage national industry?

Moreover, it is well known that in the year 1900 we tried the effect of this special tariff of \$1.90 on wood exported to the United States, and discovered that its application was attended with so many difficulties as to be impracticable; and in consequence it was abolished.

In the wording of the order-in-council of 1894 there was a defect which discriminated only against wood manufactured in the "Province". Besides the large quantities of wood cut in our inter-provincial limits, which had to be passed across a river either to Ontario or

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

of Quebec, and therefore its collection became impossible in districts bordering upon other provinces. Thus, the petitioners, at whose request the tax had been imposed, soon discovered their error, as the following document proves:

February, 12th 1901.

Hon. S. N. Parent,
Minister of Crown Lands,
for the Province of Quebec,
Quebec.

Sir,

At a meeting of the Paper Makers' Association, held in Montreal, on the 5th instant, the following resolution was passed:

"Whereas the Paper Manufacturers' Association of Canada did petition the Quebec Legislature to increase the stumpage tax from 40 cents per cord to \$1.90 per cord on all pulpwood exported from the Province of Quebec, but the said Association did not intend in such petition that the said tax of \$1.90 per cord should apply to pulpwood taken from said Province of Quebec, and used in other parts of the Dominion of Canada, and as the said Province of Quebec is now demanding the increased tax of \$1.90 per cord on all pulpwood exported from the said Province of Quebec to other parts of the Dominion of Canada, it is unanimously resolved upon the motion of Mr. John R. Barber, seconded by Mr. E. B. Eddy, that the Paper Manufacturers of Canada do again petition the Legislature of the Province of Quebec that the tax of \$1.90 per cord shall only apply on pulpwood exported out of the Dominion of Canada, and be it further resolved upon the motion of Mr. John Macfarlane, and seconded by Mr. E. B. Eddy, that the following committee, viz: Messrs J. D. Rolland and John R. Barber and the mover and seconder of this resolution be and are hereby appointed to wait upon the Minister of Crown Lands for the said Province of Quebec, and present the above petition. Carried unanimously."

In forwarding this resolution, we beg to point out that all the Paper Manufacturers in Canada are members of the Association, and we shall feel obliged if you will kindly appoint a day for the committee to wait upon you and discuss the matter, and if you will please notify us of the date and hour that would be most convenient to you, we will arrange for its attendance.

We are, Sir,

Your obedient servants,

(Signed) JENKINS & HARDY,
Sec. Treas.

It was only after all these representations had been made, and after a thorough study of the question, that the Government decided to fix the tariff of dues on the cut of pulp wood, at 65 cents per cord, with a reduction of 25 cents per cord on pulp wood manufactured into paper in Canada.

Our opponents now desire us to retrace our steps and re-establish the old duty of \$1.90, under the pretext of cutting off the supplies for the Americans.

The mover of this motion, who is a member of an association interested in the lumber trade, should not have forgotten that in the interviews I had with its delegates, I proved that it was impossible to attain the end desired by the imposition of a sur-tax, however high it might be. I think I have succeeded in persuading the majority of the delegates, if not all, seeing that they have abandoned the idea of an increased provincial tax, and have turned to Ottawa to obtain a prohibitory law against the exportation of pulp wood from any part of Canada. They have even asked me to use my influence with the Federal authorities, and here is the proof of it.

Montreal, 26 January 1903.

Hon S. N. Larent,
Premier, Province of Quebec.

Honourable and dear Sir,

At a meeting of the Pulp and Paper Manufacturers held at the Windsor Hotel on the 2nd of December, 1902, the following were either present or represented:

Messrs. E. B. Eddy, of the E. B. Eddy Co., Ltd; John R. Barber, of Messrs. Wm. Barber & Bros; Toronto Paper Mfg Co.; F. P. Buck & Co; compagnie de Pulpe de Jonquiere; Cie de Pulpe de Montmagny; Moulins de Pulpe de Rimonski; J. E. Vallée, of James McLaren & Co; W. D. Gillies; A. McArthur, of A. McArthur & Co; T. C. Smith, vice-président of the Laurentide Pulp Co; J. D. Rolland of the Cie de papier Rolland; John Ford, of John Ford & Co; John McFarlane, president of Cie de Pulpe de St-Raymond; Robt. Miller, of Miller Bros & Co; W. Jalbert, de la Cie de Pulpe de Ouatchouan; F. J. Campbell, manager Canada Paper Co; Wm. Hanson, directeur de la Cie du chemin de fer Québec et Lac St-Jean; J. E. Caron, M. P. P., secrétaire de la Cie de Pulpe Métabetchouan; F. Florentin Soucy; W. Ayers, de Hamelin & Ayers; Cie de Pulpe de Chicoutimi; James Davy and John Forman.

Mr. E. B. Eddy was asked to take the chair, and Mr. John Forman to act as secretary.

Resolved: That in the interest of the Pulp and Paper manufacturers of this country, and in the interest of the trade generally, it is absolutely necessary that an exportation duty be imposed immediately upon spruce logs exported at the rate of \$1 for the first year, \$1.50 for the second, \$2 for the third, \$3 for the fourth and following years, per cord of 128 cubic feet, the measurement including bark, or its equivalent. Also, in order that each province might derive some profit from this exportation duty, in proportion to the decrease of its material resour-

ses following the imposition of this tax, it is the opinion of this assembly that 90 per c., of the said tax be remitted to the government of each province respectively, where the wood has been cut, 10 per c., being retained by the Federal Government to cover the cost of collection.

Resolved: That in order to obtain, if possible, the co-operation of the Hon. S. N. Parent, Prime Minister of this province, it is desirable that the president and secretary submit the question to him and give him all the required information.

