

The Paper Clause Of Reciprocity Treaty Discussed at Length

Statement of Mr. John Norris, Chairman of Committee on Paper of the American Newspaper Publishers' Association to the Committee on Ways and Means.

Mr. Chairman: I regard the Canadian reciprocity arrangement now before you as the greatest economic advance that has been made by the United States in the present generation. It broadens our markets, it promotes interchanges that will immediately and directly benefit ninety per cent of the population. I appear as the representative of newspapers which pay more than fifty-five million dollars per annum for news print paper. They are deeply concerned in the paper and pulp clause of the treaty, and they ask you to approve that clause exactly as it appears in the agreement.

The trade of the American government with Canadian Provinces and the tariff burdens imposed upon print paper have added more than six million dollars per annum to the price which newspapers would pay for raw material under normal conditions. The competition with Canada and the excessive duty have made it impossible for paper makers to combine for advances in print paper prices. They have an organization that is more oppressive and more elusive than the General Paper Company which the government suppressed in 1906. The paper makers are systematically starving the market. The entire stock of paper on hand at the beginning of this year was less than an eight-day supply for the newspapers of the country. In December, 1910, they exported more print paper than Canada shipped to us.

The president of the Union Bag and Paper Co., Mr. Edgar G. Barrett, in an interview printed last August, a copy of which I now submit, gave details of the methods by which the large paper companies reduced their production to 35 per cent of their normal output to allow weaker mills to get a market. The president of the American Paper and Pulp Association on July 11, 1910, issued a letter to the paper makers urging curtailment of production—a copy of that letter I now furnish to the committee. The Wrapping Paper Pool advanced the price of the extent of five million dollars per annum, pleaded guilty in the United States court and paid a fine. The Box Board Pool also pleaded guilty and paid a fine. Both these interests are affected by this paper clause. The West Virginia Pulp and Paper Co., according to a recent announcement, has arranged for an increase of 25 per cent on its newsprint paper. This company changes its prices the other book paper mills follow within twenty-four hours. The paper makers establish a statistical bureau ostensibly to ascertain the condition of the market. We welcome the information gathered by that bureau but we object to the use which paper makers have been making of it to regulate prices. The same reduction recently of \$3.00 per ton by the sulphite pulp makers was evidence of concerted action by them in price fixing.

All but two of the fifty print paper makers of the country are violating the Sherman Law by restricting the use to which the paper they sell can be put. No print paper can be bought for use in anything but the business for which it is sold. The destination of the paper and the use to which it is to be put are disclosed, as well as the information that the buyer has no contract with any other mill. Here are all the elements of a gentleman's agreement. I have been unable to buy paper from the paper mills although I offered spot cash for delivery f. o. b. mill. During the past summer the largest companies refused to quote paper for 1911 at any price. Today it is impossible for the larger newspapers to obtain quotations from more than one mill at any price. The largest buyer in the country who uses one hundred thousand tons per annum will probably pay an increase of \$600,000 per annum for his paper because of the methods of the paper makers.

Since the passage of the Payne-Aldrich law, though the duty on print paper had been reduced \$2.25 per ton, that is from \$5.00 to \$3.75 per ton, the paper combination has advanced prices \$2.50 per ton and threatens further advances. Publishers whose contracts are expiring find that they cannot get any terms except from the mill which had supplied them. A uniform price of \$45.00 per ton has been established by the paper makers. It makes no difference what the freight rates is within a given zone.

Mr. Barrett, in an interview in London, urged the British manufacturers to adopt a similar price of \$45.00 per ton. Paper has been sold abroad by the paper makers at less than the domestic price. The president of the American Pulp and Paper Association disclosed to your committee in November, 1908, that his paper mill at Niagara Falls, on an investment of \$100,000 had paid dividends regularly and had accumulated a surplus of \$400,000. That mill is an antique. The International Paper Co. acquired 111 paper machines 13 years ago—it has sold or diverted many of them, and has less than 57 machines now making print paper. In 13 years it has added only two machines to its equipment. The average capacity of its machines is 21 tons per day per machine, whereas modern machines turn out 56 tons per day.

