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M. WWII ——— TBR. CON. ? Misc. Corr., 1942

FOLDER No.

99-17

MacMillan, H.R.
SPECIAL COLLECTIONS

PLEASE RETAIN
ORIGINAL ORDER

C.N.T. 6103

Exclusive Connection
with
WESTERN UNION
TELEGRAPH CO.

CANADIAN NATIONAL
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CLASS OF SERVICE DESIRED
FULL-RATE MESSAGE
DAY RATE

OFFICE OF THE
TIMBER CONTROLLER



WHEN REPLYING
REFER TO FILE

SEP 10 1942

DEPARTMENT OF MUNITIONS AND SUPPLY

OTTAWA, CANADA

September 9th, 1942.

H. R. MacMillan, Esq.,
President,
Wartime Merchant Shipping Ltd.,
420 Lagachetiere Street W.,
Montreal, Que.

Dear H. R. M.:

I am sending you herewith copy of my general letter
of September 1st.

I do hope you feel that I have made the best of a
difficult situation. I know, of course, that you will give my credit
for doing what I thought was best in the best way I knew how anyway.
I have tried to adopt a plan that would be easy to change if it did
not work.

All things considered for the immediate future, I
think it will work better than anything else right now. The reaction
so far has been very favourable. Of course, that has been largely local
because there has not been time to get a general reaction.

The whole situation, of course, is most difficult and
trying because there is not enough lumber to go around and production is
going down. The reason is shortage of labour and lack of will to do it
in many places.

Last night I noticed an article on page 19 of the Post
entitled "The Nazi Woodpile." If you have not seen this I wish you would
read it. I am inclined to have it copied and sent to every lumberman in
Canada.

The two toughest spots at the present time is Northern
British Columbia and Northern Alberta, and at the Coast. The former, I
think, is the worst. While conditions are difficult at the Coast, I have
a feeling that those in the industry are a little happier about it all,
than they were a little while ago. I am going West on Saturday as far as

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CLASS OF SERVICE DESIRED
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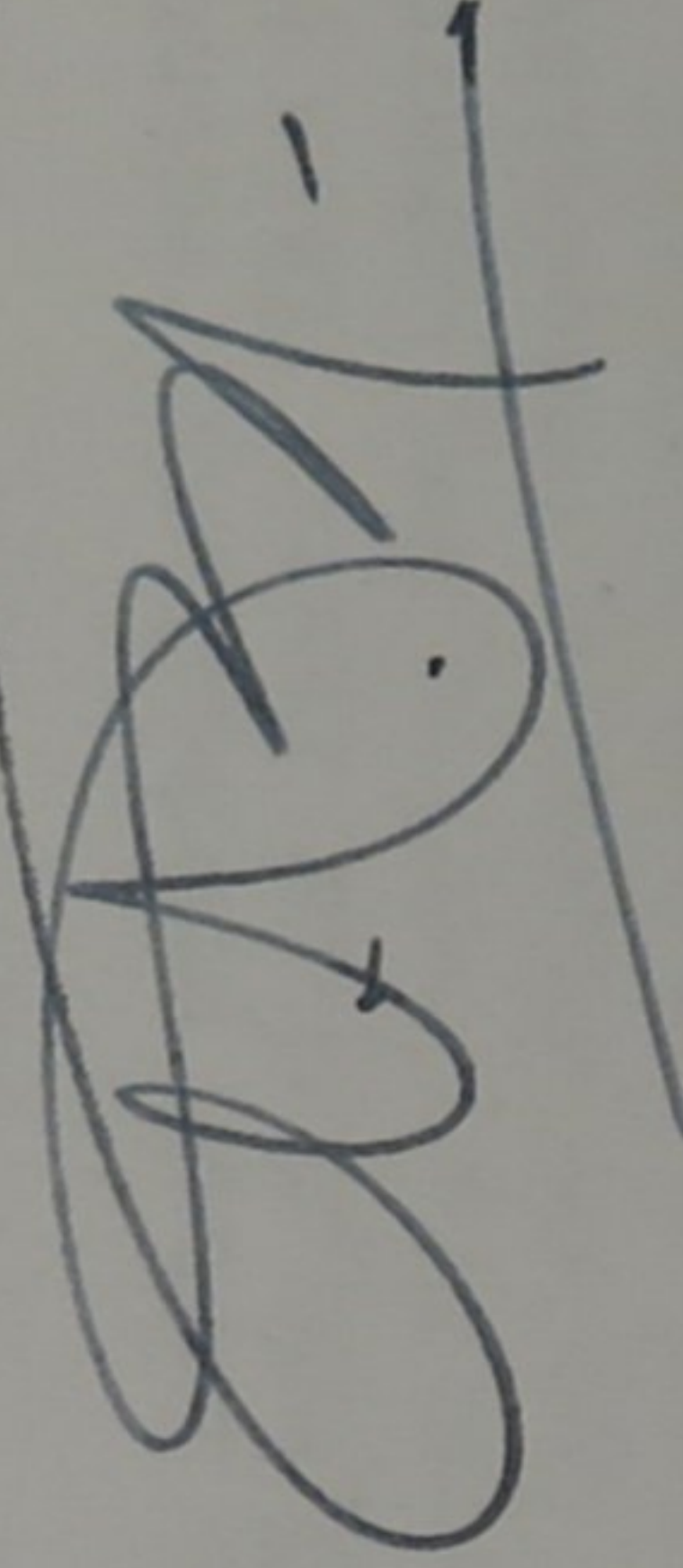
- 2 -

Edmonton and hope to meet D. D. R. in Lethbridge. I do not intend to go to the Coast this trip.

Our American friends seem to have settled down. I do not know when or where they will break out next. The trouble is, however, confined, I believe, to a few private interests.

I have, at last, been able to get some additional help both here and in Vancouver, and I think good help, but we need two or three more as soon as we can find them. They are hard to find.

Yours very truly,



ASNicholson:rec

P.S. - I have not forgotten the plywood matter. This will be cleared up.

M. WWII — TBR. CON. ? Misc. Corr., 1942

FOLDER No.

99-17



DEPARTMENT OF MUNITIONS AND SUPPLY
OTTAWA, CANADA

SEP 14 1942

September 1, 1942.

To Canada's Lumber Industry:

The paramount need at the present time, in the national interests, is maximum production of logs and lumber. We must accomplish this even with our present difficulties of labour shortage, etc.