It is noticeable that the foregoing resolutions have been unanimously adopted without one dissenting voice, and we consequently ask you to give them your careful attention.

Respectfully,
(Signed) E. B. EDDY, President,
JOHN FORMAN, Sec.

After those who are mostly interested in this question have recognized and approved of the efforts made by the Government to settle this difficult problem, it is singular that our opponents should endeavour to make political capital out of such a subject. The simple demonstration of facts, such as I have presented, is however, sufficient to destroy the effects of their arguments which are put forth simply for political purposes and to cause annoyance.

THE LAW OF ONTARIO

One of the favourite arguments put forth by our critics is in favour of the law of Ontario. They ask us why we do not follow the example of our friends in Ontario. The answer is very simple. It is that our situation is not at all the same. We have not here fronting on our timber berths a Lake Huron, across which the pine wood of Ontario is floated in its rough state to be cut up in the State of Michigan saw mills. Here, in addition, are a few facts which may be useful to our opponents in the future, and may cause them to be more careful.

The Ontario law which they ask us to follow, is an Order-in-Council, of the 18th of January 1900, amended later on by 62 Vic. chap. 11. There has been much discussion about this law, but is the reason of its adoption known? It is not, as is generally believed, the question of pulp wood, but of *pine logs*.

I said some time ago, in answer to an interpellation, that the time is not opportune for us to adopt the policy of Ontario, and amongst other things I pointed out that our geographical position towards the United States is not the same. Because of the facility for transportation which the lakes offer for transportation for nearly all the pine wood cut in Ontario, it can be transported to Michigan and manufactured there. That is why the order-in-council above mentioned was passed, and it was only in 1901 that pulp wood was included in it.

Do you think that with that prohibitive law Ontario exports more pulp wood? Examine the last report of Navigation and Commerce, and you will find that in Ontario, in 1902, the exports were \$193,782 to the United States; while Quebec without this prohibition exported pulp valued at \$412,661. Thus the exportation of Ontario as compared with Quebec, is 31.93 per cent.

THE CONSERVATIVES OF ONTARIO AND OF QUEBEC

With regard to the policy of Ontario, it is interesting to compare the attitude of our opponents in Ontario with that of the Conservatives of this province. If we accept their declarations it is manifest that there is a want of harmony between them. The conservatives of this province declare that our policy regarding the administration of our crown lands is disastrous; while the conservatives of Ontario approve of it. And the proof of it you will find in this quotation of the *Mail and Empire* of the 7th of May, 1902, regarding the Budget Speech of the Honorable Mr. Duffy.

The *Mail and Empire* is the most widely circulated conservative paper in Ontario, and I believe in the country.

" The conditions in Quebec as thus laid down by the Treasurer of that Province are much more to the public advantage than are those of the Ontario Government's pulpwood Concessions. Quebec simply issues a licence good for one year, and renewable thereafter annually. Nor does the holder of a licence get his right to cut as the result of a secret agreement, and without a money consideration. He has to bid for it in competition with timber men from all parts of Canada and the United States who appear at the public sale the government has widely advertised for several weeks. In this way the government secures a handsome bonus amounting in some cases to hundreds of dollars per square mile."

But this is not all. The conservatives of Ontario in their last election pamphlet, referred to our policy on page 24, as that which they proposed to adopt as their own, should they be returned to power. The pamphlet bears the title " The Record and Platform of the Conservative Opposition ". Ontario Elections, 1902. "

There is in this pamphlet a little chapter upon the question of our policy regarding forests, entitled " How Quebec Does it " which we here quote.

" We, of Ontario are under the impression that Quebec is disposed to be improvident. Yet, that Province like our own has pulp wood forests, and it does not concede them by private sale. All the limits are sold by public auction and to the highest bidder. Not only must the highest bidder pay a bonus for the privilege of cutting spruce, poplar, and bass wood, in the limits of the territory which he has bought. but he must, in addition, pay a rental of \$3 per square mile, as well as 40c. per cord for the right to cut.

Here is a statement of a sale of limits which took place in Quebec in 1898, when pulp wood had not reached the price it has to day. These figures are taken from the report of the Commissioner of Crown Lands for 1900.

	Miles	Bonus	Rent.
Upper Ottawa.....	201½	\$ 20,544 37	\$ 609 00
“ St. Maurice.....	790	58,412 00	2,730 00
Montmagny	82½	5,073 41	255 00
Grandville	81	4,134 82	246 00
Metapedia Val.....	19½	1,406 00	57 00
Rimouski E.....	3½	108 50	12 00
Eimeuski W.....	170	16,555 75	510 00
Bonaventure W.....	29	754 00	87 00
St. Charles.....	38	1,388 00	114 00
Lake St. John.....	215	5,652 82	651 00
Saguenay	213½	10,863 50	641 00
Totals	1,933½	\$129,171 02	\$5,829 00

“ We give away our property, while Quebec for 1,933 square miles, received the sum of \$129,171, and a rent annually of \$5,829. Our concessions are given away, and that for 21 years, while Quebec during that period collects \$122,409 in annual rent. And from these 1,933 square miles Quebec therefore receives the following sums :

Bonus.....	\$ 129,171
Annual rent.....	121,409
Total.....	\$ 251,580

If, instead of giving away our 15,660 square miles, as we have done, we had exacted, like Quebec, a price, we should be the richer by \$2,020,140.”

These are not my words, or the words of the liberals of Quebec, but of the conservatives of Ontario. I do not know whether they are right, for the conditions are certainly not the same in Ontario. It is not my intention to criticize their policy, to which all in this province are more or less strangers. But I desired to place before you the difference in the stand taken by the conservatives of Ontario and those of Quebec. Perhaps they are quite wrong. I would not be surprised if they are, if I am to judge them by what our opponents say.

