

TIMBER PROBE WANTS TO HEAR U.S. OPERATORS

Question of Making
Newsprint from Wood
of Ontario Brought Up

RAISED BY DREW

Indication that operators of some of the largest pulp processing mills in the United States may be called before the select committee of the Ontario Legislature now investigating timber administration in the Province was seen in statements made by Hon. Peter Heenan, Minister of Lands and Forests, and Conservative Leader George Drew during yesterday's committee hearing.

The suggestion was voiced while Colonel Drew was questioning the Minister on the problem of safeguarding Ontario newsprint mills from competition by United States mills using Ontario wood. Mr. Heenan said exporters filed affidavits that their wood would not be used for manufacture of newsprint, but admitted there was no other guarantee.

Would Clarify Situation.

"I think the best way to settle that point would be by direct evidence," he said. "We couldn't very well subpoena United States operators to appear before us, but I think they would be willing to come voluntarily if requested."

"They should be," the Conservative Leader replied, "the very nature of their business makes harmonious relations with the Ontario Government imperative." He agreed that their testimony would do more toward clarifying the situation than any indirect evidence.

Colonel Drew attempted to trace the course of export wood from Canadian ports to its point of consumption, but the Minister said it was not possible to do so accurately as the Province had no exact figures on the operation of American mills. None of the wood, he insisted, was used in the manufacture of newsprint.

"Is it not correct that some of the companies importing wood from Ontario are also making newsprint in other places?" Colonel Drew pressed.

"That might be possible," Mr. Heenan agreed, "but I cannot say for certain. We don't keep those records."

"What control do you exercise in seeing that this wood is not used for newsprint manufacture?"

"We have only the affidavits of the men exporting that the wood will not be used for newsprint."

Colonel Drew told the committee he could see the point Mr. Heenan was attempting to make, but that he did not entirely accept it. The Minister's stand, he understood, was that wood exported from Ontario did not compete with Canadian wood on the market because it was not used for the manufacture of newsprint. But, he added, there was nothing to show that the wood, once received in the United States, was not trans-shipped to a subsidiary company and used in a newsprint mill.

To Meet Emergency.

Mr. Heenan defended the Government's export policy on the grounds that it had been adopted to meet an emergency and that the emergency still existed.

"Thunder Bay operators waited on this Government several years ago," he said, "and urged that permission be granted for them to export wood from Crown lands over a period of years. They pointed to the wide-scale unemployment in the area, and they impressed me with their plight and with their arguments. There was such a large amount of mature pulpwood available that we passed an Order-in-Council authorizing such exports and this policy was extended from year to year."

Far from being a set policy, he said, it was a policy tailored to the needs of the Province. Mr. Heenan agreed that it would be much better for Ontario if the wood could be processed here, and said the Government would curtail exports just as soon as any mill, large or small, could be established in the Province.

Tabling figures in reply to a question asked by Colonel Drew in the first day of the hearing, the Minister reported that consumption of pulpwood in Thunder Bay district for the peak year of all time amounted to 425,715 cords in 1937. Of that, he said, 23 per cent came from private lands and 15 per cent was poplar, which was not included in his estimate of "permissible cut" which had been placed at 740,000 cords per year. About 275,000 cords of the total represented balsam and spruce cut from Crown lands, he said.

Exports in 1938 amounted to 324,840 cords from Crown lands, and 288,212 from other lands, or a total of 612,000 cords all told. In 1939 exports were 258,635 cords from Crown lands and 174,506 from others, for a total of 433,141.

Air Service Costs.

"Then, in at least one year we have exported more wood than the total consumption of Ontario mills," Colonel Drew observed.

Earlier in the hearing, Mr. Heenan tabled statistics showing the growth of the Ontario Provincial Air Service, operating costs and number of hours flown per year since the service was inaugurated in 1924.

Aircraft operated on forestry patrol had increased from fifteen in 1924 to a peak of twenty-seven in 1931, and had then declined to a total of twenty-one machines in 1934. From 1934 to the present date it had been built up to a strength of twenty-eight aircraft. In 1936, he said, the department had begun replacing detection aircraft with a larger "semi-suppression" type.

HOUSE REVISES PROXY CLAUSE

By an amendment to the Companies Act, introduced yesterday by Attorney-General Conant, the provision which prescribes the form in which a proxy may be made is changed to permit the form of the proxy to comply with the laws of other jurisdictions in which the shares of a company may be listed on a stock exchange.

Leopold Macaulay (Cons., York South) suggested that most jurisdictions had fairly stiff regulations governing the soliciting of proxies, and that it might be well to consider tightening the provisions in Ontario.

By another amendment to the act, it is proposed to permit life insurance companies to elect directors to represent policyholders.

Under a proposed amendment to the Change of Name Act, introduced by Mr. Conant, every application for a change of name must be accompanied by an affidavit of the applicant to the effect that he has resided in the county or district in which the application is made for one year prior to the notice of application.