Foreign pulp has displaced American pulps in American paper mills because of the primitive conditions which prevail in American mills. Only 67 per cent of the wood which reaches an American paper mill is converted into print paper. An American print paper mill requires 110 pounds of raw material to make one hundred pounds of paper, whereas English and German mills require one hundred and three pounds of raw material to make one hundred pounds of print paper. The waste of wood and of material and the bad workmanship due to lack of technical equipment add over \$30,000,000 per annum to the cost of print paper which publishers must pay. This waste is attributed to the fact that the paper combinations and the paper tariff have enervated the American paper maker. Nevertheless the modern paper mills in the United States make print paper cheaper than the Canadian mills. The price

of print paper has been advanced nearly 50 per cent, that is from \$2.00 to \$45.00 per ton, since the combination of 22 mills into the International Paper Co., occurred in January, 1898.

The increase of \$2.50 per ton in price of print paper made by paper makers since the reduction in duty under the Payne law has been maintained in face of a temporary glut in the pulp wood market with a recent drop in price of pulp wood of \$3.00 per cord or \$4.20 per ton of paper. I refer you to the statement made by Mr. James R. Mann to the house of representatives June 3, 1910, for information respecting the restrictions on pulp wood exportation imposed by each of the provinces of Canada.

At the instigation of the print paper makers, the American congress attempted to impose coercive measures upon the Province of Quebec. The disastrous results of that policy are now seen in the withdrawal by Quebec of 95 per cent of all the available pulp wood supply of that province. It has been trying to starve the American mills and to force their transfer to Quebec. The paper clause of the pending reciprocity agreement overcomes all the difficulties of that situation.

The snarl with the provinces of Canada has been completely avoided by an entirely new turn to the stipulation, which now follow the wood—not the province. If wood is free from restriction, such as wood from private lands, the products of that wood will come into the United States free of duty.

The distinction between wood free from restriction of exportation and wood that is not free will show itself in various ways. Print paper made from wood cut on lands subject to restriction will be liable to a duty of \$5.75 per ton of paper. That duty will be prohibitory in competition with paper made from wood cut on private lands. The provinces of Quebec and Ontario have been offering premiums and inducements for the transfer of American paper industries to Canada. Brown Bros. of Berlin Mills, N. H., recently installed a plant at La Tuque, Quebec, and propose to expand it materially. That plant depends on crown lands for its timber supply. The International Paper Company has been offering with the Quebec government for similar concessions. The reciprocity clause will give no encouragement to such diversion of industry from the United States to Canada. A barrier of \$5.75 per ton on print paper will confront such products until the Quebec government removes the prohibition. The revenues which the province now obtains on wood cut from its crown lands and shipped in manufactured form to the United States will be diverted from the Quebec treasury to the owners of private lands. The pressure on holders of crown lands limits upon the provincial authorities for an opportunity to reach the greatest market in the world, that of the United States will be irresistible and a diplomatic victory in the removal of restrictions will have been achieved without harshness, or coercion, or ill feeling of any sort. Each side will obtain an advantage and that is the element of a good trade.

Our complete dependence on outside sources for wood is shown in the fact that we bought last year 1,716,000 cords in order that we might make paper in American paper mills as follows:

Pulp wood	931,000
Mechanical pulp in cords	228,000
Chemical pulp unbleached	404,000
Chemical pulp bleached	152,000
Total	1,716,000

