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The Daily Mail

THE WEATHER

Fresh north-west winds fair
and quite cool tonight and
Thursday.

VOL. XXXIII., NO. 84 FREDERICTON, N. B. WEDNESDAY, APRIL 13, 1927. TWO CENTS PER COPY

The Royal Commission Report was Tabled Today

Some Important Changes Based on a Study of Conditions are Recommended — Stumpage Rate on Spruce Should be Fixed at \$3.00 for Five Years and Other Rates in Proportion — Operators Have Been Losing Money in Recent Years.

Extension of existing crown land leases, a fixed rate of stumpage for five year periods on soft woods ranging from \$1.75 for poplar to \$3 for spruce, per thousand feet, a \$2 rate for hardwood, and that the lumber cut does not exceed annual growth, were some recommendations in the report of the Royal Commission appointed by the Provincial Government to investigate the lumbering industry, tabled in the Legislature this afternoon.

The Commissioners were Hon. W. C. H. Grimmer, Supreme Court Justice, Mr. F. C. Beatey, a practical lumberman and Mr. George A. Stone, the latter representing the labor interests. The Commission held a number of sittings in different sections of the province and obtained a mass of evidence, which will no doubt be of great value to the Department of Lands and Mines in the future.

The Commission found the long lumber industry in a state of depression as the result of world conditions, but reported the pulp and paper industry to be in a flourishing condition.

Summary of Report.

In the letter of committal covering the report, the commissioners, Hon. W. C. H. Grimmer and Fred C. Beatey, said they had held sessions at Fredericton, Campbellton, Bathurst, Chatham, Moncton and Saint John, examined 48 witnesses, among them all the large operators as well as many operators of portable mills and the operators of pulp and paper mills in the province.

In the commencement of their report, they gave a summary of questionnaire submitted to witnesses before being called, which consisted of two sections—23 questions of the lumber business and 16 on hardwood lumber, the object being to ascertain the actual cost per 1000 feet of lumber and the average net selling price for 1926.

Loss in Operations.

The commission found that in 24 operations upon crown lands there was an average net loss of \$5.54 per 1000 feet including refuse lumber and laths.

"Also in 14 operations upon freehold lands," the report continues, "there was a net loss of 60 cents per 1000 feet including refuse and laths. Further, the result from eight operations upon crown lands in the production of shingles, which included practically all the operations for shingles upon crown lands, shows an average net loss of \$6.08 per 1000 feet of logs, and from four operations in this respect upon freehold lands, there appears an average net profit of \$1.88 per 1000 feet.

"In respect to hardwood operations so far as examined the result of the evidence taken shows an average net loss of \$3.62 per 100 feet of logs.

Pulp and Paper.

"A considerable development has taken place in this industry within the past few years, and there are now in operation in this province four chemical pulp mills, one kraft paper mill and one ground wood pulp mill. The prospect, however, seems to point to a further and increased interest in this project possibly in the near future, all of which means the greater necessity for measures of protection being cast around the Crown Land holdings.....

"The lumber industry, and more particularly the saw-mill industry, during recent years has steadily declined, due no doubt to general economic world conditions and want of a foreign market. Pulp and paper, on the contrary has flourished and developed greatly but the industry is capable of much greater expansion in this province, our lumber being largely of the particular kinds used in the manufacture of the highest grades of paper, and our annual growth undoubtedly equal to that of any other part of Canada. There is material in abundance, and a prospect of development of our waterways to supply the necessary power and offer inducement to capital seeking investment. If this assistance was, or could be made such as to lead to the establishment of more paper mills in order that the pulp produced in the province would be manufactured therein instead of seeking a foreign market as at present, a solution of the problem would be found, and great prosperity would result. The evidence obtained convinces us that a profit has been made in both the production of pulp and paper, even as things are, but under the conditions herein outlined, an entirely new aspect would attend the industry, much more labor would be employed within our bounds, and new towns would spring up, materially adding to the general prosperity, as the industry would be fixed upon a solid foundation and placed in a position where it could compete successfully with any other pulp and paper proposition.

Revised Scale.

Regarding the question of revised scale, the report says:—"Of forty witnesses examined, thirty strongly favored the scale being revised. Two crown land operators were non-committal; four operators of freehold lands also were non-committal; three operating on their own lands, were likewise non-committal; one operating largely on freehold, expressed himself as satisfied with present conditions. The chief source of complaint came from the scale in relation to small logs, it being evident, and we find that beyond all reasonable doubt, logs under eight inches in diameter at the top, unless practically perfect, will not hold out so as to give the operator 1000 feet of manufactured lumber such as he is entitled to under his contract. In the payment of stumpage the examination of the statistics we have furnished positively proves that 21 out of 24 license holders and operators upon crown lands were unable to make the scale they were subjected to hold out, or produce by many thousands of feet the volume of lumber they were paying stumpage for. Out of 14 operators upon freehold land, eight were likewise unable to obtain their quantum of measurement.

