

March 16

New \$7,000,000 Pulp Industry Is Forecast

Establishment of a \$7,000,000 pulp industry in Northern Ontario within the next few weeks was forecast yesterday in the Legislature by Hon. Peter Heenan, Minister of Lands and Forests.

Mr. Heenan told members he hoped before the session ended to be able to announce a pulpwood agreement providing for an industry costing that figure. The industry would be established, he said, in an area which the Government has reclaimed for the Crown under the Timber Reallocation Act.

The Minister's announcement came in the course of a statement in which he denied newspaper assertions attributed to Frank Spence (Cons., Fort William) bearing on the Government's timber dealings with the Lake Sulphite Company.

Tempers were raised to white heat over Mr. Heenan's claim that a Conservative could not be believed at any time, and were cooled when the Minister said he "didn't mean it" after Hon. Leopold Macaulay, Opposition House Leader, had charged him with making "blatant and false statements."

Starts Argument.

The charge immediately provoked argument, punctuated by demands for a ruling from the Speaker. Three times Premier Hepburn was on his feet, challenging the right of the Opposition Leader to express in such bald terms his doubt as to the veracity of the Minister.

The atmosphere cleared, however, as the Premier admitted his colleague "went a little too far," and suggested that both withdraw. The argument, itself, dissolved in the laughter of the House, as Mr. Heenan, in a plaintive plea, delivered in rich Irish brogue, said to

Mr. Macaulay: "Would you like to know I didn't mean it?"

Mr. Spence, said the Minister, had been quoted as stating that in co-operation with the Hepburn Government, the Lake Sulphite Company had secured 40,000,000 cords of the finest pulpwood in Northern Ontario and that there were 20,000,000 instead of the 4,000,000 cords as officially estimated and that the purchase of the Nipigon Corporation had given the company control over another 20,000,000 cords.

Mr. Heenan emphasized that the two areas, Lake Sulphite and Nipigon Corporation were two separate agreements and carried with them the obligation to build two separate mills. He claimed Mr. Spence should

have known the Nipigon Corporation Limits were disposed of in 1926 during the Conservative regime and that the area was then estimated to contain 5,842,000 cords, although he stated now it contained 20,000,000 cords.

Recently Allotted.

He said Mr. Spence should have known also that a portion of the Nipigon area had been recently allotted to the Great Lakes Pulp and Paper Co., in which is estimated to contain 500,000 cords of spruce and balsam, so that he therefore, was 16,000,000 cords out on his estimate.

Mr. Heenan said he believed the purchase by the Lake Sulphite Company of the Nipigon limits was a good deal. It involved a commitment to build a mill. The company secured the limits for \$500,000.

He scored Mr. Spence's criticism to the effect that sooner or later the company might get a license to export this timber to the United States and pointed out that the Conservative Government gave permission to export from the Nipigon Limit.

He charged that Mr. Spence was advocating the cause of a "few disgruntled timber operators who wish to secure timber areas to cut pulpwood."

He read a wire, which claimed that business men of Fort William endorsed the Government's timber policies.

"Who signed that?" asked Mr. Macaulay.

"Charles B. Wilson, President of the Liberal Association," said Mr. Heenan.

There was a chorus of jeers from the Opposition. "Even if he is only a Liberal, you can believe his statements some of the time, but that's what you can't do about a Conservative," Mr. Heenan snapped.

Budget Sure On Friday

The Ontario Budget will be brought down in the Legislature Friday afternoon, Premier Hepburn yesterday emphasized before the House.

The Premier said he had been amazed to see in the press a report that the Budget debate had been deferred and recalled to members how, on Monday, he had stated it was his intention to deliver the Budget address on Friday.

At that time, he pointed out, he indicated it might be necessary to hold a session Wednesday night to clear the debate on the Address in Reply to the Speech from the Throne.