Mr. Speaker, I have presented the question as it stands to-day, as I proposed at the commencement of my remarks, I have also shown that our policy regarding timber limits and pulp wood has nothing unusual or revolutionary in it; but by improving the system, without changing it, we have obtained results which are far more advantageous than those obtained by our predecessors. I have also shown that the argument put forward for the adoption of the policy of Ontario, has been turned against them.

I have now to reply to the principal objections raised by the motion of the honourable member for Staustead.

DEVELOPMENT ON THE PULP INDUSTRY.

Our opponents insist strongly upon the re-establishment of the old duty of \$1.90 upon pulp wood exported to the United States, thinking that they would thus compel the Americans to manufacture here. I have already explained that it is impossible for the provincial Government to cut off the supply of the Americans, because they have other sources to draw from than our Crown Lands. But there is more. What would be the consequences if we were to adopt the policy advocated by our opponents?

Whether or not this blow is aimed at the Americans, they might regard it as an aggressive policy. It would not be surprising therefore if they were to retaliate by imposing a high tariff on pulp coming from Canada. It is a well known fact that fifty per cent of our pulp is exported to the United States. If we still desired, under such conditions, to export our pulp, we should have to reduce it by at least the amount of the duty imposed. It is not reasonable to suppose that the reduction in price would cause new pulp industries to spring up. The contrary would follow.

Could we, on the other hand, find a market elsewhere? In England for example? It is well known that we can scarcely compete advantageously with Sweden and

Norway (whose forest resources are very large) upon the European market.

THE DEVASTATION OF OUR FORESTS.

Let us suppose, for a moment, that I am mistaken; and that instead of decreasing or remaining stationary, the pulp industry progressed. The demand for raw material would naturally be greater. New concessions and timber limits would be called for in consequence. Now, if we supplied this demand, our opponents would charge us with the alienation of the public domain; with the devastation of our forests. On the one hand they reproach us for supplying the demand, and on the other they boast of a policy which would bring about similar results. Before commencing to criticise us they should be logical, and consistent with their own policy.

It is claimed that the supply of our forests will soon be exhausted. There are 222,000,000 acres of land in the province. Of this 10,679,000 acres form part of seigneuries, and 11,442,403 acres have been granted under letters patent. The Crown has therefore at its disposition about 200,000,000 acres of land, which for the greater part is richly covered with timber.

But you may desire to know what are our resources in pulp wood. And with your permission I will quote a few official documents which throw much light on this point; a point concerning which our opponents hold very erroneous ideas, and they appear to do their best to lead the public to adopt their views.

The information which I am about to give is the result of a thorough and prolonged study of the question, and it will, I am sure, dispel the uneasiness which the alarmists have endeavoured to create. In the first place, here is a report from the superintendent of Woods and Forest, based upon official figures, which are of record in my department, and may be inspected by any person.

“ There are at present 62,952 square miles of land under license to cut timber.

If the quantity of pulp wood contained in that territory is estimated at 3,000 cords per sq. mile, then we obtain a total of 200,000,000 cords. This number contains only the pulp wood which it is lawful to cut according to the regulations, that is to say, trees measuring 7 inches or more at the stump.

To exhaust these 200,000,000 cords of pulp wood at the rate at which it was cut in 1901-1902, that is at about 50,000 cords per year, it would require about 4,000 years, and this is without taking into account the trees of under 7 inches in diameter.

If we take into account the constant growth of trees, it would take a far greater number of years to exhaust our supply at the present rate of cutting.

If we wish to take into account all pulp wood, including trees which are not of the required size at present, we see that we could easily arrive at a total of a billion cords, which would last over 20,000 years.

And there still remain 100,000 square miles of forest which are not under license.

Respectfully submitted,

(Signed) PAUL BLOUIN.
Superintendent of Forests.

To the Hon. Minister of Lands,
Mines and Fisheries.

Quebec, 31st March 1903.

Thus, we have just seen that there are actually under license to cut, about 62,952 square miles. If we estimate at 3,000 cords per square mile the quantity of pulp wood contained in that territory, we obtain 200,000,000 cords. This comprises only the pulp wood which it is legal to cut, that is, trees of 7 or more inches in diameter.

To use up these 200,000,000 cords, not including the small trees which are growing, and which would provide for the renewal of the forest in the course of 25 years, it would require the space of about 4,000 years, at the rate at which pulp wood was exported to the United States in 1901-1902, that is 50,748 cords. In the year 1900-1901, there were only 30,360 cords exported from our Crown Lands. Let the Editor of "La Patrie" repeat now: "When all our wood is gone we will have no more". But at the time that our supply is exhausted, it will be impossible for him to repeat such nonsense.

Now that the resources of our forests are known, it may be well to ascertain how many cords of pulp wood were exported from our Crown lands last year. There were 50,748 cords exported. These figures are obtained from a report which I caused to be prepared by the different Agents of the Department, of which the following is a summary.

Pulp wood cut upon the Crown Lands and subject to duty (season 1901-1902), and exported to the United States.

According to the reports of Forestry operations, here is the quantity of Pulp Wood exported to the United States for the year 1901-1902.

Chicoutimi Agency (Nordin), Chaudiere (Atkinson & Breakey) St. Francis (F. Dudley, Royal Paper Mills & Scotstown Mills).....	5,790 cords.
St. Maurice Agency (Farmer St. Manrice L. and Union Bag Co)	44,958 "
Total.....	<u>50,748</u>

Respectfully submitted,

(Sign) PAUL BLOUIN,

Superintendent of Forestry.

To the Honorable Minister of Lands,
Mines and Fisheries.
Quebec, 26 February, 1903.

