

HF2651
F515
097
fol.

Our Fisheries and our Forests.

TWO OF OUR NATIONAL MONOPOLIES.

TWO MATCHLESS NATURAL RESOURCES

SHALL WE KEEP THEM OR SHALL WE LOSE THEM?



THIS RECIPROcity TREATY GIVES ME A CHANCE TO FINECOMB THE FISH OUT OF CANADA'S WATERS LIKE I DID MY OWN

Fish.

There was at first a general impression throughout Canada that, whatever else Taft-Fielding Reciprocity might do, it would help the Canadian fisherman. That impression has been fast fading away, however, before the light cast upon the matter by experts who have been making a study of the situation as it exists to-day.

Canada is a growing country; and conditions are changing with marvellous rapidity. What was generally admitted a few years ago, is no longer true along more lines than one. The fish business has undergone changes quite as important as any other; and to-day "free trade in fish" between Canada and the United States is no longer desirable.

Mr. C. Jameson, M.P., gave the House of Commons the results of his very close study of the problem last April, when he presented figures which should be carefully considered by every interested Canadian. There is, first, the question of the markets.

THE TWO MARKETS.

The Canadian fisherman, under Reciprocity, will be interested in two markets—the American market and his home market.

The total American imports of fish for the year ending June, 1910, which would be affected by this agreement, amounted to \$9,008,350.

Of this amount, Canada sold the Americans, in spite of the duty, fish to the value of \$3,329,222.

Thus there would be a leeway in the total American

fish imports for Canada to make up of \$5,679,128.

In other words, the biggest possible gain in the American market open to our fishermen is this amount of \$5,679,128.

Now the Canadian home market for 1910 amounted to \$15,992,548 or nearly three times as much. This market will be thrown open to the American fishermen by Reciprocity. So the Canadian fisherman risks a market of over \$15,000,000 in order to get a fighting chance in a market of a little over \$5,000,000.

Is that a fair trade?

And the menace to our home market is a very real one. Boston, Portland and Gloucester enjoy a much shorter haul to the richest parts of it than do the Maritime Provinces. They could easily cut in and capture a large part of the trade now held by the Canadian fishermen.

Moreover, it must be remembered that this home market for Canadian fish covers the entire country. British Columbia fish come far east, and Atlantic fish are carried as far west as Winnipeg with the help of Government assistance on freight rates. The importance of this assistance may be shown by the fact that it reduces the express rate from Halifax to Montreal from \$1.50 to \$1.00 per 100 pounds, while the rate from Portland, Boston or Gloucester is 80 cts. To-day the import duty of 1 ct. a pound keeps out the American fish; but, after Reciprocity, fish will be free.

Then the "most-favored-nation" clause comes in here. Our own market will be opened to the fish exports of every one of the doughty Twelve "most-favored-nations" who are to have free access to our markets under Reciprocity. Mr. Jamason, M.P., gave them in Parliament as follows:—

Norway.....	\$12,000,000
Sweden.....	1,880,000
Denmark.....	1,850,000
Japan.....	1,000,000
United States.....	9,652,088

EXPERT OPINIONS.

Then Mr. Jamason quoted a number of Nova Scotia opinions on the subject which show us what "the men who know" really think of the prospects. Mr. William Duff, of the Atlantic Fish Company, a Liberal, said in an interview in the Halifax Chronicle:

"Under reciprocity there would be only a small quantity of fish shipped to the United States. In 20 years most of our fish will be going to Western Canada and we will be getting better prices."

Mr. T. M. Irvine, M.P.P., a Liberal, and a member of the Legislature of Nova Scotia, said:

"This question of reciprocity is not so important as it was years ago. Our own fish are beginning to find their way to our own markets, and with good storage and transportation, Nova Scotia fish will soon be able to supply the greater part of the needs in Western Canada, now largely supplied from the New England markets."

Mr. George A. Cox, ex-M.P.P. for Shelburne, a Liberal, said:

"I do not consider the benefit to our fresh fish market will be so great as it is now. I think in a short time we can capture the fresh fish market (of Canada) from them—(United States). We have

found a better market in Montreal and Toronto than in the United States. With a little better railway facilities to the upper provinces all our fish would go there."