In the Pacific Coast region lumber production recently has fallen from 160,000,000 feet a month to 140,000,000 or less. This has happened at a time when Canadian War requirements from this region are upwards of 15,000,000 per week, the British and other Empire shipping schedules upwards of 60,000,000 a month, and the American demand seemingly unlimited, plus shipments of around 15,000,000 a month of the lower grades, which are not exportable, to the Prairie Provinces.

At the same time log production in the first quarter of this year shows a drop of 102,000,000 feet, and in the second quarter 142,000,000 feet, and is continuing to drop while the industry in this area is short approximately 3,500 men.

In the Southern Interior British Columbia region production is holding up fairly well, but Canadian War orders and railway and mining company orders, American orders and Prairie orders are considerably in excess of production.

In the Northern British Columbia and Northern Alberta region production is somewhat below normal as a result of labour shortage, mainly caused by the movement of labour to Government contracts in that vicinity, while American orders, Canadian War orders and Canadian motor industry orders total far in excess of the capacity of the mills to load and ship, with the result there is practically nothing available for grain storage and civilian requirements.

In Northern Saskatchewan and Northern Manitoba the situation is much the same as in the region mentioned immediately above, but with not quite as strong a demand for Canadian War requirements, and consequently a larger movement, at the moment, for grain storage and civilian trade.

In Ontario and Quebec the situation is much the same. Stocks are low. British, American and Canadian War orders are heavy, but a larger proportion of the production is finding its way into industrial and civilian requirements.

In New Brunswick and Nova Scotia the demand is largely British and American and exceeds the available supply. The British forward purchasing is exceptionally heavy at the present time.

The demand for shingles from the Pacific Coast region and Quebec, New Brunswick and Nova Scotia is, at the present time, without precedent in volume, partially as a result of the manufacture of other roofing materials being restricted, and an abnormal demand for reroofing, as a result of our enormous crop and Wartime Housing and other War buildings.

Canada's 1941 production was approximately 5,000,000,000 feet, of which we used in Canada 2,250,000,000, exported to Britain 1,250,000,000, exported to United States 1,250,000,000, and exported to other countries 250,000,000. The above quantity exported to the United States is approximately double our maximum exports to that country in any previous year.

September 1, 1942.

- 2 -

Unfortunately Canada's 1942 production, owing to labour shortage, will be considerably less. This is most unfortunate and the industry must, individually and collectively, lend every effort to come as near to last year's production as is physically possible. It is not anticipated that Canadian uses will be as great because Civilian uses will be further restricted, and Government uses under much more rigid control, but the British and United States demand is greater. The British needs are vital and United States estimated requirements for defence purposes is 6,000,000,000 feet short of their estimated production. Therefore Canada's lumber and timber production is now of paramount importance in the whole scheme of United Nations War effort. Canada's distribution of our lumber and timber products will be approximately one-third each Great Britain and other Empire countries, United States and Canada.

All this means that never in the history of the industry were the requirements so essential in our war effort and consequently, the obligation, collectively and individually, on everyone engaged in the industry is real and vital. This is applicable to all, from every logger, millhand and labourer to the largest owner. Maximum production of lumber and timber products at the moment constitutes one of our main national necessities in the prosecution of the war. To accomplish this and fulfill the obligation of the industry certain definite plans have been worked out.

In arriving at these plans, four dominant considerations had to be met:

- (a) Maximum production must be a paramount consideration.
- (b) Distribution must be adjusted to protect war needs.
- (c) The promise of assistance where necessary to the producers in the seasonal districts had to be honoured.
- (d) The mandate of the Wartime Prices and Trade Board forbidding a puncturing of the Retail Price ceiling and the Timber Controller's engagement in this connection had to be recognized.

These considerations will be taken care of by the following measures:

1. The lumber and logging industry will immediately be officially classified as an essential war industry.
2. The Director of National Selective Service under the Department of Labour, in conjunction with and acting on the advice of leaders in the industry, has made plans for the immediate providing of much of the needed manpower, mainly bush labour, both for the Pacific Coast area - which is an all year round production generally - and for the seasonal producing areas, which constitute the rest of Canada, where logging is mainly a fall and winter operation and where it is necessary for camps to be filled almost immediately.
3. The civilian and industrial and Railway and municipal use of lumber and timber in Canada will be rigidly controlled by additional restrictive orders immediately, and broader and more direct control will be exercised over the use of lumber and timber by the Government services. This is necessary to conserve our inadequate supply and to direct what we have, as far as possible, into United Nations War purposes. Britain has been following this policy rigidly since the war began. The United States Government is following this same policy now.
4. The production of newsprint is to be controlled by the Newsprint Administrator to conserve power and labour and to divert more logs that are now going into pulp, to the manufacture of lumber.

September 1, 1942.

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At the present time logs are being diverted from pulp mills to the sawmills, and pulpwood producing camps are being switched over to the production of sawlogs for lumber.

5. The export of logs from the Pacific Coast area to the pulp and paper mills on the United States Pacific Coast will be drastically restricted under present conditions. These exports are about 15,000,000 feet of Hemlock and Balsam logs monthly at the present time. The export of Fir logs is already prohibited as a war measure.

6. In the seasonal producing areas mainly, and in keeping with an undertaking given to these producers October 31st last, with the authority of the Minister of Munitions and Supply, certain price increases to the manufacturers will be immediately granted by the Timber Controller. These increases are granted now to get increased production which is vitally needed. The industry generally was unable to show that this increase was needed to maintain a reasonable profit.

It must, however, be very definitely understood that these price increases so granted now must for the time being be absorbed by the retailers and industries and will not carry through to the civilian consumers. Our consumer price ceiling will not permit increased cost to the civilian consumers. Admittedly it was the general understanding that retailers would not be asked to absorb further manufacturers' increases, but maximum production is imperative and if production is not stimulated and continues to drop the retailers supply would be greatly reduced. Production must be stimulated by an increase in manufacturers' prices. Retailers can obtain relief if and when the squeeze is too great and the necessity of assistance proven as set out in section 7.

Industrial users are in the same position, but as lumber is usually a small item in the average industry cost of the finished article, it is expected that industry can generally absorb these manufacturers' increases.

7. A Lumber Division of the Commodity Prices Stabilization Corporation Limited will be set up immediately, headed by an experienced lumberman with adequate financial and legal assistance, to assist the industry as, where, when and how assistance is required and can be given to stimulate an increased production in the national interests where the production is on a sound basis.

This assistance will be given in the production stage, either in logging alone or logging and sawmilling combined, and would mean that no sound lumbering operation would be held up by reason of inability to finance as long as it was otherwise a practical and proper operation and deemed in the National interest.