And this is what is called the giving away of the products of our forests to the Americans! The 250,000 cords which form the balance of the exportation to the United States (for there were about 300,000 cords exported) came either from the seigneuries or from lots held under letters patent, which cannot be affected by the rules regulating Crown Lands. The right of which I spoke could only affect about 50,000 cords, and yet we are accused of causing the destruction of our forests!

Is it possible to conceive such foolishness?

Can we speak of devastation, when by following the rules in force we have a supply for a least 4,000 years to come? And it must be remembered that this forecast is not the result of an exaggerated optimism. It is based upon the evidence of men well acquainted with the facts, who have been examined by the Colonization Commission. I will take the liberty of quoting here some of the evidence given before the commission, which must convince even our opponents; for it is signed by men who are recognized as authorities. One deposition is of particular interest. It is signed by Sir Wm Van Horne.

Extract of the deposition of Sir William Van Horne, before the Commission on Colonisation, November, 3rd, 1902.

Q How long will this spruce last on your limits of the Laurentide Pulp Co., at the present rate of consumption?

A. The company acquired an usually large amount of timber lands, about 1650 square miles, with the object of having enough so that the annual growth might permanently provide for the requirements of its mills at Grande Mère, and it is believed that by judicious cutting and by careful protection of the timber against fire, the future requirements of the mills at Grande Mère will be sufficiently met.

Q. What system do you adopt with regard to preservation of the forests in your limits?

A. I am not familiar with the details, but speaking generally we are keeping well within the Government restrictions as to the size of the timber cut, but my information on that subject is only general.

Q. Is it not of vital importance to your industry that the supply of spruce shall last indefinitely?

A. Yes.

In another part of his deposition, Sir Williams says :

“ I am of opinion that the Province of Quebec contains a larger disposable quantity of spruce than any other country in the world.”

We have therefore an excellent basis for comparison. If 1650 miles of limits can supply indefinitely the mills at Grand'Mere, we can base upon their annual consumption of pulp wood an exact estimate for the production of the whole Province, as the following report will show.

During the cutting season of 1901-1902 the Lanrentide Pulp Co. cut the following quantity of wood, according to the report of Mr. Ryan, dated 12th January, 1903.

White pine.....	77,980	pieces containing	5,995,236	feet
Red pin.....	9,051	“ “	454,441	“
Spruce.....	762,646	“ “	29,656,921	“
Cedar.....	142	“ “	7,000	“
Hemlock.....	1,920	“ “	136,447	“

The 29,656,921 feet of spruce, representing 49,428 cords of pulp wood.

Respectfully submitted,

(Signed), PAUL BLOUIN,
Superintendent Forests.

The Honorable Minister of Lands,
Mines & Fisheries.

Quebec, 11th April 1903.

The following report of the Superintendent of Forests shows, that if we take the whole area of the forests of the Province as a basis, we can, by carefully applying the regulations in force, and by taking proper precautions against fire, obtain an annual supply of from 240,000 to 360,000 cords of pulpwood apart from those lands which are under the control of the Government.

There are in this Province 8,055,682 acres conceded under letters patent, equal to 12,587, square miles, and 10,672,000 acres in seigneuries, equal to 16,675, square miles.

Of this extent of territory at least 2,845 square miles are patented lots and timbered, and at least 5,524 square miles of the seigneuries are also timbered, making in all 7,869 square miles of timbered land which is private property, and consequently not subject to the Crown Lands tax.

According to the evidence of Sir William Van Horne, referring to the operations of the Laurentide Pulp Co., we are in a position to affirm that 1,650 square miles of timbered lands, well administered and protected, will supply indefinitely 50,000 cords of pulp wood per year.

That is about the quantity exported to the United States by the whole province in 1901-190 .

At this rate of production, lands under letters patent could supply annually 75,000 cords of pulp wood, and seigneuries 165,000 cords, making in all 240,000 cords of pulp wood not subject to any tariff which the Government of this province might fix upon wood exported to the United States, or to the Crown tax. The census of 1891 gives in round figures, 7,200,000 acres of wooded land, held as private property in the province of Quebec.

Before having knowledge of these statistics, Mr. Taché had estimated the area of forest land thus held, at 5,000,000 acres, at least.

If we take into account the decrease which must necessarily have taken place since 1901, and the area of land held under location tickets, upon which wood is subject to the Crown taxes, the estimate of Mr. Taché, appears to be correct.

At all events it is not exaggerated, and taking the census as a basis, the estimate would have to be increased, which would augment the number of cords of pulp wood not subject to the crown tax, and would possibly bring the figure to 240,000 or 300,000.

Respectfully submitted,

(Signed), PAUL BLOUIN,
Supt. of Forests.

20 April, 1903.

To the Hon. Minister of Lands,
Mines and Fisheries.

With the assistance of these facts it is easy to arrive at correct conclusions. It is a simple rule of three.

The extent of timber lands actually under license is 62,592 sq. miles, according to a report made by Mr. Blonin on the 14th of March last, and he adds in another report which I have before me:—

During the season of 1901-1902 the Laurentide Pulp Company cut upon its limits nearly 50,000 cords of Pulp wood, besides six millions and a half ft. of pine, and 140,000 ft. of cedar and hemlock.

If, at this annual rate of production there is enough wood on the 1650 sq. miles of the Company's limits to supply its mills in a permanent manner, the 62,000 miles actually under license can supply indefinitely 37 similar establishments, and produce, 1,850,000 cords of pulp wood yearly, not to speak of other woods.

For it is reasonable to believe that these 62,000 miles are generally as rich in timber as the 1650 miles of the Laurentide Pulp Co.

Now the statistics show that in 1901-1902, 200,000 cords of pulp wood were cut on Crown Lands. It would then be possible to cut nine times, this quantity annually without over-reaching the limits of a normal production, which according to Sir William Van Horne, could be continued indefinitely with reasonable care ?

