

WOULD FAVOR SMALL-SCALE PULP OPERATOR

Spence Requests That
They Get Preference
Over Firms From U.S.

MAY BE CALLED

A request that the special committee of the Legislature investigating the timber policies of the Government recommend that the rights of small pulp operators be given preference over United States companies, was made yesterday by Frank Spence (Con., Fort William).

The request came after Colonel Drew had asked Hon. Peter Heenan, Minister of Lands and Forests, what had happened to the small operators cutting for export on the Crown lands allocated to the Lake Sulphite Company in February, 1937.

"The operators had a license for only one year," replied the Minister. "We allowed them to continue cutting long enough to fill contracts they had on hand, and then they had to get out."

"Were these men called in and asked to state their views on the case?" asked Colonel Drew. "I know what they would have said without calling them in," answered Mr. Heenan. "They would have stated that they had as much right to cut over the land as any company." "Well, haven't they?" said Colonel Drew. "You are getting very near advocating the continued export of pulpwood," Mr. Heenan said.

"I believe that this committee should look into the plight of the small operators," said Mr. Spence, "whose whole life and business are tied up in their operations. Their rights should receive preference over United States companies. I believe some of these operators should be called before this committee to give their side of the story."

Chairman Paul Leduc, Minister of Mines, said that if Mr. Spence wished to call pulp operators to give evidence he had full power to do so.

Colonel Drew asked Mr. Heenan to present the agreements made between the Government and the Abitibi Company, the Provincial Paper Company and the Great Lakes Pulp and Paper Company, whereby these concerns handed back to the Government Crown lands which were later allocated to the Lake Sulphite Company.

The Minister read letters which passed between his department and the Great Lakes Paper Company. "What agreements did you have with Abitibi?" asked Colonel Drew. "Nothing on file," replied Mr. Heenan, "but we had discussions with the company and they didn't disagree with what we were doing."

Colonel Drew said that the Department of Lands and Forests had recommended an Order-in-Council to the Cabinet which resulted in the formation of the Lake Sulphite Company in February, 1937, and that in the agreement with the company the Government allocated lands formerly belonging to the Abitibi Company to the new concern.

"But the agreement between Abitibi and the Government, handing back these lands to the Province, was not signed until June. In the meantime the Lake Sulphite Company had sought and received public subscription on the strength of their Government agreement," said Colonel Drew.

Mr. Heenan replied that although the final agreement between the Government and Abitibi was not signed until June, the discussions had taken place long before that and a plan mapped out that was favorable to both the company and the Department of Lands and Forests.

Colonel Drew asked what had prompted the Minister to reach a decision regarding the switching of Crown lands from the three companies mentioned to the Lake Sulphite Company. "After all, you didn't use a ouiji board."

Mr. Heenan denied that there was any connection between the allocation of land to the Lake Sulphite Company and the agreement reached with the other companies giving back into the Province's hands Crown land under their control.

"The Government was looking for land, easy of access, to cut timber for export," he said. "We therefore arranged with these three companies for some land under their control. But when the Lake Sulphite proposition came up we believed that it was more important to turn the cutting rights over to a Canadian industry for processing at home than to keep the land and cut for export."

Referring back to the plight of the small operators forced off the land when the Lake Sulphite Company came in, Mr. Heenan said that the men employed by these jobbers did not suffer, as they were taken up by the extra cutting work supplied by the company.