

gratulate itself on its wisdom in adopting that agreement. Recently arrangements were entered into by the same company for the expenditure of from \$12,000,000 to \$18,000,000 on additional industries at and in the neighborhood of Sault Ste. Marie.

The Second Bill.

On the 8th of October, 1898, an agreement was made with the Sturgeon Falls Pulp Company, which was also unanimously ratified by the House. This called for a total investment of \$1,000,000 in three years, a production of 30,000 tons of pulp during the first year, and the employment of 240 men. In response to a telegram as to what progress this company were making he had received a reply stating that the number of employees in all departments was over 200, and during the last seven months the number had been over 300. The amount paid for wages and salaries was \$100,000, and the pulp sales so far amounted to over \$55,000. The actual expenditure in plant and other requisites was \$300,000. Contracts were entered into for the expenditure of a similar amount, which would mean a total of \$600,000. He was given to understand that an important English firm had invested large sums and proposed to make a much greater development than was contemplated under the agreement. A most important feature was that enabling dues to be increased, but this power would not be abused by the House.

Spanish River Agreement.

The agreement which the House was now asked to ratify granted a concession to the Spanish River Pulp Company. The company were required to expend \$500,000 and to turn out at least 20,000 tons of pulp and paper per annum. The company were permitted to cut pulpwood on the lands adjoining the Spanish, Vermillion and Onaping Rivers and their tributaries. The woods to be cut were limited to spruce, poplar and jack pine; tamarac and hard woods were excluded.

A Restricted Agreement.

It would be seen that the agreement was more restricted in its character than the previous ones, thus evidencing that the Government had due regard for the interests of the Province. The agreement was operative for 21 years, but could be revoked at any time if it were shown that the company were not fulfilling the required conditions. The agreement contained provisions enabling the dues payable to the Crown to be collected at the close of navigation each year, preventing any monopoly, safeguarding the interests of settlers and protecting the pine timber. No export would be allowed from any of the areas defined in the agreement, and a bill now before the House, if it were ratified, would prohibit the export altogether from the Province. The location of this industry would give a splendid market to the settlers, and would provide them with employment in cutting pulp at good prices. Thus a more advantageous field was offered to the settler in this part of Ontario than could be found anywhere else, because

the settler was not dependent upon farming merely—although in the newer sections he got a higher price for his farm products than did the agriculturist in the older sections—but could turn his attention to other pursuits equally profitable. This industrial development which was now going on in northern Ontario was proving most valuable to the business men in the older districts. He understood from many of these gentlemen that their trade had grown immensely since the development of the pulp industry had begun. The capital in the Spanish River Company was Canadian, and Mr. Davis heartily congratulated the Province upon the part which its sons were now taking in the development of the natural resources of Ontario.

Mr. Whitney Objects.

Mr. Whitney gave reasons why he was obliged to assume a position of antagonism to the ratification of the agreement. He had favored more or less liberal terms to the Sault Ste. Marie and the Sturgeon Falls Pulp Companies in order that the industry might be developed. Many things had happened since 1894, and to a certain extent the people were beginning to understand the pulp industry; yet there was much ignorance of the value of the pulp resources. No steps had been taken by the Government to explore the actual spruce resources, consequently the House was unable to intelligently discuss the question. The concession might be all right or might be all wrong. He complained that reasons for doubling the pulp dues were not given. In reply to Mr. Davis, Mr. Whitney said he did not object to the increase, but could not say without more intelligent information. Therefore he was unable to conscientiously vote for the ratification of the agreement. The people had concluded that the resources of the Province must be husbanded and disposed of intelligently. In concluding, Mr. Whitney moved an amendment that all the words after "that" be struck out and the following substituted therefor:—"This House is of opinion that all grants of public pulpwood lands should be made subject to public competition, and that all dues on Crown timber should be regulated from time to time by this House; and that this House is also of opinion that steps should be taken to inquire into the nature and extent of the timber resources of the Province, in order that the members of this House should be able to form an intelligent judgment on the subject of timber and pulpwood dues."

Mr. Conmee Defends It.

Mr. Conmee (West Algoma) supported the motion for ratification because it was in the public interest. The House had been given information time and again as to the extent of the timber resources of the Province, but it had carried no weight with hon. gentlemen opposite. Good results had followed the ventures already made. It was not correct that Canada had a monopoly of pulpwood. The United States had as much pulpwood as we had, and could draw upon their own resources for a century without obtaining a stick from Canada. In the establishment of these industries Ontario had to compete with the United States