There still remain 100,000 miles of forests at our disposal.

It therefore appears unreasonable even for the least optimistic to be alarmed at the present production of our pulp wood.

So much for the pretended devastation of our forests.

The truth is that the greatest destroyer we have to fear, and to combat, is not the wood merchant or the American, but fire, which each year lays waste vast areas our forests, and the best protection against this enemy is the granting of land under licence. The proprietors of limits are directly interested in protecting their concessions against fire, and I shall quote on the subject a few opinions gathered at the investigation held by the Colonisation Commission.

Question number 53.—What are the principal causes of the destruction and waste of saleable wood in the forest ?

Answer: By the Hawkesbury Lumder Co., H. K. Egan, 12 November 1902.—The principal cause is fire the result of negligence. There are also settlers who do not act in good faith.

Geo. H. Perley & Co., and the Hull Lumber Co., Geo. H. H. Perley, 9th of December, 1902.—The great cause is

fire. There is also the squatter and the speculator in wood, the raftsmen and the camps of sportsmen.

R. Sisson, manager for Price Bros., Batiscan, 3rd Nov. 1902. Fire and wind storms cause great destruction in our forests. It is difficult to indicate a remedy. The dishonest settler is also another great cause of destruction.

W. C. Edwards said that fire is the great destroyer of the forests.

Question number 58. Is it possible to be assured of a continued and perpetual supply of pine and spruce?

Question number 59. How can we arrive at that result?

Answers.

W. C. Edwards thinks this is possible by protecting woods against fire and by judicious regulations regarding cutting.

Geo. H. Perley & Co., and Hull Lumber Co., per G. H. Perley.—We think that the supply of spruce can be prolonged indefinitely, if fire is kept out of the limits.

I may also quote, for it has a bearing on the subject, the following resolution which has been transferred to me by the Secretary of the Canadian Forestry Association.

Moved by E. G. Joly de Lotbinière, seconded by Professor Macoun:

That in view of the continued and deplorable loss of timber by fire, this Association, whilst recognizing the work already done, notably by the Province of Ontario, would urge upon the Governments of the country, both Federal and Provincial, the urgent necessity of giving more earnest attention to the subject of "Fire protection" and would suggest:

1st. That the number of fire wardens and fire rangers be largely increased both of lands under license as well as on those which are not :

2nd. That all lands, whether under license or not, be explored, as soon as practicable, in order to determine those fit for agricultural purposes and those which are not.

3rd. That all lands found unfit for agricultural purposes be declared " forest lands " and kept as such in perpetuity.

4th. That governments should direct their efforts to centralization and contiguity in the settlement of any section of land declared fit for agricultural purposes and that settlement on isolated lots be absolutely prohibited.

That the Executive Committee of this Association be instructed to place the above suggestions before the different Governments and urge upon them the adoption of the measures above suggested.

In view of the rapidly increasing value of forest products and the absolute certainty of their continued increase in the future, as well as the necessity of retaining a considerable area of land perpetually in forest for economic reasons the Association trusts that the matters dealt with in this resolution will receive due attention at the hands of your Government.

Yours truly,

(Signed)

E. STEWART,

Secretary

Here are the opinions of experienced men, and they are shared by all those who are acquainted with the facts.

The concession of new limits is not a cause for complaint ; on the contrary it is desirable that all accessible

forests should be placed under license as it is the surest means of protecting them against devastation and robbery. Besides this, the proximity of settlers clearings, and the carelessness of travellers are sources of constant danger; and enormous tracts are annually consumed by fire, which is the great devastator of our forests. For this reason the Government is interested in increasing every year the number of lumber merchants. At the high price which the limits have reached, and the fact that they are obliged to pay a rent of \$3 per mile, the merchants are interested more than anyone else in the preservation of their limits, and the deeper they are interested, the better will it be for the province.

OTHER OPINIONS.

Provided we are vigilant in guarding our forests; and strictly enforce the present regulations regarding the diameter of the wood which is cut, and taking into account also the natural growth of the forests, we may rely upon a perpetual supply.

The regulations at present in force date from the 1st of June, 1901. The 12th clause reads as follows:

12. Licensees are forbidden to cut on Crown lands, pine trees measuring less than 12 inches in diameter, spruce trees measuring less than 11 inches in diameter and trees of other descriptions measuring less than 9 inches diameter, at the stump; but they are permitted to cut black spruce, balsam, poplar, hemlock and other small timber intended for the manufacture of paper pulp at a diameter of 7 inches at the stump.

This regulation has been adopted to further the development of the pulp industry, without hindering the preservation of forests. The adoption of this regulation has received the approbation of all the limit holders, who are the most interested in the duration of our forests, as the following document shows:

ASSOCIATION OF LIMIT HOLDERS OF THE PROVINCE OF QUEBEC.

The holders of timber limits desire to declare publicly that the regulation in force applying to the size of the wood which it is lawful to cut for pulp is strictly enforced by the present administration, and that they entirely approve of it as tending to preserve the forests.

Quebec, April 17th, 1903.

R. TOURVILLE,
President.

P. OWENS,
Secretary.

As far as the natural renewal of the forests is concerned, the following opinions gathered by the Colonization Commission, will, I think, leave no doubt in the mind of any one.

Question No. 56. How long does it take for a pine shrub to attain a diameter of 12 inches at the stump ?

Question No. 57. How long for spruce ?

Answers. R. Sisson, Manager for Price Bros. Batisson, 8rd Nov. 1902. For pine in clearings about 20 years, in clumps, 35 years, to attain a diameter of 12 inches.

