

March 17

# TIMBER FIRMS HIGH-GRADING, SAYS HEENAN

Won't Stand for It Any  
Longer, Minister Tells  
Legislature

## REPLIES TO SPENCE

Timber companies, operating on limits allocated under the Conservative regime, have "ganged up" against the Department of Lands and Forests and "high-graded" timber for export to United States. Hon. Peter Heenan, Minister of Lands and Forests, charged yesterday in the Legislature.

"They go in and high-grade the spruce and the balsam," the Minister declared, "cut along the margins of streams and wouldn't pay any attention to the foresters and rangers. They have ganged up and high-graded and for three years I have had to stand by. I don't intend to stand for it any longer."

The Minister made the charge in his reply to Frank Spence (Cons., Fort William), who, early in the sitting, gave a statement bearing on the cordage in the limits acquired by the Lake Sulphite Company.

### Statements Queried.

The exchange opened one way Tuesday, when Mr. Heenan claimed that statements Mr. Spence had made in an interview in the Toronto Daily Star of March 14 were untrue. Mr. Spence was not present because of illness. But yesterday he defended his statements and repeated his demand, made during formal debate, for an investigation into the affairs of the Lake Sulphite Company.

Mr. Heenan declared that timber operators who benefited under Conservative agreements had had a meeting recently and had agreed to "get Spence to advocate our cause." He emphasized he had not objected to Mr. Spence's speech in the Legislature. "But that didn't warrant him going out into some corner and giving a typewritten statement that was designed to fool members of the House and the public as well," he declared.

The Minister said in conclusion that, irrespective of Mr. Spence's views of the cordage in the limits, he for one was going to take the advice of his foresters.

### Accepts Challenge.

"Apparently while I was absent from the House yesterday, due to ill health," Mr. Spence began, "the honorable member from Kenora took exception to an interview which appeared in the Toronto Star concerning the Lake Sulphite Pulp Company. He asks me why I did not tell the House there were two mills involved. In fact, he challenges my statement, and I have never passed up a challenge."

Mr. Spence read extracts from a speech made in the House on March 8, in which he had explained that the Nipigon Corporation mill had been purchased by the Lake Sulphite Pulp Company at a cost "of between \$500,000 and \$700,000."

"I also stated that this purchase was not set out in the company's prospectus," he said, "and you will recall I asked for an investigation of the whole transaction"

Mr. Spence took exception to Mr. Heenan's quoted remarks that the controversy over the Lake Sulphite Company situation was "a lot of propaganda by a lot of political soreheads."

"I resent that statement applying to any one from the Head of the Lakes," the Fort William member said, "and particularly to having it applied to the member from Fort William."

With reference to a telegram read in the House yesterday by Mr. Heenan, Mr. Spence again quoted figures in defense of his estimate concerning the amount of wood on the Lake Sulphite limits.

### Question of Cordage.

"Mr. Wilson, who is a former President of the Fort William Liberal Association, said that my estimate of 40,000,000 cords was absolutely absurd," he declared, "but when you look into the figures it does not sound absurd at all."

The Lake Sulphite Pulp Company limits, he said, comprised 2,000 square miles of "truly magnificent virgin timber." That represented some 1,280,000 acres, he declared, and there was an average of fifteen cords of spruce and balsam per acre.

"In reality the company secured the virtual plum of all the timber resources of the district," he affirmed, "and I believe 40,000,000 cords is indeed a fair and conservative estimate."

"I like that word 'conservative,'" he added as an afterthought.

"There are a lot of people up there that don't," retorted Hon. Harry Nixon, Provincial Secretary.

"Not in Fort William," exclaimed Mr. Spence, while Conservative members thumped their tables in applause.

Mr. Spence reiterated his demand

for an investigation into the affairs of the Lake Sulphite Pulp Company through the Ontario Securities Commission.

"I understand there is an investigation under way by the Quebec Securities Commission," he said, "and I ask that similar action be taken here as well. There is no person at the Lakehead or in the Province of Ontario who is more interested in the success of this project than I am, but I believe an investigation is necessary to clear up the situation to the satisfaction of every one."

"I hope my honorable friend will always look as well as he does at the present time," said Mr. Heenan, as he rose to reply to the Fort William member. "We want to have one Tory in the north to shoot at once in a while."

He said he had made no objections to any statements made in the House by Mr. Spence, but that statements made by him outside, which he had not made in the House, were objectionable.

"They were the most ridiculous statements," he said. "Mr. Spence takes that whole 2,000 square miles of land and, without allowing for swamps, water, burned out areas or anything else, estimates the timber stand. Why, 50 per cent of that property is water. And not only that, but the estimates of his own Government show that not more than three and a half or four cords of sound pulpwood can be found to the acre. I'm sorry that he has made such a laughing stock of himself by his estimates. I'm sorry, too, there are not 40,000,000 cords of pulpwood, but even if there were, how is it he didn't discover it for ten years?"

"I've always maintained it," Mr. Spence interrupted. "I said so even at that time."

"Well then, apparently my honorable friend knows more about timber than the entire department, all the contractors and every one else put together," Mr. Heenan rejoined.

The Minister read a telegram from Mayor C. M. Ross of Fort William expressing regret at "efforts which are being made to complicate and confuse the problem confronting your Government."

"I suppose you'll say that can't be believed either, because Mr. Ross is a Liberal," he challenged.

"Certainly we can believe him," Mr. Spence retorted. "But he doesn't know the situation."

"Apparently the only man who knows anything about the timber industry in the north country is the member from Fort William," Mr. Heenan remarked. "I thought the member from Port Arthur would know as much."

"He's never here anyway," interjected Hon. Leopold Macaulay, Leader of the Opposition.