Also, if the manufacturer price increases above mentioned exceed, or are greater than the retailer can absorb, that is if the squeeze is too great, assistance can be given, but in giving this assistance the usual formula of profit control would be applied, i.e., no retailer earning more than standard profits would be eligible for assistance.

8. The general trading policy as stated by the Wartime Prices and Trade Board November 21, 1941, and the general statement of the Timber Control to the industry November 29, 1941, and the fundamental basis of trading as adhered to from the start by the Timber Control, will be maintained. Attempts at shortcircuiting on the part of any manufacturer, wholesaler or retailer, or individual of the industry will not be helpful, but definitely harmful. All must carry the load together according to usual trade practices and customs, in this present emergency.

The control of prices and distribution of the products of this industry will remain with the Timber Controller, with the exception of Retail prices to the civilian consumers which cannot be changed. The administration of all prices remains unchanged.

September 1, 1942.

- 4 -

The policy of direct buying of wholesale quantities on the part of the Government will be continued. It is right and proper that the Government should buy wholesale quantities - that is, generally speaking, carload quantities - direct and at the manufacturer's price. Smaller quantities can generally be purchased on a more economical basis from distributors.

Retailers are expected to continue buying from their usual sources of supply and wholesalers and manufacturers are expected to continue selling and delivering their goods to their usual customers. Failure to comply will necessitate enforcement under Timber Controller's Order No. 8.

Changes in method of measurement, and manufacture, and production, juggling of grades, changes in terms of sale or changed trade discounts, or any variation from the usual trade custom that has the effect of increasing prices, will not be permitted.

Two Crown Companies have recently been setup under the Department of Munitions and Supply:

- (a) Aero Timber Products Limited at Vancouver, to stimulate and control the production of aeroplane spruce generally.
- (b) Veneer Log Supply Limited at Montreal, to stimulate and control the production of veneer logs for aircraft veneer.

These two Companies have complete control of these items.

Manufacturers, large and small, are urged and expected to do everything within their power to work out their individual problems. Generally they can do it better than anyone else. The resourcefulness of the manufacturing industry is enormous, is well understood by all in the industry and was never needed more in the national interests than at the present time. Beyond this, if real necessity for assistance in a sound proposition arises there is now the Lumber Branch of the Commodity Prices Stabilization Corporation Limited to give such assistance where the necessity is proven and where the Corporation considers such assistance would increase production in the National interest on the one hand, or where the squeeze has been too great on the other.

Now that retailers and distributors generally, will be greatly restricted in the sales and uses of lumber, and their supply will not be readily available, they will need to exercise the greatest economy and efficiency in their business and promote as far as possible the using and merchandising of building products that belong to the line, of which the supply is not so critical.

This industry in all its branches, is now in the front rank in our national emergency. Lumber and timber is a very essential commodity, must be produced at a maximum and must not be wasted. The industry has the Government's confidence and support. We are all partners together. Individual and collective effort, industrial pride and the true realization of the emergency and necessity, will enable this industry to continue to do its part and to some extent lead the way.

Every Committee Member of the Timber Control has now an individual duty and privilege to help by wise and energetic advice, assistance, guidance and the helping of each other.

The Government had under serious consideration for some weeks recently a much broader and more drastic policy of control of production and distribution by a separate corporation, but on the advice of the Timber

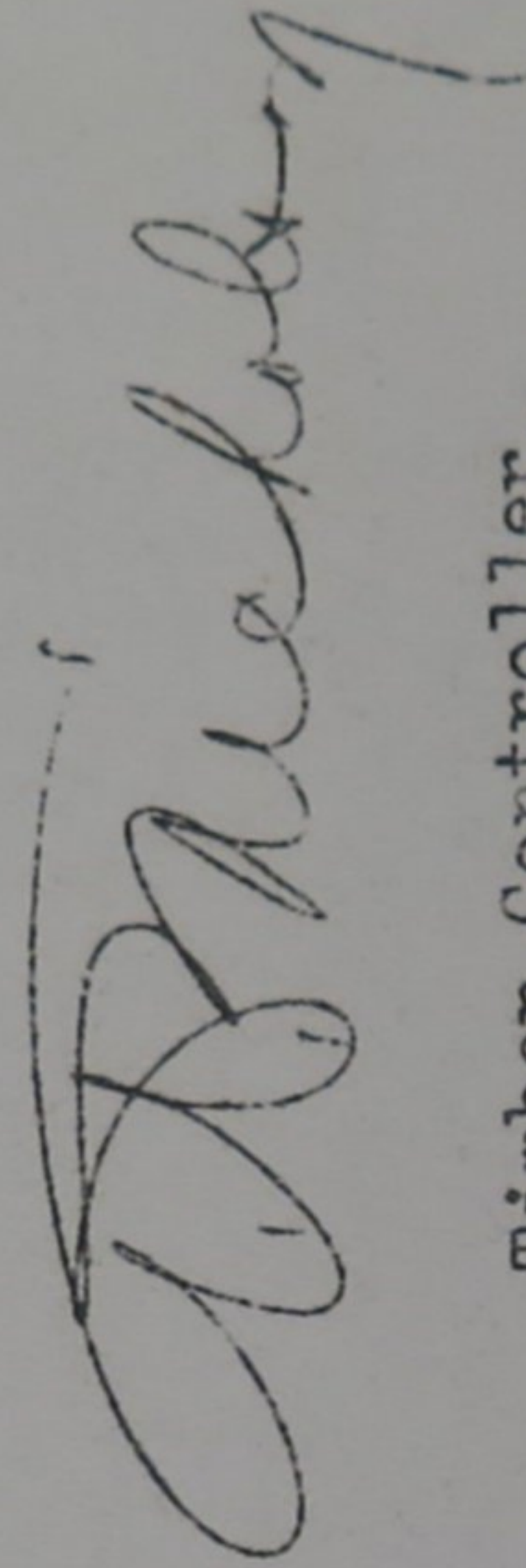
September 1, 1942.

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Controller has, for the time being at least, adopted the method as stated above of assistance and of permitting a price increase to manufacturers mainly in seasonal producing areas to get maximum production. It therefore rests with the loggers and sawmillers in the industry to get results, with the assistance of all.

We must harvest upwards of two million acres of our Canadian forest lands per annum in lumber and pulpwood, and manufacture and distribute it equitably and efficiently and throw it all in to the "Fight for Freedom" starting now - not later.