For spruce in clearings 12 years, and in forests under the ordinary circumstances, 18 years. Spruce can be, and in fact it has been, perpetuated, in not allowing small trees to be cut, and as a proof that this is a practical precaution, I may say that we have exploited without interruption for 25 years.

The Hawksbury Co., per H. K. Egan.—About 14 years and 36 for pine. He says that white spruce grows rapidly, and black less so.

Geo. H. Perley & Co., and Hull Lumber Co., per G. H. Perley.—About 25 years.

Alex. McLaren, Lumber Merchant, Montreal, says on the 28th of March, 1908: "I have visited Sweden in February last; there are only two kinds of wood there, that is, bass wood, which is very much like the white spruce of this province, and red wood, which is like our red pine. There is an abundance of these two woods, but of small size. The average is from 6 to 9 inches at the top, and from 20 to 28 feet long.

In Sweeden they estimate that it takes about 15 to 20 years to obtain a second growth of 9 inches at the stump. He adds that wood does not grow as quickly in Sweden as it does here.

Question No. 101. If you have made explorations in the northern parts of the province what is your opinion upon the quantity of wood not yet touched in those regions?

Answer, by Mr. W. C. Edwards. There is a considerable quantity of virgin spruce in some of the northern regions, altogether a very large quantity. Yet this is not equal to the richness of the forests on the tributaries on either side of the St. Lawrence.

Question No. 103. As a matter of fact is there at present a sufficient number of limits under exploitation to meet the demand?

Answer by W. C. Edwards. A very small part of the limits at present under license are really exploited. We do not think that new sales would materially affect the situation; even if a greater number of limits were put in operation we do not think that the market would be materially affected.

Question No. 107. Is it desirable to put an end to sales?

Question No. 108. Would it not be better to increase the tax and to retain the remaining limits until a better price is reached?

Answers. R. Sissons, manager of Price Bros and Co. We do not advise a discontinuance of sales, but rather to force the purchaser to operate within a reasonable delay, so as to get rid of speculators.

Geo. H. Perley and Hull Lumher Co., per G. H. Perley. We think it would be wise to encourage the cutting of logs throughout the Province, to take the necessary measures to prevent fire and to see that the wood cut is not less than the dimensions prescribed. The duties at present exacted by the Government are certainly high enough, in fact they are much higher than in Ontario.

I could multiply these opinions, but what I have already said is sufficient to put an end to the senseless stories of devastation which certain people circulate who are ignorant of the facts.

THE ALIENATION OF THE PUBLIC DOMAIN

From what our opponents say, one would think we had just about disposed of the whole of the Province to strangers. Let us study the facts and see how far this alleged sale of the Province is true.

In the first place the employment of the word alienation conveys a false impression, and the starting point of our opponents is false. This sale of limits is not an alienation ; but a kind of rental, a privilege to cut wood on a defined territory. In order to obtain this privilege, one must pay a certain sum per mile, the rate of which varies according to the activity of the bidders. In addition to this it is necessary to pay a ground rent of \$3.00 per mile ; and in the case of pulp wood a duty of 65 cents per cord for the right to cut, or forty cents when the wood is not for exportation. Besides this, the license of a holder of a concession is liable to be annulled for any disregard of the regulations of the Crown Lands Dept.

But this is not all, a *bona fide* settler may at any time obtain the concession of a lot situated in territory under license, and according to the expressed terms of the law,

the lot is withdrawn from license on the 30th of April following, and from that moment the lumber merchant, the holder of a license (call them as you wish, it is always the same thing) has not the right to cut a single tree on this conceded lot. Is it possible for the Government to declare the right of proprietorship more forcibly than it does in this case? And yet there are people who maintain that the licenses to cut wood constitute an alienation of the public Domain.

But let us view the matter from another point and suppose for a moment that that which we have done is wrong, disastrous, and as contrary to the interests of the Province as our opponents pretend. If this is the case, then I say that our opponents should share the responsibility with us **SINCE THEY HAVE FOLLOWED THE SAME POLICY**. Let us not forget that their responsibility is equal to ours, and this I will prove by official figures. I contend that we have acted wisely, and that if we have erred our opponents have erred in an equal degree

I hold in my hands at this moment a document which proves this equal responsibility. It is the report of the Superintendent of Woods and Forests on the various sales since 1897.

Statement of lands under licence to cut in 1897: 48,465 square miles.

Actually under licence, 62,952 square miles.

Statement of lands placed under licence since 1897 distinguishing the limits already offered for sale before the present administration.

March 1898, 1215 miles sold of which, 855 were already offered before the present administration.

Oct. 1898,	1933	"	"	1229	"
May, 1900,	4903	"	"	2322	"
June, 1901,	4634	"	"	2000	"
June, 1902,	1301	"	"	582	"

Total : 14,486 milles sold of which 6,938 miles were principally in the following agencies : Upper Ottawa, St Maurice, St Charles, Saguenay, Lake St John, Grandville, Gaspé West, Bonaventure East, Rimonski West, already offered before the present administration. Of this territory of 14,586 miles above mentioned, 4,245 miles were principally in the following agencies : Upper Ottawa, St Charles, Saguenay, Lake St John, Grandville, Gaspé West, Bonaventure East and Rimouski West, had previously been under licence, but had been given up.

Statement of limits offered for sale before the present administration, and which are still on the market, 691 square miles, particularly on the St Maurice, 575 miles, and in the Saguenay, 116 miles.

(Sig.) PAUL BLOUIN,
Supt. of Forests.

To the Hon. Minister of Lands, Mines and
Fisheries, Quebec 14 of March, 1903.

(Which would leave only 7,397 miles sold by me which had not already been announced for sale by my predecessors)

Thus, in 1897, there were under license to cut 48,466 square miles.

