

(April 6th, 1908.)

Canada's Pulpwood Problem.

BY MR. EDWARD N. LEWIS, M.P., OF HURON.

ADDRESSING the Canadian Club on "Canada's Pulpwood Problem," Mr. Edward N. Lewis, M.P., of Huron, said:—

Mr. Chairman and Gentlemen,—First allow me to express my hearty appreciation of the honor conferred upon me by the Canadian Club of Toronto in asking me to be their guest and address them.

The forests and the preservation thereof is one of the most vital (if not the most so) of the questions now before the Canadian people. I purpose to talk to you principally on the pulpwood portion of the question.

I am a working member of Parliament, not a talking one, and you will notice I am not trying to force my opinions on the country, but am giving facts and opinions thereon formed by men of knowledge and experience, and which should, consequently, have weight on the problem under discussion.

The discussion of such questions before organizations like this are, next to sustained discussions in the press, the most effective means of arousing public interest. I say next to the press, because I believe it will be generally admitted that the newspaper press is the great dominant and practically irresistible force in all great questions, and that once the newspapers begin to systematically discuss a question, the people quickly become educated in regard to it, with the result that public opinion is moulded for—or against; and it will also, I think, be conceded that once public opinion is moulded in favor of a proposition, it will sooner or later find concrete expression in the laws enacted by Parliament. No Parliament can, for any great length of time, refuse what the public demands. In this connection you will pardon me if I put on record here my commendation of the part played by a very influential portion of the press, newspaper and magazine, in Canada, in regard to the question on which you have asked me to speak. Nearly every important paper has spoken out in favor of conserving our forests for ourselves; but foremost in the fight, standing head and shoulders above all the rest, appears the *Toronto Globe*. True, the *Globe* is not a sup-

porter of the political party of which I am a member, but that only makes my position the stronger. Last summer, the *Globe* made an impartial investigation into the pulpwood question, devoting to it considerable space in its daily issues, and it has since carried on its educational campaign in a manner with which most of you are familiar. I refer to its very handsome and comprehensive issue of February 29th, devoted to the forests and pulpwood question, which contains opinions and articles from almost every forest expert on the continent, and also to the pamphlet containing articles written by its special envoys, Wm. Banks, Jr., J. S. Crate, who conducted the Quebec, Ontario and New Brunswick tour of investigation last summer. The *Toronto Saturday Night*, and the *Montreal Journal of Commerce* have also spoken out frequently and vigorously on the subject.

The prominence that the forestry problem, and more particularly the pulpwood side of it, has attained in the last few months, both in this country and the United States, is the best possible proof of their importance. Many weekly periodicals on the other side of the line are giving them considerable attention, so also are a number of the monthly magazines and trade papers. Those who argue that the United States is not really in need of Canadian forest products, particularly of pulpwood, will find in American periodicals, magazines and papers, articles and editorials (many of them written by forestry, lumber and pulpwood trade experts) incontrovertible answers to their arguments. I might mention Harper's Weekly's late article entitled "Our Vanishing Forests;" Colliers' Weekly, which in almost every issue seeks to arouse the American people to a sense of the danger of refusing to adopt a proper system of forest conservation. The *New York Herald*, which on March 22nd, last devoted an entire page to an article along the same lines. If further argument were needed, it is to be found, I submit, in President Roosevelt's recent recommendation to Congress "That the duty on pulp from Canada be removed and be not imposed, so long as this country does not put an export duty on the pulpwood."

That is a delightfully characteristic Americanism. They want our raw material and they presume to dictate to us as to how we shall deal with it,—for that is in effect what the recommendation means.

Before leaving this point, it is worth noting that President Roosevelt has called a convention of State Governors for the sole purpose of discussing the forestry situation. I

have no intention, however, Mr. Chairman and gentlemen, of attempting to deal with the forestry question as a whole, (which is, of course, interwoven with that of pulpwood). That is a vital question which Canadians, irrespective of party consideration, must deal with in a broad-minded, intelligent manner, before it is too late. But the pulpwood phase is of itself a problem of national importance, and it resolves itself into this query: Is Canada to go on exporting, in ever-increasing quantities, a great natural asset in its practically natural state, or is she to take such action as will result in its manufacture within her own borders, and thus have the pay rolls of many, many millions of dollars paid to Canadian labor, in place of United States labor, as at present. What is the situation to-day? We have arrived already, even in Canada, at that stage when the phrase "inexhaustible forest supplies" must be dropped. A strong note of warning was sounded against its further use by both Government and other experts, at the recent Annual Convention of the "Canadian Forestry Association" held at Montreal, when the great importance of the conservation of our forest wealth was again and again emphasized. It is, however, true that we still have the greatest areas of commercial timber in the world to-day, and in the Province of Ontario and Quebec, the largest areas of the best pulpwood.