Mr. F. C. Whitman, of Annapolis Royal, a large fish dealer and a Liberal, said:

"Reciprocity in fish would not help our dried fish business. Our best market is the West Indies and South America."

Mr. H. B. Short, of Digby, local manager of the Maritime Fish Company, said:

"They shipped fresh and smoked fish from Halifax to Vancouver. He thought the Canadian market was their market for fresh and smoked fish, and for salt fish. South America and the West Indies. There are times when they could send fish to the States, usually when the United States catch was off. When the Canadian government increased the duty on fish from 1/2 cent to 1 cent per pound, Nova Scotia captured the upper Canada market. If fish were admitted free, the Americans would secure the Canadian market again."

Capt. Howard Anderson, a Liberal of Digby county and a fish dealer, said:

"When I came here twenty years ago the fish dealers were calling for reciprocity, but I never agreed with them. We have a fine market right here in the Dominion for our fish, and it is only a short time till we consume in this Dominion all we can produce. I believe reciprocity would kill our fresh fish business in Montreal and the west generally."

VALUE OF OUR FISHERIES.

Then it must be remembered that Canada and Newfoundland have practically a monopoly of the Atlantic fishing grounds. The Americans have fished out their fisheries; and that is the reason why they have long been so anxious to get at ours. To-day, for certain kinds of fish, their supply cannot meet their own demand, and they simply must import. Under such circumstances, any duty they impose is nothing more than a tax levied upon themselves.

Our fisheries have grown without the smallest reference to the coming or going of free access to the American markets. Those who talk about their value in "the good old days of Reciprocity," are only betraying how little they know about the subject.

In 1861, when the Elgin Reciprocity treaty was in full force and the Civil War had sent prices soaring, the value of the fisheries of Nova Scotia was \$2,376,721 and that of New Brunswick reached \$184,806. Eight years later, or three years after the abrogation of the treaty, the Nova Scotia fisheries were—according to Government reports—worth \$2,501,507 and those of New Brunswick, \$638,576. Here were increases in both cases in spite of the fact that Reciprocity had been lost in the meantime.

Then came the Washington treaty in 1871, and opened the American markets to our fish once more. But there was no great increase in the value of our fisheries. They augmented at about the same rate as had been shown during the five years of exclusion from the American markets. In 1883, the Washington Treaty was torn up, and a duty put on our fish once more. The Americans are very fickle in these tariff agreements, it will be noticed.

Still now, in the face of this fish duty, the steady growth in the value of our Atlantic fisheries proceeded. In 1909-1910, they were worth as follows:—Nova Scotia, \$8,081,111; New Brunswick, \$4,676,815; Prince Edward Island, \$1,197,556. Our whole catch totalled \$29,629,169.

BAD BARGAINING.

Mr. Jameson further pointed out that the effect of the *modus vivendi* had been that "thousands of dollars of Canadian money was invested in United States fishing vessels and hundreds of fishermen from our Maritime Provinces went into these United States vessels and prosecuted the fisheries from United States ports." This is what happened under the *modus vivendi* only. But if we are to merge the two markets, Mr. Jameson is confident that still more of our money will go into their ships and still more of our fishermen into their crews. This is a matter in which every farmer in Canada is interested; for these fishermen eat farm produce—they form a part of our Home Market. It might be explained that, under the "*modus vivendi*", American fishermen were granted licenses at \$1.50 a ton, which permitted them to enter Canadian ports for the purpose of purchasing ice, bait, and supplies, for the transhipment of their catch, and for the shipping of their crews. The effect of these licenses to United States fishermen was to give to

the United States vessels all the privileges in Canadian ports which the Canadian fishermen had, with the solitary exception of the sale of their fish duty free, and, of course, the United States vessels also had in the United States ports all the privileges which belonged to them as United States vessels.