In 1903, there were 62,952 square miles, being an increase of 14,486 square miles.

There is nothing like figures, and I defy any one to prove that those which I shall give are erroneous.

In March, 1898, we sold 1215 square miles, but out of this number 885 had already been offered for sale by our opponents.

In October, 1898, we sold 1933 square miles, and out of this number 1229 square miles, had been already offered for sale by our predecessors.

In March, 1903, we sold 4903 square miles, out of which 2322 square miles, had previously been offered for sale by our opponents.

In June, 1901, we sold 4634 square miles, out of which number 2,000 square miles had already been offered for sale.

In June 1902, we sold 4634 sq. miles, and out of this number 532 had been offered previously for sale by our opponents.

So that, out of a total of 14,486 sq. miles, which we have sold, it is found that 6,938 sq. miles had already been offered for sale under the previous administration. If, therefore, they did not sell these lands it was not because they did not desire to do so, but because they could not find purchasers for them. And their policy was so far from being a progressive one, that out of the 6,938 sq. miles it was found that 4,245, which had already been under license, had been abandoned. So that we have profited by that which they had given up. We have continued their policy, it is true, but under improved methods, which have resulted in profit both to the Province and to the settlers, which is contrary to their results. There still remain 691 sq. miles of timber limits which were offered by our predecessors, but not sold. So that really only 7,397 miles of limits were sold by us which had not been previously offered for sale by our opponents.

I have already said that that which is termed by our critics as the "Alienation" of our public lands, is in reality only leasing, a privilege, temporary and revocable. I have said also, that even if this were actually an alienation of our public lands, we would be responsible only for a share of the transaction, as our policy was the same in this respect as that of our predecessors; with this distinction, that by the employment of improved methods we have obtained better results.

It is a good policy, as we have just seen, to place the limits under license and oblige the holders to contribute

to our revenue, and at the same time to compel them in their own interest to protect our forests.

If we have alienated the public domain, what was the policy of our predecessors when they were in power and sold the public lands at a much lower figure than we did?

I have in my hand a table showing the sales which have been made since 1867, which enables us to place the responsibility on those to whom it belongs.

Territories placed under license since 1st July, 1867, by the different administrations;

Chauveau administration : 26,923½ sq. miles, of which 21,452 were by private sale, and 5,471 by public sale.

Quimet,	administration	1,554	by public sale
DeBoncherville,	"	440	"
Joly,	"	111	"
Chaplean,	"	2,784	"
Ross,	"	758½	"
Mercier,	"	3,080	5-12 "
DeBoncherville,	"	2,353	"
Taillon,	"	1,162½	"
Flynn,	"	444	"
Marchand,	"	8,051	"
Parent,	"	6,435	"
Total.....		54,097	

Quebec, 15th April, 1903.

(The surplus of 62,000 miles had been granted before 1867.)

I shall call your attention to the fact that the moderate figures 334 sq. miles, sold by my Honorable friend the leader of the opposition, do not contain the whole truth. It is well to recall the fact that over 4,000 sq. miles of limits were advertised in March and April 1897, to be

sold on the 28th of April of that year. This sale was postponed until June by the Honorable M. Nantel, and revoked through the change in the administration. So that nearly all the limits which had then been advertised for sale are included in my own sales. I, therefore, really bear the responsibility for acts which my predecessors intended to perform. The figures given in the foregoing table opposite the name of the Honorable leader of the Opposition do not even include the sale of the famous Lamontagne limits, which although they had previously been withdrawn, were hurriedly sold under extraordinary circumstances to Mr. Vermette, a zealous partizan of the conservative party, for \$7,500. on the eve of the general elections in June 1897.

The happy purchaser immediately re-sold them between nomination and voting for the sum of \$34,000. Perhaps this is what our opponents mean by the alienation of our public lands.

I now desire to refer to the frequent assertion which has been made, to the effect that the lands which we place under lease are alienated to the exclusive benefit of the Americans.

It may be interesting for you to know that out of the 62,952 sq. miles of timber limits actually under lease the Americans hold 10,370 sq. miles, and out of this amount **1,562 SQUARE MILES ONLY HAVE BEEN OBTAINED DIRECTLY FROM THE CROWN.** And this is what is called selling the Province to the Americans.

Now what is meant by "American" for the purpose of these concessions? We have included under the denomination of Americans, persons who have been doing business in this Province for a great many years. For example, the St Maurice Lumber Co. ? The Laurentide Pulp Co., The Dudley Co., Fenderson Co., and other companies in which Canadians are interested, such as the Saguenay Co. (Mr. Mercier). The Oyamel Co. (Mr. B. A. Scott) and also Mr. James Clark of the Seven Islands Co.

THE AMERICANS ARE NOT AT OUR MERCY.

Before I dispose of the American question, it may not be inopportune to dispel an illusion under which some people appear to be, or would have us believe that they are; to the effect that the Americans are at the mercy of the Province of Quebec, or rather of Canada, for their supply of pulp wood. This is a great mistake, and I here offer the proof.

According to statistics taken from the last census of the United States, 1,986,310 cords of wood were consumed for the pulp and paper industries of that country in the year 1900. Of that amount 369,317 cords came from Canada. That is only 18.58 per cent. or less than one fifth.

Moreover, the United States has a forest reserve of 1,094,496 squares miles which is equal to 37 per cent of the country, not including Alaska.

The Canadian pulp wood exported to the United States is used up to supply a certain number of Mills which are not far removed from the frontier. Others take their supply in the United States. Are we to suppose that there is no more wood in those large States? Take Maine, a State which is very close to us, and let us see.