In this Province (Ontario) as you know, pulpwood cut on Crown lands must be manufactured into pulp or paper in the Province. In Quebec, there is no such restriction, and the extra stumpage dues of 25 cents a cord charged for pulpwood exported, is a mere bagatelle. It does not, in the slightest, hinder or embarrass exportation to the United States, nor prevent the United States Corporations from continuing to add to their already enormous holdings of pulpwood lands in that province. In New Brunswick, there is no extra stumpage due. To Nova Scotia, where, so far as I can ascertain, most of the forest areas have been alienated, by the Crown, the same observation applies. There is also to be borne in mind, in respect to Quebec and Ontario, that the settler, once he gets his patent for his holding, is absolutely unrestricted as to what he may do, in respect to pulpwood on his lot. It can all be exported, and in Quebec, at least, he has the further right of cutting and disposing of every foot of timber on his lot. That has led in Quebec to the existence of a considerable class of men who are "settlers" in name only, and who stay on a lot or section, just long enough to cut and dispose of the timber on it. Ontario has need to be careful that she does

not suffer in that way, though indeed there are those who say that this practice is not unknown in this province.

As a matter of course, the Americans, as I have pointed out, are taking advantage of our policy in respect to pulpwood, not only are they importing all they can buy here from private parties, but they are acquiring vast areas of pulpwood lands, particularly in Quebec and New Brunswick. For what? That they may establish mills on this side of the line, and build up pulp and paper making industries? Not at all, but that they may take from those areas still further quantities of the raw material for their mills on the southern side of the boundary line, maintain thriving towns around those mills, and give employment to thousands upon thousands of Americans, *all at our expense, gentlemen, remember that.*

The *United States Wall Street Journal* is authority for the statement that the International Paper Co., a vast American consolidation of some 30 paper mills, has, in a little over a year, acquired 1,255,000 acres of timber lands, nearly all in Canada. What does Canada get for all this? She not only loses vast areas of forests, with all that involves, as to the present and future, but it is almost ridiculous when you think that for the 650,366 cords of pulpwood exported to the United States, in the year ending June 30th 1907, \$6 or \$7 a cord (the latter is a maximum figure, \$6 is much nearer the mark) is left in Canada. That includes the price to the seller, cutting, loading, freight to the railways, everything in fact, to the delivery at the outport. Gentleman, the Americans even go so far as to deny to Canadian vessels the privilege of carrying that pulpwood across the Lake to the American mills. Of 14 vessels carrying pulpwood from Lower St. Lawrence Quebec ports to Wisconsin ports last season, twelve were United States and two Norwegian boats. Now, supposing this exported pulpwood was manufactured into pulp in Canada, it would leave in this country—and I give the lowest possible figures—for ground pulp \$20, a cord, in place of \$6. If made into sulphite fibre \$30 to \$32 per cord; made into paper \$40 to \$45, and up. The best Massachusetts fine runs as high as \$348.02 per ton. Would it not be better to have the wood manufactured in Canada, with all that it would mean in the way of employment, in additional pulp and paper mills to those we now have, to say nothing of the allied industries that spring up around such establishments, than to continue to export our raw material to the United States, where it is not only used to meet their own demands, but also to undersell us in the British and other markets?

Such men as Sir William Van Horne, Sir Thomas Shaughnessy, Manager Clouston of the Bank of Montreal, Manager Rowley, of the Eddy Company, and many others, *have declared it could be done, and with them I believe it should be done.*

There may be some difference of opinion as to the best manner to bring it about, whether an export duty should be imposed or the export of the crude material totally prohibited or otherwise.