The supply of pulp wood was so inadequate that we paid over \$150,000 in penalties to get wood from Canadian Crown lands. We paid \$19,496,074 to foreigners for pulp wood and pulps to keep American mills going. The figures of recent years show that the sales of paper by the United States to Canada were three times as great as the sales of paper by Canada to the United States. The excess in our favor is due to the fact that Canada makes no high grade papers but draws on the United States for much of its supply. Prior to the passage of the Payne law Canada had shipped print paper to the United States to the extent of 46 tons per day during the fiscal year 1908 and 56 tons per day in 1909. Subsequent to the passage of the Payne law the shipment was 143 tons per day, or 3 1/2 per cent of our consumption of 4,200 tons of print paper per day. American paper companies have engaged in woodland speculations in Canada. The International

Paper Co., instead of pursuing its legitimate business of paper making, has acquired about 4,000 square miles of timber rights in Canada. Its representative told the Congressional committee in 1908 that he had figured out a profit of ten million dollars on its timber holdings. It concealed the low cost of its paper making by wash entries of the price it paid to its subsidiary companies for wood. The figures furnished by it to the Mann committee, will disclose that deception.

The amendment to the paper section proposed by the paper makers is intended to nullify and will, if adopted, nullify every effort to straighten the pulp wood tangle with Canada. The paper makers would pass along the additional cost of their wood and would turn upon the ultimate consumer the burden of the immense increases in the cost of pulp wood. If the paper makers' figures respecting the quantity of available private land in Canada are correct, that is 1 per cent of the total area, then this treaty clause which permits free paper only when made from free wood cannot be injurious to them.

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If sugar did not dissolve in the mouth you could not taste the sweet. GILLY'S TASTELESS CHILLI TONIC is a strong as the strongest bitter tonic, but you do not taste the bitter because the ingredients do not dissolve in the mouth, but do dissolve readily in the acids of the stomach. It is just as good for grown people as for children. The First and Original Tasteless Chilli Tonic. The Standard for 20 years. 50c.

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Store room No. 4 and 6 South Poplar St., floor space, 38x74. \$50.00
Store room, 1602 South Boulevard. \$30.00
904 N. Graham St. \$5.00
902 N. Graham St. \$5.00
1 brick store room, Belmont Ave \$17.50

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7 rooms, modern, East 5th St. extended. \$20.00
4 rooms, 14 West Liddell St. \$8.00
5 rooms modern, 1003 East 7th St. \$10.00
3 rooms, 807 N. Brevard St. \$8.50
4 rooms, 206 N. McDowell St. \$8.00
4 rooms, 1213 N. Davidson St. \$7.00
7 rooms, modern, 423 Elizabeth Ave. \$30.00
11 rooms, modern 610 N. Brevard St. \$31.00

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New Interest Quarter
JANUARY 1st will be the beginning of a NEW INTEREST QUARTER. DEPOSITS made from now till January 5th will draw interest from January 1st.
Begin the New Year by starting a SAVINGS ACCOUNT — Deposits receive an interest from date.
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You can take shares now and be in Position to borrow the money you need to improve the next good opportunity that comes to you Money deposited with this Association earns more than 6 per cent. and is not taxed.
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Attorneys: T. C. Gutherie, Herriot Clarkson

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A new store on a corner lot on North Davidson street with colored tenement in rear. Good stand for Grocery and now rented to good tenant. Income from store and house \$15.00 a month. Can be bought for \$1,600. All but \$600 can be carried on easy terms.

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Desirable Business Property
We have for sale a corner lot within two blocks of the square, having a frontage of 88 feet on one of the main streets of the city. Price and terms on application.

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W. L. NICHOLSON, Mgr. 209 Realty Bldg.
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Farm Bargains
43 acres, 6 miles from the square, on macadam.
126 acres, 5 1/2 miles from the square, on macadam.
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These farms are on and near the Providence road, on which great developments are in contemplation for the near future; they are good farms, and are bargains at the price offered for the next week, \$60 to \$65 per acre. Good terms on same. Now is the time to act.
We still have some "East End" lots and city property.

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Mr. Letta is shaping the future of the business district of this city, and it has long been sadly needed. The Southern Power Co. is about to begin operations, which necessarily means a new impetus to our industrial development. Now, don't think, you fellows that sit around doing nothing for yourselves or anybody else, that these things haven't required work, and brains, and money.