According to the report of the Forest Commissioner of that State, published on the 9th of January, 1903, there are actually in the forests of Maine 21,239,000,000 ft. of spruce not including a large quantity of cedar, poplar, &c. And according to the report of Mr. R. S. Hosmer (U. S. Bureau of Forestry) the annual growth in the forests of Maine is sufficient to allow without any danger of exhausting the forests the cutting of 637,000,000 ft. of spruce annually, while the mills actually in operation do not use up more than 295,000,000 ft. Seventy nine per cent of the State of Maine is in forest

I have spoken of the forests of Maine because they are close to us, but statistics to the same effect exist in respect to the State of Michigan, Wisconsin, Minnesota, Oregon &c.

The American, then, has at home the raw material, and is not at our mercy. This is not all. They have besides the forests of New Brunswick, those of Nova Scotia, and particularly those of Newfoundland, which it is almost impossible to exhaust. They also have Ontario, which, notwithstanding what has been said, supplies a large quantity in addition to that which the proprietors of lots under letters patent and seigneuries can supply in the Province of Québec.

No, we have not unduly alienated our domain, but we have endeavoured to derive as large a profit as possible from our resources. What then do our opponents wish us to do with all this wood, which is only fit for the pulp industry? Perhaps they desire us to wait until a material is discovered which might take its place, or until a new method has been adopted? "The American Lumberman" of the 21st of February, 1903, announced the opening of a large paper factory in Orange, Texas, which employed for its raw material the waste pieces of yellow pine, which is found in very large quantities in the southern states. This new factory buys this waste material at \$1 per ton, and has already sufficient to supply its mill for one year. The southern states will therefore be able to do without northern spruce in the future which costs them \$12 per ton, and an immense market is thus lost for our pulp wood. Besides this the United States produces cotton, hemp, jute, Indian millet, and corn, all of which contain fibre suitable for paper; and it is rich in pulp wood, concerning which Prof. Sargent, in the 10th census of the United States, describes numerous kinds, for example, marsh pine, fir, aspen, birch, sweetgum, cotton, maple, cypress, and willow. I have in my possession in the Lands Department samples of fine paper manufactured from corn and from yellow pine waste. Also samples of pulp made of rice straw, and of bagasse. The whole question consists in finding economic methods of converting these materials into paper pulp. Even as late as last year 99 per cent of the manufacturers maintained that it was impossible to make pulp from yellow pine. The success of

the Orange Co. which to-day supplies the paper from which the southern papers are printed, proves the manufacturers were wrong. How do we know that our ingenious neighbours will not discover something new in the near future? To refuse to sell our pulp wood to-day under the pretext that our rivals will always have need of it would be positive folly. It is a manna which passes, but will not always remain. Our policy is to benefit by it whilst it lasts, for before long it may possibly be too late.

Again were the American market closed to us, we should only have the European market. Now what is the situation at this moment? The prices in Europe for pulp wood are weak and the manufacturers of Norway and Sweden, our competitors on the English market, were compelled to limit their production to a considerable extent. And our opponents desire that we prohibit the exportation of raw material to the United States at a moment when the demand from Europe is decreasing, and thus take away from thousands of settlers an industry from which they derive a good revenue. This would be a fault which the Government will not commit.

THE GUARANTEE OF TEN YEARS.

The motion which is before you Mr Speaker, is presented to you in such a manner as to convey the impression that we ourselves are the originators of this guarantee of ten years; that we have created a precedent, and this without reason.

Now, nothing is more directly opposite to the facts, and before I conclude I intend to establish the veracity of my assertion. I here produce the orders in Council which prove that the practice of establishing a tax for a term of ten years is already thirty-five years old, and that it is perfectly justifiable in the interest of the public.

Copy of an Order in Council of the 5th of October, 1868.

“ Notice is hereby given that His Excellency the Lieu-

tenant-Governor has been pleased, by Order in Council, dated the 2nd instant, to sanction the following modifications in the Timber Regulations :

“ 1. All old and new licenses for limits of timber berths, shall be renewable annually for a period extending to the 30th April, 1889 ; Government reserving its power of changing once during that period, the tariff of Dues for cutting timber, but not however before 1st September, 1878.

“ 4. Limit holders, in order to enable them to obtain advances necessary for their operations, shall have the right to pledge their limits as security without a bonus becoming payable. Such pledge, in order to affect the limit against the debtor, shall require to be noted on the back of the license by an authorized Officer of the Department of Crown Lands. But if the party giving such a pledge should fail to perform his obligations towards his creditors, the latter, on establishing the fact to the satisfaction of the Commissioner, may obtain the next renewed in his own name, subject to the payment of the hours, the transfer then being deemed complete.

By an Order in Council of the 24th of February, 1898, the rate of the ground rent and the right to cut is fixed until the 1st of September, 1910, except for wood suitable for the manufacture of pulp. And on the 1st of June, 1901, another Order in Council placed the pulp wood on the same basis as other woods as far as the duration of the tariff was concerned (1910). This is all we have done. We have simply added pulp wood to the list, for the same valid reasons which already existed for other woods.

We have not created a precedent, but, on the contrary, we have based our action upon a precedent created by our predecessors under the administration of the Hon. M^r Chanveau, in 1868, which we found to be applicable. What have been the results of our progressive policy ? The capitalists have gained confidence. With the assur-

since we have given them of a fixed tariff, they have not hesitated to risk their capital, and it was only then that we beheld cities arising in the midst of our virgin forests. It is our progressive policy which brought into existence places like Shawinigan, Grand'Mère, and has laid the foundation for the immense establishment at Seven Islands.

We have favoured the development of new industries, and our policy has always been one of progress. The advancement of colonization, industrial prosperity, the improvement of our financial condition; this is the work upon which we have been engaged, and it is in this direction that we intend to direct our efforts as long as we are charged with the administration of the affairs of this province.

