

February 25

HITS HEPBURN PULP POLICY

Forests in Danger of Becoming "American Wood-piles," Says Macaulay

EXPLOITATION IS SEEN

Claiming that the Hepburn Government does not know the meaning of conservation, and that all its policies are actuated by expediency and not far-sightedness, Hon. Leopold Macaulay, Minister of Highways in the Henry Administration, charged in the Legislature yesterday that the present set-up at Queen's Park has inaugurated practices which, unless checked, will have the ultimate effect of transforming Ontario forests "into American wood-piles."

Up to 1934, Mr. Macaulay warned the House, all Ontario Administrations had practiced conservation to the extent of compelling of manufacture of Ontario's timber, or the major part of it, within the Dominion. It had remained for the Hepburn Government, he said, to abandon all restraint; to throw the North wide open to American exploitation; and to encourage by its talk of "limitless resources" the destructive tendencies which had despoiled the once-magnificent pine and spruce forests of the mid-Western States.

"Wholesale Inroad."

"This Government," giped Mr. Macaulay, "talks about providing employment. In so far as this was affected by reductions in timber dues to existing companies operating Ontario mills, perhaps it was not without justification. But when it means, as it has come to mean in one instance, a wholesale inroad on our timber resources by foreign interests at the expense of Ontario settlers and workmen then it becomes a very expensive form of unemployment relief."

The whole scheme of which the Government was prone to boast—its pulp export policy—Mr. Macaulay stated, would be "ruinous in results" as well as fallacious in principle. "I am going to reveal," he said, "that for every man who has been or will be given employment under the Government's plan ten others will, in a figurative sense, have their throats cut; and that to accomplish some temporary advantage the Government has actually sold out the future of the North on ruinous terms to foreign interests for whom thousands of Ontario citizens will become hewers of wood and drawers of water."

Charges North Sold.

Today, with only scrub timber available to them at home, but with their pulp and paper mills still hungry, American operators were turning to Ontario for wood supply. "They have been getting it for years—pulpwood cut on private lands, plus a little from the Crown lands, exported under special Government permit," said Mr. Macaulay. "But this supply is insufficient—a mere bagatelle. Hence we find American operators and capitalists trying to get into our timber reserves—trying to get their pulpwood in empire lots on the easiest possible terms—to feed American mills; to turn raw material which costs them a pittance per cord into paper which is worth anywhere from \$40 to \$270 a ton. Previous Governments kept them out unless they established their mills here. This Government is letting them in without

the mills—letting them in to strip our forest lands and take the wood away. They are buying up the North at fire-sale prices."

Sees Shortsighted Policy.

Describing these operators as "the new barons—the timber barons"—and at least it could be said of the "power barons" that they were Canadians—Mr. Macaulay placed before the House, "as a glaring instance" of the Government's shortsighted policy of which he complained, the contract recently entered into with the Pulpwood Supply Company.

"It was first announced in a casual way on Dec. 21, 1936," he said. "And it may or may not have been subsequently ratified by Order-in-Council. I wish we knew more about it from official sources."

"According to press reports it involved the sale to the Sensenbrenner-Alstead interests from the United States of 6,000,000 cords of pulpwood in the Long Lac area on condition that they cut 100,000 cords yearly; it will provide seasonal employment for 2,200 men; and the Government will facilitate the enterprise by providing transportation facilities at a cost of \$250,000 which the company agrees to repay over a 20-year period.

"That much we are told—and very little more. It is one of the biggest things we have accomplished so far in connection with developing forest resources," Premier Hepburn is quoted as saying.

"It is a big thing. It is one of the biggest concessions ever made to American capital in Ontario—one of the most deadly blows ever struck at the integrity of our own pulp and paper industry. Who or what is this Pulpwood Supply Company? We know very little about it. But according to an article in the Paper Trade Journal of Jan. 21, it has been granted a Provincial charter to do a general business in lumber and pulpwood on Government tracts. Its headquarters are at Toronto. It is capitalized at 100,000 no par shares, but the aggregate issue is not to exceed \$150,000. Under its arrangement with the Government, the cut will be made in the Long Lac district. To provide means of transportation, the Government will construct a dam at the north end of Long Lac and cut several canals to divert certain waters from their northerly course to flow southerly with outlet on Lake Superior.

"For the sum of \$1 per cord—still according to newspaper reports—this company of American capitalists obtain pulpwood which, if manufactured in Ontario pulp and paper mills, would be worth the equivalent of \$34 per cord.

"In the cutting of this wood, 2,000 or 2,500 Ontario bushmen will earn at the rate of approximately \$2 per cord, for, perhaps, nine months of the year. There will also be expenditures for supplies and for transportation—bringing the total up to, perhaps, \$9 or \$10 per cord, delivered at the mill. Similar outlays and equal employment would result if the wood were manufactured at home. There would also be employment for perhaps 900 men in the higher-wage brackets—skilled pulp and paper makers, who earn up to \$1.68 per hour.

"When that wood reaches Wisconsin in American freighters and American trucks, it will provide work for 5,000 men the year round at double and quadruple the rates which our bushworkers will receive; and the company will make millions on its finished products."

Macaulay's Challenge.

In his discussion of the Pulpwood Supply Company contract, Mr. Macaulay clashed on different occasions with Premier Hepburn and Hon. Peter Heenan, Minister of Lands and Forests.

"We had to make things attractive," Mr. Hepburn once said, "or they (the United States interests)

would not have come in here."

"Oh, you made it attractive, all right," Mr. Macaulay shot back, "and next year they'll be looking for more territory to conquer."

"BATTLE" AIRED IN LEGISLATURE

Hon. Peter Heenan Unruffled as Leopold Macaulay Talks

SAID "COMMON TALK"

The Heenan-Cox battle was aired in the Legislature yesterday with Leopold Macaulay, in skilful, indirect fashion exposing the details of the much-discussed affair without ruffling a single hair on the head of the genial Irish "emperor of Northwestern Ontario."

Only once did Mr. Heenan protest Mr. Macaulay's narration, and then protest amounted to a muttered: "Nothing to it."

"Oh," smiled Mr. Macaulay, disarmingly, "we all know the honorable the Minister would draw a mantle of charity over the incident, and we, bowing to the rules of the House, accept your denial, in good faith, but outside the House the affair is common talk."

He could readily understand how Mr. Heenan had acted as he had acted, said Mr. Macaulay, when Mr. Cox (Hon. Charles Cox, Minister without portfolio) had entered the former's office telling him he was going to investigate his department. The training in boxing and wrestling which Mr. Heenan had had as a boy in "dear old Ireland," had evidently stood him in good stead. "They said," said Mr. Macaulay, "that he (Mr. Cox) went right over—not one railing, but two. And right over a stenographer's desk. And over her head, too."

"You want to be careful," chided Mr. Hepburn.

"Oh when I go over to my genial friend's (Mr. Heenan's) office, from now on, it will be only a social call I'll be making," smiled Mr. Macaulay.

Bill to Tax Hydro Read

Would Affect Those Properties Paying Taxes Before Acquisition

First reading was given by the Legislature yesterday, to the special bill of W. L. Houck, (Lib., Niagara Falls), providing that power undertakings acquired by the Hydro-Electric Power Commission, which were subject to taxation before their acquisition, shall continue to pay taxes to municipalities, notwithstanding Hydro ownership.

The fate of this measure is still undecided. Cabinet ranks are said to be split on it, with Premier Hepburn and Hon. David A. Croll reportedly in favor of it, and with Attorney-General Roebuck and Hon. T. B. McQuesten, Hydro Commissioners, the most outspoken against it.