ASNicholson:MB



Timber Controller.

OFFICE OF THE
TIMBER CONTROLLER



WHEN REPLYING
REFER TO FILE

DEPARTMENT OF MUNITIONS AND SUPPLY
OTTAWA, CANADA

October 10, 1942

OCT 12 1942

Mr. H. R. MacMillan,
President,
Wartime Merchant Shipping Ltd.,
420 Lagachetiere Street,
Montreal, Quebec.

Dear Sir:

In discussion yesterday morning you mentioned a circular letter. Enclosed must be what you referred to. I sent you a copy while you were at the Coast.

Before this letter went out it was agreed to exactly as is by Mr. Coyne, of Wartime Prices and Trade Board, Mr. Gordon was in Washington. It was also okayed by Mr. Howe, and Mr. Sheils, Mr. Berkinshaw, Elliott Little and Mr. Weldon. You see I did not take any chances. The favourable reaction to the letter was most encouraging and much greater than I anticipated.

Yours very truly,

ASNicholson:EC

Timber Controller

H.R.M.

Your Plywood is being shipped Monday 12th

ASN

M. WWII — TBR. CON. ? Misc. Corr., 1942

FOLDER No.

99-17



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OTTAWA, CANADA

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September 1, 1942.

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At the same time log production in the first quarter of this year shows a drop of 102,000,000 feet, and in the second quarter 142,000,000 feet, and is continuing to drop while the industry in this area is short approximately 3,500 men.

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September 1, 1942.

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All this means that never in the history of the industry were the requirements so essential in our war effort and consequently, the obligation, collectively and individually, on everyone engaged in the industry is real and vital. This is applicable to all, from every logger, millhand and labourer to the largest owner. Maximum production of lumber and timber products at the moment constitutes one of our main national necessities in the prosecution of the war. To accomplish this and fulfil the obligation of the industry certain definite plans have been worked out.

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- (c) The promise of assistance where necessary to the producers in the seasonal districts had to be honoured.
- (d) The mandate of the Wartime Prices and Trade Board forbidding a puncturing of the Retail Price ceiling and the Timber Controller's engagement in this connection had to be recognized.

These considerations will be taken care of by the following measures:

1. The lumber and logging industry will immediately be officially classified as an essential war industry.
2. The Director of National Selective Service under the Department of Labour, in conjunction with and acting on the advice of leaders in the industry, has made plans for the immediate providing of much of the needed manpower, mainly bush labour, both for the Pacific Coast area - which is all year round production generally - and for the seasonal producing areas, which constitute the rest of Canada, where logging is mainly a fall and winter operation and where it is necessary for camps to be filled almost immediately.
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7. A Lumber Division of the Commodity Prices Stabilization Corporation Limited will be set up immediately, headed by an experienced lumberman with adequate financial and legal assistance, to assist the industry as, where, when and how assistance is required and can be given to stimulate an increased production in the national interests where the production is on a sound basis.

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September 1, 1942.

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We must harvest upwards to two million acres of our Canadian forest lands per annum in lumber and pulpwood, and manufacture and distribute it equitably and efficiently and throw it all in the "Fight for Freedom" starting now — not later.

ASNicholson:MB

ASNicholson
Timber Controller
ASN

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DEPARTMENT OF MUNITIONS AND SUPPLY
OTTAWA, CANADA

October 6th, 1942.

H. R. MacMillan, Esq.,
President,
Wartime Merchant Shipping Ltd.,
420 Lagachetiere Street W.,
Montreal, Que.

Dear H. R. M.:

Following our conversation the other morning, here is the letter from D. D. R.

What do you think about it?

Dave does not make it clear whether or not this proposal has the backing of the Committee. If he had I would be inclined to try it, nevertheless, I am a little bit afraid of it.

I think I can arrange to do this alright if it seems to be the right thing to do.

Yours very truly,

Timber Controller.

ASNicholson:rec

*Can't raise log without lumber -
increase 100% of production \$
get 10% log prod
labor trouble
strengthen staff -*

RECEIVED
TIMBER CONTROLLER
OCT 13 1942

RECEIVED
TIMBER CONTROLLER
OCT 13 1942

OCT 7 1942

99-17

XXXXXX

1732 Marine Building,
Vancouver, B.C.,
October 1, 1942.

Letter No. 616 to the Timber Controller

Re: Log and Lumber Prices
Pacific Coast District

I have discussed the matter of possible revision of prices in the Pacific Coast District with a number of people and have thought a great deal about it since I left you at Lethbridge.

We have such a different setup here compared with any other place in the country that I think it will have to be treated in a separate manner.

The major portion of the production is, of course, in the hands of log producing mills. These mills are, without exception I believe, doing all right under present prices and conditions. With sufficient men to go ahead on maximum production they would be making excess profits in every case regardless of the fact that their logging cost and operating cost have, needless to say, advanced as much as in the case of any other operator. As far as I am able to learn, none of the log buying mills operating in a reasonably efficient manner are doing business without profit at the present time.

I think that the market logger in most cases is getting by at a reasonable profit but there are many market loggers who are not able to carry on at a reasonable profit and some of them, I am satisfied, are operating at a loss at the present time. I think something should be done in this connection very quickly.

My suggestion is this, that I call the loggers together, review the situation with them and put this proposition up to them:

"If you are carrying on a reasonably efficient operation and would undertake to continue to do so, that the Government use the power of subsidy implied in the Timber Controller's letter of September 1 to see that you do not operate at a loss and to compensate you for continuing your operation."

.....

C.N.T. 6103

Exclusive Connection
with
WESTERN UNION
TELEGRAPH CO.

CANADIAN NATIONAL
TELEGRAPH CO.

CLASS OF SERVICE DESIRED
FULL-RATE MESSAGE

DEPARTMENT OF MUNITIONS AND SUPPLY
CANADA

OFFICE OF THE

TIMBER CONTROLLER

Letter No. 616 to the Timber Controller

Oct. 1, 1942

- Page 2 -

DEPARTMENT OF MUNITIONS AND SUPPLY
OTTAWA, CANADA

It seems to me that the above, briefly outlined, is the logical way to be the most effective at the least cost in subsidy that might be applied to this district and that this could be done without affecting the price of lumber in any way at any stage of its distribution.

The log producing mills do not need any subsidy and applying this matter in the above way would use the application most effectively at the source where it would not affect any other branch of the industry.

It might be, as time goes on, that we will find mills to which it would seem advisable to grant some consideration but at the present time with the extreme shortage of production of logs, we could produce just as much lumber with fewer mills.