Incidentally, Mr. Jameson showed what poor bargainers our Ministers were. They gave practically "free fishing." That is, they substituted the nominal license fee of \$1.00 a vessel for the old license fee of \$1.50 per ton which now averages \$125 a vessel for the American craft that have these licenses. They got, in exchange, the obvious and bare item of "free fish"—something our fishermen wanted years ago but are not so sure about now—but they did not get the relaxation of unfair American regulations which practically nullify all the so-called advantages. Thus they should have obtained the right for our fishermen to clear direct for the fishing grounds after landing their fares at American ports; and they should also have compelled the removal of the absurd law which prevents a Canadian-built fishing vessel from being sold to American fishermen. We do not want to sell many; but we do not want to be debarred from doing so when it is convenient and profitable. Uncle Sam can generally be trusted to put "a little joker" in his tariff regulations which keeps the nation he is bargaining with from getting too much.

Pulp Wood or Paper, which will we Sell?

One of the most dangerous clauses in the Reciprocity agreement is one of the most innocent in appearance. It is that dealing with wood pulp and paper. It proposes to establish unrestricted free trade in pulp, and in paper up to four cents a pound in value, when, and only when, our Provincial Governments shall remove their present restrictions on the exportation of pulp wood from Crown Lands.

As we read this last proviso we settle back comfortably in our chairs. Our Provincial Governments are on guard; and, indeed, the Government of New Brunswick has just joined the other Governments with forests to save, in prohibiting the export of unmanufactured timber. The Federal Government may agree to turn our forests over to the Americans if it likes to so show its generosity; but, luckily, it has no power to do anything of the sort. The forests are the care of the Provinces.

But what do you imagine the Americans put that clause in the agreement for? Was it merely to fill up? Is it simply to get a concession which does not concede that Mr. John Norris and his American Newspaper Publishers' Association have been keeping up a costly campaign in favor of this treaty? Admittedly, their sole interest in the business is to get cheaper paper by securing the admission of Canadian pulp wood and wood pulp from Crown lands to their paper mills. Now, this agreement does not give them that—does not

give them anything of value. Yet they are fighting for it by a newspaper campaign seldom seen equaled in the United States. Why?

Because this agreement carries the first line of our defences.

It wins the approval of the Dominion Government; it ties our hands and settles forever the fear that we might impose an export duty on pulp wood; and it exposes our Provincial Legislatures to the full force of the American "lobby," backed by the moral support of our own Dominion Ministers.

It is a long stride toward success, though it does not at present open a single acre of Crown forest land.

This question is a serious one for the Canadian farmer. The paper business is a natural native industry which Canada should have in the future without the necessity of protecting it in any manner. It is, in fact, one of the industries of which Canada can have the monopoly on this Continent.

We have the forests; we have the water-powers; we have the labor. The Americans have nearly depleted their pulp forests. To-day, their pulp wood brings so high a price that the paper-users of the United States are in open revolt, and had no little to do with stampeding President Taft into opening these negotiations. Republican and Democratic newspapers unite in crying for cheaper paper—for begging, buying or stealing access to the Canadian storehouses of pulp wood.

Prices are going up so rapidly in the United States that it is only a matter of two or three years until our paper manufacturers will be able to pay the present duty and compete in their market. We will then get their market for nothing—get all they are offering us now for the free run of our priceless forests. We have only to wait a little. They know that; and they are frantic to get at our forests before we realize how perfect a monopoly we possess.

If we "stand pat," their paper mills must move to Canada. There is no other way. They must come where the raw material is, if we will not allow the raw material to be shipped to them. That will mean a great and growing industry for this country. Paper mills will rise up wherever water-powers and easy access to pulp wood unite. New towns will gather about them; and our farmers will have the profit of feeding these towns.

HOW IT WILL WORK OUT.

Some idea of the interests at stake in this matter may be gleaned from the evidence of Mr. John Norris, Chairman of the American Newspaper Publishers' Association, before the Congressional Committee on Ways and Means when this agreement was up for discussion.

Mr. Norris said that he was acting for a network of newspapers throughout the United States which spend more than \$55,000,000 a year for paper. These newspapers are both Republican and Democratic, but they combine in supporting this agreement—a tremendous force in making public opinion in its favor. Mr. Norris says that they would stand to save \$6,000,000 on their paper bills if access could be got to the pulp wood of Canada. That makes six million reasons in favor of reciprocity from the view point of the American press.