In discussing this subject recently in the House of Commons, I based my remarks on the following resolution, introduced by myself:

"That in the opinion of this House such an export duty should be placed on the export of pulpwood as will be sufficient to induce its manufacture into paper in Canada, and thus save to the labour of Canada the six millions of dollars now lost"

Owing to the discussion taking place on Wednesday, on which day the House rises automatically at six o'clock, there was not a complete discussion, but the opposition, as voiced by four members, all came from Quebec Province, and from one portion of Quebec, only, viz: the south bank of the St. Lawrence, in the counties bordering on the United States borders, one of the arguments made against my motion was that it was a matter entirely for the Provinces to deal with. In answer to that I ask leave to quote, as I did in the House, the following words of Premier Gouin, in answer to the leader of the opposition in the Quebec Legislature. He said:

"Hon. Mr. Leblanc had blamed the Government for the exporting of the pulp wood, but the Government was not to blame for that, as there was only one power that had the right to impose an export duty on pulpwood, and that was the federal administration. The premier thought it would be a good idea to have a commission to investigate this question and report whether a duty should be imposed."

I have nothing to add on that point, except to say that the gentlemen who spoke against my resolution were affected solely by local conditions.

In concluding my remarks in the House of Commons I said: "I fully believe, Mr. Speaker, that if the whole matter is properly explained, the farmers of Canada who have pulpwood to sell (not the manufacturers of the States) will join in the movement to keep Canadian crude products to be manufactured in Canada. At present, they hold the dollar so close to their eye, they can't see the many dollars beyond. I am reminded of the time the mechanics broke new inventions

because they thought they would stop labour; now they realize better pay and shorter hours through same machines.

Now, Sir, in concluding the compilation of facts, considering this great question, facts which have been added to, and are being added to every day, I wish to say that my attention was first directed to it specifically by a conversation last fall with a gentleman who had been in the United States, who was fully conversant with the ins and outs of the whole business, and who said if the United States were in our position, they would not wait a day before putting on an export duty. Politics step to one side over there when the mighty dollar is in danger.

I also want to say that I presented this resolution entirely of my own motion, that I consulted no one, advised with no one, and am fully prepared to plough my lonely furrow, if facts, reason or other considerations prevent any one from seeing the case as I see it. I also wish to say that I consider it a question so great, so vital to the national and private weal, that it should be absolutely kept out of politics. I therefore ask the Government to appoint a Committee of the House, three or five, to take evidence in and out of session, and investigate the whole matter and report at another session. In the light of the facts to be found by this Committee, I trust the Government will take some action which will bring into force an export duty, not immediately, but within a reasonable time, giving everybody due notice, which will have the effect of bringing the mills to Canada, and thus having the product of our own forests manufactured into pulp and paper by Canadian labor. For years, we have grumbled because England made bad business arrangements for us with the United States. Now we have the opportunity to make our own bargains or laws in a vital issue affecting our national prosperity, and future. Let us do so in a national manner, and in a way benefiting a nation, not from a political or other point of view. Let us throw aside and reject all advice or pressure which may induce us to do or make a political deal. If the facts were properly placed before the farmer who has pulpwood for sale, he would see that he would be helped by an export duty more than anyone else. The sale would be just as great and more people would live in his neighborhood to use his other products and make his farm more valuable. If an export duty were to be put in force, sufficient mills could be removed or built in Canada in 18 months to supply the world.

The pulp and paper industry gives more healthy and steady day and night employment to a larger number of men and women at higher wages all the year round than any other industry in Canada. Take the case of Grand Mère and Batiscan, mere villages, originally each about 300 population. Grand Mère manufactures 100,000 cords of pulpwood into paper and has a happy thriving population of five thousand souls. Batiscan exports over two hundred thousand cords of pulpwood to the States and has still only 300 inhabitants.

We have no desire to prevent our American cousins having newspapers to read, but let them get our forests in the shape of the manufactured article. What happened when the Liberal Government of Ontario restricted the export of saw logs? Saw mills started humming in all directions, factories followed; the United States saw mill men came over here, and we were glad to have them. We will welcome the paper manufacturers also. The leading pulp and paper journal of the United States asked a question of the trade as to the results of an export duty. One answer was:—

“Would probably mean that the United States capital would cross the border and build mills; pay-rolls would go to Canadian labour instead of United States.”

Another answer was:—

“It will simply build up the industry of Canada.”

What will happen when the forests fail? In the first place, the business of lumbering will disappear. It is now the fourth greatest industry in the United States. All forms of building industries will suffer with it, and the occupants of houses, offices, and stores must pay the added cost. Mining will become vastly more expensive; and with the rise in the cost of mining, there must follow a corresponding rise in the price of coal, iron and other minerals. The railways, which have as yet failed entirely to develop a satisfactory substitute for the wooden tie (and must, in the opinion of their best engineers, continue to fail) will be profoundly affected, and the cost of transportation will suffer a corresponding increase. Water-power for lighting, manufacturing and transportation and the movement of freight and passengers by inland waterways, will be affected still more directly. The destruction of the forests means the loss of the waters as surely as night follows the day. With the rise in the cost of producing food, the cost of the food itself will rise. Commerce, in general, will necessarily be affected by the difficulties of the primary industries upon which it depends. In a word, when the forests

fail, the daily life of the average citizen will inevitably feel the pinch on every side. And the forests have already begun to fail, as the direct result of the suicidal policy of forest destruction which the people of the United States have allowed themselves to pursue.