Would be glad to have your views on this proposition as quickly as possible.

D.D. Rosenberry/C

D.D. Rosenberry,
Ass't. Timber Controller
for British Columbia

Yours very truly,

AMichelson:mb

DEPT. OF MUNITIONS
AND SUPPLY
TIMBER CONTROLLER
OCT 3 - 1942

M. & S. 171

FOLDER No.

99-17

SEP 3 1942

C.N.T. 6103

Exclusive Connection
with
WESTERN UNION
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CANADIAN NATIONAL



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DAY LETTER	

OFFICE OF THE
TIMBER CONTROLLER



WHEN REPLYING
REFER TO FILE

DEPARTMENT OF MUNITIONS AND SUPPLY

OTTAWA, CANADA

SEP 3 1942

September 2nd, 1942.

H. R. MacMillan, Esq.,
President,
Wartime Merchant Shipping Ltd.,
420 LaGauchetiere Street,
Montreal, Que.

Dear H. R.:

Yours of the 1st.

Your previous letter on this is still unanswered, but not overlooked by any means. The facts are that I, personally, have not as yet been satisfied that I have the whole story, or know just what happened at Vancouver in this matter.

Mr. G. H. Rochester has this in hand. He has to go to Washington for a day or two. He is waiting for some more information from Vancouver, but you can depend upon it that I will get the whole story and clear it up.

Yours very truly,

ASNicholson:mb

FOLDER No.

99-17

M. WWII — TBR. CON. ? Misc. Corr., 1942

C.N.T. 6103

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OFFICE OF THE
TIMBER CONTROLLER



WHEN REPLYING
REFER TO FILE

DEPARTMENT OF MUNITIONS AND SUPPLY
OTTAWA, CANADA

SEP 3 1942

September 2nd, 1942.

H. R. MacMillan, Esq.,
Wartime Merchant Shipping Ltd.,
420 Lagachetiere Street W.,
Montreal, Que.

Dear H. R.,

Your letter of the 31st prompted me to check back and see just how this happened. Here is copy of letter ~~from~~ Cherry to Loren March 24th, and copy of Loren's letter to Cherry March 29th. I do not appear to have a copy of Van's letter to Cherry. Early August, the Committee through Rosenberry, suggested that the export of Fir be stopped. We accepted their recommendations immediately and tapered it off so that the last shipment went across the line early in September.

Looking back on it in the light of present conditions, undoubtedly they got too many, and I am frank to admit that I am inclined to believe in a few months when we look back on the shipments of Hemlock and Balsam, we will feel the same way about it.

Yours very truly,

ASNicholson:rec

FOLDER No.

99-17

M. WWII — TBR. CON. ? Misc. Corr., 1942

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CANADIAN NATIONAL

CLASS OF SERVICE DESIRED
FULL-RATE MESSAGE
DAY LETTER

C O P Y
C O P Y

Vancouver, B.C.,
March 24, 1941.

Letter No. 493 to the Timber Controller

Your letter No. 66

As promised in our telephone conversation of Saturday, I have had a long interview with Mr. Van Dusen and discussed the whole situation very thoroughly with him.

Mr. Van Dusen stated to me very definitely that the export of all grades of fir logs would not seriously affect the log buying sawmills. I asked him to confirm this by letter, and he has written as per the copy attached. In our conversation he pointed out that he must necessarily be very guarded in what he says because of criticism from conflicting interests.

I also contacted Mr. Dewey Anderson, and he told me very definitely that the removal of the ban on the export of logs would not increase log prices to our log buying sawmills. His letter confirming this view is also attached.

Since the course of events is unpredictable, I would suggest that restrictions be merely suspended, so that they may be re-imposed if necessary.

I can quite understand your reluctance to act on this question, and I can tell you very definitely that if you decide to defer action for another thirty days, neither the logging industry nor the sawmilling industry will be hurt in any way.

Attach - 2

Ass't. Timber Controller for B.C.

Exclusive Connection
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CANADIAN NATIONAL

CLASS OF SERVICE DESIRED
FULL-RATE MESSAGE
DAY LETTER

C
O
P
Y

To: Mr. R. B. Cherry

Ottawa, March 29, 1941,
Our Letter No. 73.

From: Loren L. Brown

On the basis of your assurance that lifting the ban on the export of Douglas fir saw logs and also lifting the ceiling on fir log and lumber prices will not increase the price of these commodities, I have decided to do this to take effect on April 7th. Please do not make this announcement before that time.

We are quoting here for hangar lumber from time to time and I would like to have your assurance that you will be able to place this business at the going price, \$26.00 less 2%. If this cannot be done it might be well for us to maintain the ceiling for that item alone. I would like to have your reaction to this point. As I have told you, it is probable that there will be a hundred or so of these hangars required during the next few months.

A new regulation is going into effect on April 1st, to the affect that all commodities of whatever nature, and this will include all logs of all species, will require an export permit, to countries outside of the Western Hemisphere, including British Empire countries and countries occupied by British Empire forces. The western boundry of the Western Hemisphere is the National Date Line and therefore, for example, the export of hemlock logs to Japan will in the future require export permits.

I do not intend to have the Order-in-Council which covers the export of Douglas fir saw logs to the United States rescinded, but these exports will be freely granted for an indefinite period. It will be necessary as in the past for those desiring to export these Douglas fir saw logs to secure an application form from the Collector of Customs in British Columbia and to forward it to Ottawa for approval.

When you make your announcement to the trade of the lifting of the ceiling on logs and lumber prices it should be stated that this is being done for an indefinite period and that if found necessary they may be re-institated at any time.

LLB/KS

Loren L. Brown,
TIMBER CONTROLLER.

C.N.T. 6103

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AND CABLE SERVICE

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DAY LETTER	

OFFICE OF THE
TIMBER CONTROLLER



WHEN REPLYING
REFER TO FILE

DEPARTMENT OF MUNITIONS AND SUPPLY
OTTAWA, CANADA

AUG 7 1942

August 6, 1942.

7

Mr. H. R. MacMillan,
President,
Wartime Merchant Shipping Ltd.,
420 LaGauchetiere St. W.,
Montreal, P. Q.

Dear H.R.:

Regarding our frequent discussions re. the advisability, or possibility, of starting now to lay the foundation for something that might be done for the benefit of the Forest products industry after the war.

This has developed to the point where Fred Mulholland of Vancouver has been suggested. I would appreciate anything you can tell me about him, or any further thoughts you have.