The clause in the Taft-Fielding agreement suits Mr. Norris. It does not gain him access to our Crown lands at once, but he seems to have no doubt that it ultimately will. He told the Committee that the coercive measures which had been tried on the Quebec Government had failed; and that the "disastrous results of that policy are now seen in the withdrawal by Quebec of 95 per cent. of all the available pulp wood supply of that Province. It has been trying to starve the American mills and force their transfer to Quebec," he goes on. That is a policy Canada would profit by, and the Americans would lose by. But he thinks this agreement will stop it. He says:—"The paper clause of the pending Reciprocity agreement overcomes all the difficulties of that situation."

And he explains how. The agreement sets wood from private lands free. This wood will at once begin to earn the profits of access to the American market. But the paper men who draw their raw materials from Crown lands will be shut out by the American duty of \$5.75 per ton. They will begin to agitate for the removal of the Provincial restrictions on manufacture, so that they, too, can obtain access to the American paper market. This pressure, says Mr. Norris, "will be irresistible." Possibly the American "lobby" may have some effect as well. The point for us to notice is that Mr. Norris is not calculating on what the present clause accomplishes, but on what it will enable him and his friends to accomplish in the future. It is "the thin edge of the wedge."

May 1st, 1911.

Some people who have not looked into the facts tell us that it is a delusion to imagine that we have a monopoly. They contend that the Americans still have plenty of pulp wood. On that point Mr. Norris said:

"Our complete dependence on outside sources for wood is shown in the fact that we bought, last year, pulp wood and pulps to the extent of 1,716,000 cords. The supply of pulp wood," he went on, "was so inadequate that we paid over \$150,000 in penalties to get wood from Canadian Crown lands." Canada got that \$150,000; and it is possible that we could use the money. "We paid," he continued, "\$19,406,074 to foreigners for pulp wood and pulps to keep American mills going." So much for the argument that the Americans still have plenty of pulp forest.

Again, it is urged that we will profit by the speedy development of our forest lands. We? Listen to Mr. Norris:—

"American paper companies have engaged in woodland speculations in Canada. The International Paper Co. has acquired above 4,000 square miles of timber rights in Canada. Its representative told the Congressional committee, in 1908, that he had figured out a profit of \$10,000,000 on its timber holdings." Who do you think will get the profit from a quick slaughter of our pulp forests?

Our forests should be treated as national capital and developed for the benefit of the whole Canadian people. They ought to be "cropped"—not massacred. An intelligent policy of re-forestation would make them a dividend-bearing investment forever.

Now, how does all this interest the farmer? We shall see. Consider the case of Shawinigan Falls. A few years ago there was nothing there but a beautiful cataract in a forest wilderness. The farmer could not sell a bag of potatoes or a pound of butter there to save his life. To-day five thousand hungry people have to be fed there every day; and local farmers have a special value added to their land by the growing up of this town. In other parts of the country, paper mills already make local markets—the most profitable of markets—for the farmer. If we will only keep our forest monopoly until the American paper mills are compelled to come across the boundary to get at it, as the Michigan saw mills had to move over to Ontario when the Ontario Government prohibited the exportation of logs, we will have dozens of Shawinigan Falls starting up on the edge of the forest in Quebec, in Ontario, in New Brunswick and in British Columbia; and the farmers will feel the difference in the prices their food products will bring at their very doors.

Then consider the difference between selling pulp wood in the log and selling it in the paper roll. It takes about a cord and a third of pulp wood to make a ton of paper. Now, the regular price for print paper in the United States, to-day, is \$45 a ton, and the average freight from Canadian mills would be about \$5 per ton. A farmer is doing well if he gets \$5.25 a cord for his pulp wood; and pulp wood would not bring so much if our immense resources were to be opened to American exploitation.

So there you have the situation in a nut-shell.

We can sell a cord and a third of pulp wood and get \$7.00; or we can sell a ton of paper and get \$40.00. Which would Canadians rather have?