We therefore recommend that the scale be revised to meet the conditions as they now exist in respect to all operations upon crown lands."

Tenure of Leases.

Regarding the tenure of leases, the commission says:—

"We are convinced from the evidence given that for the purpose of restoring and stabilizing the lumber industry in this Province, and inducing new capital to come in, some arrangement should be made, or some method devised and entered into whereby a reasonable guarantee may

be assured the investors that the best and fullest opportunity will be afforded them to make good, while at the same time in no way detracting from the value the crown now possesses in its forest lands. To accomplish this we beg to recommend that whereas existing licenses expire in 1933, subject however by existing legislation so far as pulp and paper license are concerned to an extension of 20 years, and saw-mill licenses to 10 years from that date, the said licenses be respectively extended for a period of from 40 to 50 years from the date of their said expiration in 1933; and also that the operations upon the crown lands shall not be permitted to exceed the estimated or ascertained annual growth thereof.

12-Inch Stump Diameter Limit.

"In view of the possible extension of the leases under the recommendation made, we consider it advisable and desirable insofar as pulp and paper licenses are concerned that the stump limit diameter be eliminated entirely under such regulations as the Crown Land Department may approve. In respect to saw mill licenses in areas where timber has reached maturity, that permits be issued authorizing the cutting of undersized trees under approved regulations, and in sections where 'blow-downs' have occurred, that the removal of the same be encouraged by a reduction of the stumpage if necessary, especially in saw-mill operations, thereby salvaging the lumber, obviating the fire hazard, and furnishing young trees with much better opportunity for reproduction and growth.

Stumpage on Softwoods.

"We further recommend that the rate of stumpage on all softwood timbers be fixed for a period of not less than five years at 3 per 1000 feet for spruce, fir, pine and hachmatac; \$2.50 per 100 feet for hemlock, and \$1.75 per 100 feet for poplar logs.

In respect to cedar, inasmuch as we are satisfied that all the operators in this class of lumber sustained very heavy losses in 1926, it is imperative if the operations are to be continued that a reduction in stumpage in this respect should be made, we therefore recommend that the rate on cedar be fixed at \$2.50 per 1000 feet."

Stumpage on Hardwood.

With regard to hardwood, the report says that the hardwood business was one of the coming important sources of revenue in the province, but would have to be carefully fostered. From reliable sources it was learned that the quality of hardwoods in New Brunswick was not in all respects up to the standard of Ontario and Quebec production, but was sufficiently valuable to make and maintain a very substantial industry, particularly as inferior grades could be used for many marketable purposes, such as clothes-pins, toys, axe-handles, barrels, refrigerators, chairs, etc. At present, the commission says furniture factories were located as follows:—Nova Scotia, 4; Quebec, 19; Ontario, 98; New Brunswick, none. The State of Maine, it was pointed out, had 249 factories, which in 1926 used 74,188,000 feet.

An approximate estimate of the department in 1924 showed 4,480,000,000 feet of merchantable hardwood in New Brunswick, compared with 5,000,000,000 feet of softwoods of all kinds. There is little doubt, the report continues, that new industries in this line could be persuaded to locate in the province. In the logging season of 1923-24, the stumpage rate on hardwood was \$1.25; in 1924-25, the same; in 1925-26, \$2 and in 1926-27, \$4. The increase, it said, worked a hardship upon operators, and in 1926 there was an average net loss of \$3.62 per 1000 feet in the two largest manufactures of hardwood.

(Continued on Page Four.)

PRINCE OF WALES LEFT TODAY FOR MADRID

Will Spend Ten Days There Visiting the Royal Family.

RUMORS ARE REVIVED

Not Much Chance of H. R. H. Wedding Princess Beatrice.

(Special cable to The Daily Mail by the British United Press)

London, April 13—The Prince of Wales left today for Madrid where he will spend ten days visiting the royal family. The Prince was scheduled to arrive at Madrid on April 22, after spending a week end at Biarritz en route. Brigadier General Trotter accompanied Wales.

The Spanish ambassador and other prominent persons came to the station this morning to bid the Prince farewell.

Among the multitude of rumors regarding the matrimonial plans of the Prince of Wales there occasionally has appeared the report that he would marry the Infanta Beatrice, oldest daughter of the King and Queen of Spain.

There never has been any indication that these reports had any basis in fact, and informed persons always have explained that differences in age and religion the prince being 33 and a protestant and Beatrice 18 and a catholic, would prevent the marriage. The prince and Beatrice also are related the Queen of Spain, having been an English princess.

Moncton Times: Major Frank Rowe, of Fredericton was in town yesterday on a visit to his mother, Mrs. C. O. Rowe, St. George street.