I am quite willing to make a start. I think, however, that I should not do it without arranging it with the Minister, or at least with the Chairman of the Board.

Yours very truly,

A. S. N.

ASN:MB

FOLDER No.

99-17

M. WWII — TBR. CON. : Misc. Corr., 1942

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D. E. GALLOWAY, Assistant Vice-President, Toronto, Ont.

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FULL-RATE MESSAGE	
DAY LETTER	
NIGHT MESSAGE	
NIGHT LETTER	
PATRONS SHOULD MARK AN X OPPOSITE THE CLASS OF SERVICE DESIRED. OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM	

RECEIVER'S NO.

TIME FILED

DAY LETTER

CHECK

12:45 PM

HM ACCT. #3 WJV:McC

Send the following message, subject to the terms on back hereof, which are hereby agreed to

August 6, 1942.

A. S. NICHOLSON
TIMBER CONTROLLER
OTTAWA CANADA

COPY FOR MR. H.R. MacMILLAN

AUG 8 1942

ALBERNI PACIFIC LUMBER COMPANY LABOUR SUPPLY CONTINUOUSLY DETERIORATING STOP
IN VIEW YOUR CONTINUED REQUESTS MAINTAIN PRODUCTION WE HAVE BEEN SCOURING THE
LABOUR MARKET HERE OVER THE LAST MONTH TO MAINTAIN OUR OPERATIONS STOP FOR LAST TWO
MONTHS OUR LABOUR TURNOVER HAS BEEN EXTREMELY HEAVY AND THE AVERAGE TIME SPENT ON JOB
BY NEW HIRINGS HAS BEEN FIVE DAYS WHICH CREATES AN IMPOSSIBLE LABOUR SITUATION STOP
WE EMPLOY A TOTAL OF EIGHT HUNDRED MEN AND AT THE PRESENT TIME ARE SHORT SEVENTY
STOP PRODUCTION SERIOUSLY AFFECTED NOT ONLY BY HEAVY TURNOVER BUT BY CHRONIC SHORTAGE
STOP SOME MEN WHOM WE HIRE IN VANCOUVER AND ADVANCE FARE TO ALBERNI HAVE ON ARRIVAL
RETURNED FARES AND TAKEN EMPLOYMENT WITH A CONTRACTOR BUILDING ARMY CAMP AT SUBSTANTIAL
INCREASE OVER OUR WAGES WHICH MAXIMUM ALLOWED BY REGIONAL LABOUR BOARD STOP ALSO OUR
MEN ARE BEING ACTIVELY CANVASSED TO JOIN THE ARMY STOP WE WOULD POINT OUT URGENT
NECESSITY CLARIFICATION OF GOVERNMENT POLICY WHICH WOULD DIRECT A MAN IN OUR EMPLOY
AT ALBERNI AS TO WHETHER HE SHOULD REMAIN ON THAT JOB JOIN THE ARMY OR JOIN A
CONSTRUCTION GANG STOP UNLESS IMMEDIATE ACTION TAKEN CIRCUMSTANCES WILL FORCE CLOSING OF
ONE SHIFT IN OUR MILL WHICH WILL CUT OUR PRODUCTION FROM NINE MILLION TO ABOUT FIVE
MILLION PER MONTH STOP WE WOULD SUGGEST IF IT IS IN THE NATIONAL INTEREST THAT LUMBER
PRODUCTION BE MAINTAINED THAT REGULATIONS BE IMMEDIATELY PROMULGATED TO ENSURE THAT THE
NECESSARY MEN ARE AVAILABLE

W J VAN DUSEN

OFFICE OF THE
TIMBER CONTROLLER



WHEN REPLYING
REFER TO FILE

DEPARTMENT OF MUNITIONS AND SUPPLY
OTTAWA, CANADA

August 5, 1942.

AUG 6 1942

Mr. H. R. MacMillan,
President,
Wartime Merchant Shipping Ltd.,
420 LaGauchetiere Street W.,
Montreal, P.Q.

Dear H. R.:

Shortly after you left today, Dr. Bryce Stewart called me to ask that I come to his office at 3 o'clock next Monday with Elliott Little and Donald Gordon, to bring our minds together in our approach to the problem when we go before the Regional Labour Boards on Wednesday.

This being the case, I hope that you will let me have your suggestions as soon as you can so that I will have a chance to think them over before the meeting on Monday.

Yours very truly,

ASN:MB

OFFICE OF THE
TIMBER CONTROLLER



WHEN REPLYING
REFER TO FILE

JUL 6 1942
6

DEPARTMENT OF MUNITIONS AND SUPPLY
OTTAWA, CANADA

July 5th, 1942

Mr. H. R. MacMillan,
Wartime Merchant Shipping Limited,
Montreal, Que.

Dear H.R.:-

I have just been talking to Dave and Len on the
telephone.

The information asked for from the trade on June
26th was as follows :-

1st --	Number of cars Canadian WAR orders sold and un- shipped.
2nd --	Number of cars American WAR orders sold and un- shipped.
3rd --	Total Canadian shipments last thirty days.
4th --	Total American shipments last thirty days.

And while I did not get the actual figures, Len and Dave report
they are coming in very good and as the result of the information
they are today working on an official letter that will restrict
American shipments until further notice to 25% of the production.
This subject, of course, to special permission to increase where
the circumstances warrant.

I am not sure just what form this will take, but it
is definitely going out. The Committee was in session with them
when we were talking on the phone.

Very truly yours,

OFFICE OF THE
TIMBER CONTROLLER



WHEN REPLYING
REFER TO FILE.....

SEN
FEB

DEPARTMENT OF MUNITIONS AND SUPPLY
OTTAWA, CANADA

JUL 4 1942

July 3, 1942.

59

Mr. H. R. MacMillan,
President,
Wartime Merchant Shipping Ltd.,
420 Lagachetiere Street West,
Montreal, P. Q.

Dear H. R.:

I have had a long conversation today with Honourable N. O. Hipel, Minister of Lands and Forests for Ontario, regarding the Canadian Forests matter that you and I have discussed on different occasions.

Honourable Mr. Hipel is very much interested. I told him it was your idea originally and he thinks it is along absolutely sound lines. He explained to me what the Province of Ontario were doing at the present time, along similar lines, but he is inclined to believe, with you and me, that some possible use probably could be made, or advantage taken, of the present Timber Control setup to get the thing in shape, and thus save probably several years of precious time.