Let me now quote what the Hon. Mr. J. Tirrell said in the Washington House of representatives:—

"If there are gentlemen on this floor who wish to see that industry wiped out, who wish to throw out of employment tens of thousands of American wage earners and have them walking and moaning on the streets; if they wish to see the smoke and fires extinguished of the 108 mills now in the State of New York, and the mills of the West, and the industry hampered so that it no longer becomes a factor in the commercial development of the country, then it is only necessary to wipe out the tariff on pulp and paper, and give to Canada the power to pass prohibitive export laws and close all the mills of the United States."

Until within recent months, the newspaper publishers of this continent were as indifferent to a prospective famine in their raw material as are the grist-millers of the country. Nor is this greatly to be wondered at, for from the lips of engineers and explorers, and even from the pages of the Government reports, they for years heard of "the boundless areas," the "inexhaustible supplies," etc., of spruce, wood and timber. Thus lulled to sleep, the publishers have given their attention to problems which they knew to be real and which were pressing them at closer range.

But to-day, the signs of a sudden awakening are visible in all quarters. The publishers of the large daily papers throughout the United States met in New York last October, and made no effort to conceal the alarm with which they viewed the situation. They declared in no uncertain manner that they were face to face with a problem of the most vital nature, and passed resolutions calling upon President and Congress to adopt measures which only a couple of years ago would have been considered rampantly radical.

Here is another object lesson: Japan imports 5,000,000 pounds of British paper and 8,500,000 of American paper—Canada is not mentioned. England imports \$28,369,075 worth of paper—principally from the United States—where does she get her wood pulp? From Canada. Yet Canada is not mentioned.

Now, gentlemen, I am afraid that I have detained you far too long. I have refrained from touching upon many matters

connected with this very important question, and have endeavoured to make my remarks general, and free from technicalities, but there is one phase on which I should like to add a few words, and it is this :

Some people, including quite a few who profess to be in sympathy with any action that will induce the manufacture of Canadian pulpwood into pulp or paper in Canada, constantly express the fear of American retaliation. For my part, I do not place much reliance on that argument, nor do I think it should be given much consideration.

The conduct of international affairs has reached such a stage that the question of retaliation is a mere matter of whether it is commercially advisable or not, and we Canadians are too proud of our country and her rights to accept the dictum of any other nation as to what course we shall or shall not pursue in our commercial affairs. I prefer to accept on this point the views of that shrewd judge of affairs on both sides of the border line, Sir William Van Horne. Here are his exact words quoted in an interview by Mr. Banks of the *Globe* :

"I can see no possible ground for retaliation on the part of the United States, in view of the precedents which they have themselves already established, and I can think of no form of retaliation that would not be much more damaging to themselves than to us, and they are not given to foolishness of that kind." Then after a few more remarks he added : "Moreover, Canada is becoming too big a customer to be lightly treated. For the ten years ending June 30th last, the exports from the United States to Canada increased from about \$60,000,000 to more than \$160,000,000, and Canada is therefore a more important customer for the products and manufactures of the United States than Mexico, the West Indies and all Central and South America together."

As to the United States imposing an export duty on any articles, whether of necessity or otherwise, that we import from them, I repeat the following paragraph from my remarks in the House of Commons on this subject :

"Now, here is a fact that may not be known to many in this House. In volume 1, page 736, of Storey on the Constitution of the United States, he gives these words from section 9, clause 5, of the constitution :

"No tax or duty shall be laid on an article exported from any state."

May I be permitted to add, gentlemen, that I believe, for obvious reasons, the press of the United States would fight against any action by their Government which would have a tendency to keep out of their market paper made in Canada. They must have paper or there will be no newspapers, and that would be almost the most dire calamity that could befall the American people.

We have control of the raw material necessary for the making of their newspapers. Let us manufacture it here and save to the workmen of Canada the many, many millions of dollars now lost.

Gentlemen, I thank you for the patient hearing you have given me.