THE PETICODIAC POWER BILL FURTHER CONSIDERED BY CORPORATIONS COMMITTEE

Committee Room,
April 13th, 1927.

The Corporations Committee again took up the bill to incorporate the Peticodiac Tidal Power Company, to consider the amendment which at yesterday's sitting were left to be prepared by a sub-committee in conference with the promoters of the bill and various interests affected.

Mr. W. R. Palmer submitted the report, the amendments contained therein, stated somewhat differently, the objects of the Company; providing for the establishment and maintenance of suitable means for disposing of sewage and drainage from the city of Moncton providing that navigation should not be obstructed and that proper fishways should be established; providing for the presentation of the results of surveys with plans and data necessary to demonstrate the feasibility of the development to be submitted to the Lieutenant Governor in Council before the first of January, 1929. Then giving the Lieutenant-Governor-in-Council, if all conditions are satisfactory to them, the authority to authorize the company to proceed with the development under a certain definite annual expenditure and satisfactory date for completion. Should the company not fulfil the obligations imposed the Lieutenant-Governor-in-Council may terminate the powers conferred on the company by the Act.

Took Exception.

Hon. Mr. Reilly took exception to the clause making it possible for the company to take over the works and operations of the N. B. Hydro Electric Power Commission. He also objected to some of the safeguards proposed for the city of Moncton and to giving the company all the powers conferred under the New Brunswick Companies Act. He wished time to consult with Mr. Hughes, Moncton City Solicitor.

Hon. Mr. Baxter said there was no intention of giving this Company a chance to monopolize all the electric power in New Brunswick.

Mr. Lodge said it was the intention of the company to take care of the Moncton sewage and of the drainage of marsh lands.

Mr. W. R. Turnbull said neither the bill nor the amendments adequately gave any idea of the company's pro-

Nationalist Reply to Notes of the Powers Likely to be Sharp

Notes of Five Powers Were Identical But Replies to British and U. S. Consuls Differ From the Others—Northern Army Said to Have Captured Pukow From the Nationalists.

(Special to the Daily Mail by the British United Press)

SHANGHAI, April 13—Sharp replies to the United States and Great Britain were prepared by Eugene Chen, Nationalist foreign minister at Hankow the United Press was informed today, in response to the notes of protest against last month's Nanking disorders, which were delivered to Chen by the Consuls of the powers.

Japan, France and Italy submitted notes identical to those handed Chen by the British and United States Consuls, but it was understood that Chen's replies re these powers would differ from the others.

It was expected that Chen would seek to conciliate Japan and would reply innocuously to Italy and France.

Provincial Appointments.

The Royal Gazette today contains notice of the appointment of John Elliott of Kingsclear to be Parish Court Commissioner with civil jurisdiction. Oscar Morris of Prince William is gazetted auctioneer.

Hospital Commissioner.

J. F. H. Teed of Saint John barrister who is here today on business connected with the Supreme Court, has been gazetted commissioner of Saint John Public Hospital in place of J. King Kelley deceased.

Pukow is Captured

The United States and Great Britain would be treated equally regarding firmness. Capture of Pukow across the Yangtze river from Nanking and on the Shanghai-Peking railway apparently has been achieved by the northern armies. The Nationalists had held Pukow.

All relations between armed laborers and Nationalist troops continued in the native city of Shanghai throughout a dreary day.

At the annual meeting of the taxpayers association today there was discussion of permitting Chinese privileges equal to those enjoyed by foreigners in the public parks. It was resolved to permit Chinese to enter the parks, but the resolution was amended to bar their entry so long as the present unrest continued. No change in the status of the municipal council was considered.

Peking, April 13—Northern troops were reported today to have been seen on the north bank of the Yangtze river from the Nanking side of the river indicating the northern capture of Pukow from the nationalists.

STUDENTS FROM CHARLOTTE WERE ENTERTAINED

Members From Border County Gave Dinner at Barker House to Forty-nine Constituents.

The members for Charlotte entertained the students of the University of New Brunswick and the Provincial Normal School at dinner at the Barker House Tuesday night. The hosts were Hon. H. I. Taylor, Scott D. Gup-till, James S. Lord and A. R. MacKenzie. In addition to the students there were present Dr. W. S. Carter, Chief Supt. of Education, Dr. C. C. Jones, the Chancellor of the University of New Brunswick and Mrs. Jones.

The holding of a caucus by the Government party at the Executive Council chamber brought the dinner to a close earlier than usual. Dr. Carter and Dr. Jones both spoke after the dinner and R. E. Henderson of the University responded on the part of the students.

The students from Charlotte at the two Provincial institutions of learning who were present, numbered forty-nine, the representation from that County being among the largest of the country contingents receiving higher education here.