I have taken the liberty of telling Mr. Hipel that I would ask you to contact him and you could probably arrange to have lunch together the first time you are in Toronto, thus giving you an opportunity to talk it over together.

I think this would be helpful.

Yours very truly,

ASN:MB

OFFICE OF THE
TIMBER CONTROLLER



WHEN REPLYING
REFER TO FILE.....

DEPARTMENT OF MUNITIONS AND SUPPLY
OTTAWA, CANADA

February 27, 1942.

FEB 28 1942

Mr. H. R. MacMillan,
President,
Wartime Merchant Shipping Ltd.,
420 Lagachetiere Street W.,
Montreal, P. Q.

Dear H.R.:

Here are copies of two letters from Dave
in connection with the Sitka Spruce. As these are
copies they do not need to be returned.

Now that I have started I propose to go
right to the bottom of this Sitka Spruce inspection, at
least until they convince me I am wrong.

If I happen to be right we will have a lot
more aeroplane spruce available, and also a lot more
money to spend for some other useful purpose in our war
effort.

Yours very truly,

ASN:MB

February 24, 1942.

Letter No. 34 to the Timber Controller:

This Sitka spruce Canadian requirement is, I think, perhaps going to be a headache, but it is possible it may be a useful one at that.

I had Sutton contact the Pacific Coast Spruce with a view to securing some flitches from them for the manufacture of various aircraft requirements, and these people apparently are quite anxious to furnish some of these Canadian requirements. It looks as though out of it all might develop a situation where we ask them to furnish some of this material. This they definitely think they can do for considerably less than we are now paying. If they are able to, it seems to me that we should call upon them to submit a proposition. It still does not seem logical that we should start up another plant when there are already two prepared to produce (they maintain) the complete Canadian requirements. On the other hand, if Pacific Coast Spruce are prepared to furnish this lamina at a lot less money than it now costs, it seems to me that we must necessarily follow such a proposition through to its conclusion. It seems to me that \$500.00 or \$600.00 a thousand is a lot of money for anyone's spruce lumber, regardless of the way it is manoeuvred into usable grades and sizes. I am a little afraid that all of the mystery connected with this whole thing is just more or less a red herring that possibly should be smoked out. It would be interesting to know what Sutton's earnings were in 1941, as well as the rest of the spruce producing operators, if this information could be secured.

Assistant Timber Controller
for British Columbia

D.D. Rosenberry/S

Letter No. 33 - 2.

February 24, 1942.

you and I have with regard to material being discarded and six pieces at random from the rejects. They are being cut to 5-foot lengths and glued under the same conditions as they would if put in a spar.

They are also giving six pieces of accepted material, and when these are properly dried, I am taking them to the Forest Products Laboratory for testing.

Letter No. 33 to the Timber Controller:

we can do is to find out whether we are losing any lumber which should be utilized or whether the Morgan and Sutton are getting together on the Massett Inlet timber and preparing to get their equipment in and start operations as soon as possible. It will probably be the latter part of the summer before they get into production. However, there is reported to be upwards of 100 million feet of spruce in that area, running roughly, I understand, about 3% high grade, which should keep Sutton going for some time at least.

Pacific Mills ran into a very difficult towing proposition on the four claims they operated last year. The whole proposition is going to be quite expensive, evidently, and is going to take considerable money to develop. It is possible that we may run into a situation where it will be necessary to render some assistance. Palmer and Sutton were in here yesterday. One way of rendering assistance would be to arrange with the Province (as this is licensed timber) to permit the export of the low grade spruce and hemlock. This would obviate the necessity of possibly rendering financial assistance and it would also secure a return of American funds. This is a quite possible out for the whole situation. Another way might be for the Government to finance a portion of the roads. I do not know whether or not this could be arranged.

The J. R. Morgan Company have hired John Liersch, who ran camp for them for the last couple of years, to go in and take this material out. He is a fine type young man - in fact we borrowed him from the University where he had just accepted the Chair of Forestry. He is going back to this operation for the length of time required. I have asked him to prepare a map showing the entire area, together with the cruises and his report covering his plans. At any rate, they are getting into operation, which is the all important thing, but we are probably going right into another situation with Sutton tossing his troubles in our lap. However, we certainly need the spruce.

Re Sitka spruce inspection, I was in the Boeing construction plant yesterday, and went through the whole plant from one end to the other, winding up in the Inspection department. I looked over the quantity of rejects, and, for your information, everyone with whom we came in contact had identically the same opinion

99-17

DEPT. OF MUNITIONS AND SUPPLY
CANADA

Letter No. 33 - 2.

you and I have with regard to material being discarded. I selected six pieces at random from the rejects. They are being cut to 8-foot lengths and glued under the same conditions as they would if put in a spar. They are also gluing six pieces of accepted material, and when these are properly dried, I am taking them to the Forest Products Laboratory for testing purposes. Mr. Alexander is co-operating in this connection, and the Boeing people are also gladly co-operating in this test. The least we can do is to find out whether we are tossing away lumber which should be utilized or whether these various pieces which are rejected are definitely unsafe to use. I will let you have a report on this just as soon as I receive the information.

Assistant Timber Controller
for British Columbia

D.D. Rosenberry/S

DEPT. OF MUNITIONS
AND SUPPLY
M. & S. 171

FEB 20 1942

OFFICE OF THE
TIMBER CONTROLLER



WHEN REPLYING
REFER TO FILE

DEPARTMENT OF MUNITIONS AND SUPPLY

OTTAWA, CANADA

February 17, 1942

FEB 18 1942

(AP)

Dear H.R. -

I have your letter of February 13. Our discussion has not been forgotten; in fact, I have been doing a lot of thinking and reading about it. I have also discussed it in a casual way with Roy Cameron and McElhanney.

Roy Cameron of course thinks he could do a wonderful job if the Department would give him the money, but we realize, and he does too, that he just can't get the money at the present time.

In my opinion, the solution to this problem is the obtaining of the proper man.

On April 1, we get four additional rooms, and I could then accommodate such a man, giving him some sort of a title which will not have too close a relationship to what he is actually doing, although he will know what we want. Of course this all hinges on securing the right man, and I know you will give your thought to this as I will mine.

Just for your information, I am enclosing copy of a letter from J. G. Fleck of J. R. Booth Limited. Fleck doesn't write these letters unless he means what he says. The point is, we finally have these Easterners on our side.

