

LAKE SULPHITE IS 'BLACK EYE,' CHARGES COX

'Bad Practice' Alleged by Lakehead Member in Control of Timber

SEES 'INJUSTICES'

Charging that Government exploitation of Northern Ontario forest resources had proved "uneconomic, unwarranted and unjustifiable," Mayor C. W. Cox, Liberal M.L.A. for Port Arthur, yesterday told the Ontario Legislature timber committee that the history of the Department of Lands and Forests was filled with "glaring injustices" to the people of Thunder Bay district.

Presenting a brief to the committee, in which he attacked Government policies in allocating large limits to various concerns without thought for the welfare of the district, the Port Arthur member was particularly critical of the Lake Sulphite Pulp Co. and Pulpwood Supply Company promotions.

In both these and other instances, he declared, the Government had given advantages to foreign mills which were most unfair to the Canadian producer. As a result of timber grants to foreign mills, he said by way of illustration, the Abitibi Pulp and Paper Company was being forced to get wood for Canadian consumption from isolated points on Lake Nipigon at a cost of \$150,000 more per year than American operators had to pay for wood going to American mills.

The Lake Sulphite Pulp Co. transaction, he charged, had given a black eye to the North. Vast timber reserves, convenient for rail haul to Lakehead mills, he said, had been turned over to assure the future of a promotion that was "poorly conceived and inadequately financed," which found the rocks of financial ruin even before construction of its mill had been completed.

"Paid in Advance."

He questioned the wisdom of locating pulp mills such as the Lake Sulphite plant on sites remote from settled communities. Not only was it necessary to duplicate branch railways and power line construction, but all the facilities of existing municipalities had to be built on the lavishly-planned townsite at a cost far exceeding legitimate needs. The mill could have been located at Nipigon, Port Arthur or Fort William at a fraction of the cost. Insult was added to injury, Mr. Cox declared, when the Hydro Commission sold the company power from a development largely paid for by the municipalities, at a lower cost than mills at the Lakehead could obtain.

The Long Lac diversion scheme, which, he said, was linked with "a gigantic pulpwood export set-up involving three American paper mills" was described as "patently bad practice" which worked harsh injustice on Canadian operators.

"Construction of the canal to connect Long Lac to Lake Superior at a cost of \$1,000,000 or more of the people's money is to my way of thinking unsound and uneconomic," he said. "It is the first time in the north country that the Government has been so gracious as to pay for river and stream improvements of the operators—and in advance at that."

The diversion scheme was costly and would never prove practical, he said. Extensive improvements would be needed from time to time and the transportation of wood by this route would deprive the railroad of millions of dollars in revenue which would be bound to accrue to them. In addition, the driving of wood to Lake Superior would prove utterly impractical.

Hits Fire Control.

"Isn't it true that wood has already been driven and the route has been found entirely practical?" asked Provincial Secretary H. C. Nixon.

"Not very," replied Mr. Cox. "It took them a whole year to get 30,000 cords down."

"But I understand the Long Lac diversion was predicated on some form of power development, too," the Provincial Secretary interjected.

"Unless the Government is prepared to spend huge sums on building revetment walls," Mr. Cox said, "the canal will never be a substantial power source."

"Do you mean that erosion will prevent development of power?" asked Colonel Drew.

"Absolutely," was the reply. "When you drive the amount of wood through that you are contemplating you won't have enough power supply to drive a washing machine."

He cited the case of a fire on the limits of the Pigeon Timber Company at Onion Lake, and quoted from departmental records to show that the company had hired its own aeroplane to the Government and received \$45,000 for helping to fight the fire on its own property.

"The same company applied for, and received, a reduction of stumpage dues from \$3 per cord to 50 cents per cord under the excuse of salvaging burnt wood," Mr. Cox said. "According to the records of the department some 112,739 cords of allegedly burnt wood were cut and paid for at the salvage rate, making a saving to the company, and a loss to the Province, of \$285,229.67. The wood was then sold on an unburned basis, and the company received payment for this on the unburned price."

The Port Arthur Mayor concluded his recital by inviting a committee, headed by the Premier and the Leader of the Opposition, to visit Port Arthur in the heart of the timber industry and make a thorough study of the situation. If such a committee would come, he promised, he would bear the expenses personally, up to a total cost of \$25,000 if necessary.

RELIEF OFFICER CHARGED ACTIVE IN CAMPAIGNING

Official in East York Organizing for Liberal, Macaulay Declares

SEEK AMENDMENT

Out of Conservative opposition to a measure which places final word in the dismissal of an unemployment relief administrator with the Minister of Public Welfare, came the direct charge in the Legislature yesterday, by Leopold Macaulay, that an East York official "is actively engaged in organizing for Bart Sullivan," secretary of the Federal Liberal Association in Ontario.

"Moreover," said Mr. Macaulay, "he is not only organizing but speaking from the public platform. I don't think there is the right of any relief officer to be engaged in politics, municipal and otherwise."

He asked Hon. Eric Cross if he would look into the complaint and the Minister said he would. The amendment, contained in the Statute Law Amendment Act reads: "An unemployment relief administrator or any assistant to an unemployment relief administrator shall not be removed from such office without the approval of the Minister of Public Welfare."

Mr. Cross said there was a need for some protection for administrators. It had been found, he said, that in municipal elections, some administrators had been forced to do certain things contrary to regulations. Moreover, he claimed, the Dominion and Provincial Governments were spending 80 per cent of the relief costs and therefore were entitled to have some control over the administrators.

Conservative Leader Drew declared: "He suggested that prior to municipal elections, pressure might be brought to bear upon an administrator and if pressure was brought to bear by a municipal body, there is no reason to suppose that pressure might not be brought to bear by the Province. There is no reason to believe that political purity begins here. There is a tendency that is going too far toward bringing matters of this kind under an elective official of this House."

Mr. Cross declared there was no departure in principle inasmuch as health officers, county engineers and road supervisors could not be dismissed without the assent of the Ministers of Health or of Highways.

"No one is organizing in East York for me," said Mr. Sullivan last night. "I think I was introduced to the relief officer in East York, but you can say as definitely as you like that neither he nor any one else in East York is working on my behalf."