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but you can't make him drink." The Mutual and Ed Keesler lay at your feet the best plan on earth to bid a last adieu to financial distress—a plan that chases the shadows from your door, and supplants the gloomy countenance, the disgruntled mood, the wrinkled brow with good will and contentment, with sunshine and happiness.

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You've got to do something to earn all these joys. God Almighty never intended to reward a lazy, do-nothing, croaking cuss, one wilfully blind to common sense, with the real sweets of life. He meant for you to hustle.

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Modern 8-room house, 308 W. 12th, garden, barn, newly painted 20.00
Basement under brick store room in North Charlotte 22.00
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Modern 5-room house 709 East 9th street 15.00
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5-room house 212 N. Seigle street 20.00
6-room house 613 East 7th street 10.65
4-room house East Morehead street 10.00
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5-room house 914 East 3rd street 10.00
4-room house 1429 East 5th street 9.00
3-room house 17 West Wynonia street, per week 1.50
4-room house 107 S. Seigle street, per week 2.00
4-room house 1009 N. Caldwell street 9.00
3-room house Liddell street, per week 1.75
5-room house 18 West Palmer street 10.50
5-room house North Stevens street 10.00
Two 3-room houses East 14th street, per week each 1.25
3-room house East 13th street, per week 1.00
4-room house corner 9th and Stevens street, per week 2.00
4-room house Baldwin Avenue 9.00
3-room house, 705 S. Church, sewerage and water 8.00
4-room house 12 West Palmer street 7.00
4-room house 1017 N. Brevard street, per week 1.50

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East Third St. 30x95 with basement \$15.00
Large warehouse, corner 5th and Graham \$30.00
North College Offices \$20.00
Two connecting offices over Belk Bros. \$10.00
Offices in the New Howell Arcade \$10.00
4-room Flat, 212 N. College \$16.50
8-room Flat over Sarratt's Store \$11.50
8-room dwelling East 7th St. extension \$30.00
7-room dwelling East 7th St. extension \$30.00
8-room dwelling, 607 North Brevard \$32.00
8-room dwelling, Belmont \$30.00
8-room dwelling and large barn, modern No. 512 South Church Street \$30.00
4-room cottage, corner College and Liddell \$8.00
4-room cottage, 707 N. Caldwell \$8.00
4-room cottage 311 So. Myers \$8.00
4-room Cottage 13 Catherine St. \$7.00
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Has 8 rooms, with all modern conveniences, perfectly new, never been occupied, shady side of street, slate roof, lot 75 by 150 feet, has cement walk, house is situated on the corner of Fifth and Sycamore streets.
See us for price and terms. See us if interested in real estate of any kind.

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33 lots inside city limits and on car line. Five houses on these lots. This is a grand place for a little investment of a few dollars where you can double your money in short time and sell for \$18,000, cash, fourth cash and good terms on the balance. We wonder who will be first.

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5-room cottage, modern, Grove St., Woodlawn \$20.00
4-room cottage, 411 Pegasus St., per week \$2.00
5-room cottage Lillington and Craighead Ave. \$12.50
6-room house, modern, 514 N. Caldwell St. \$25.00
10-room house, city water, corner Mint and Palmer Sts. \$25.00

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A large, modern Business Building, large rental. Price on application
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A modern Tryon Street Residence, 14 rooms \$17,000
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A new Residence, 8 rooms, Dilworth \$6,500
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A handsome new residence, Trade Street \$12,000
A very pretty new residence, Trade Street \$12,000
A large Residence, near depot, Trade street \$12,000
A North College St. Residence \$6,750

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A Cottage Home, Dilworth \$2,250
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A 7-room new Residence, close to East avenue \$5,000
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A 10-room Residence, close to Tryon Street \$4,000
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20 Wilmore Lots, foot of Mint St. \$400, \$500 and \$600
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