Yours sincerely,

T. G. Fleck

Mr. H. R. MacMillan, President
Wartime Merchant Shipping Limited
420 LaGauchetiere Street West
Montreal

10 P Y

EN

CANADIAN
LUMBERMEN'S ASSOCIATION

Fraser Building
Ottawa, Ont.
February 16th, 1942

Mr. A. S. Nicholson
Timber Controller
Dept. of Munitions & Supplies
Ottawa, Ont.

Dear Alan:

Looking back at the C.L.A. Convention, I cannot refrain from writing you to congratulate you on your speech.

It was quite outstanding, and I cannot remember ever hearing a more clear and convincing exposition of the problems of an industry than you gave us, while, at the same time, you impressed every one that you knew your job and were doing it all out.

With kindest regards,

Yours sincerely,

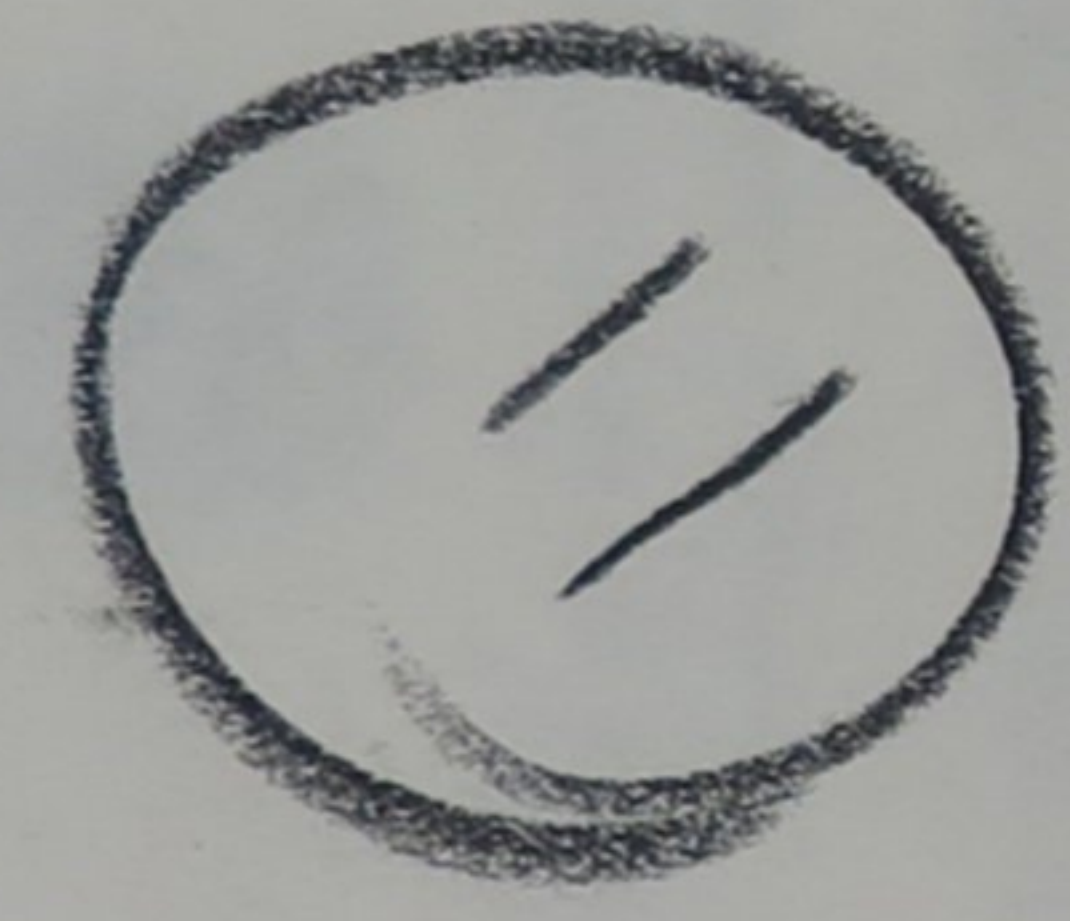
J. G. FLECK

A.S. Nicholson/s

DEPARTMENT OF MUNITIONS AND SUPPLY

1732 MARINE BUILDING
VANCOUVER, CANADA

OFFICE OF THE TIMBER CONTROLLER



January 30, 1942.

FEB 2 1942

Mr. H. R. MacMillan,
c/o Wartime Merchant Shipping,
Montreal, P. Q.

Dear H.R.:

Thanks for your wire.

We had a very fine meeting of the industry yesterday - about 140 - and the loggers were well represented.

I did the best I could, but did not get off to a very good start. However, I think I made a much better finish. I put the whole situation, as I saw it, before them. At least none of them can now say they did not know what was necessary and what the Government really wants. It will take a little time, of course, to see just what effect this meeting and this effort will have on log production, but I believe they will keep at it. I am inclined to think that those who were slowing down for the reasons we understood may now be just a little ashamed to do it. I believe that some will increase their production somewhat as a matter of pride, or to show us.

I am arranging with Rosenberry to check with every individual logging firm at once and to follow them up periodically - in this way to gain production and hold every advance made.

Very truly yours,

A.S. Nicholson/S

OFFICE OF THE
TIMBER CONTROLLER



WHEN REPLYING
REFER TO FILE

DEPARTMENT OF MUNITIONS AND SUPPLY
OTTAWA, CANADA

JAN 23 1942

January 21, 1942

Mr. H. R. MacMillan, President
Wartime Merchant Shipping Limited
420 LaGauchetiere Street West
Montreal, P. Q.

Dear H. R. -

The Ottawa Committee have had a meeting at Vancouver and they are now very insistent that I go to the Coast, if only for a day. I guess I will have to arrange it.

I had a fairly satisfactory conversation with Cyril David in England this morning. I think they will come through. David surprised me by stating that the Controller had written me about a week ago to the effect that in the interest of our whole effort between the two countries, I should make a trip to England. He gave me no further particulars and all I can do is to wait and see what they have on their minds. I am willing to go, if it is necessary, and when I get the letter, I will discuss it with you before making a decision. I shall also discuss it with the Minister.

Yours sincerely,

A.S. Nicholson/S

OFFICE OF THE
TIMBER CONTROLLER



WHEN REPLYING
REFER TO FILE

DEPARTMENT OF MUNITIONS AND SUPPLY

OTTAWA, CANADA

January 20, 1942

JAN 21 1942

19

Mr. H. R. MacMillan, President
Wartime Merchant Shipping Limited
420 Lagachetiere Street West
Montreal, P.Q.

Dear H. R. —

Regarding the clipping from the Western
Canada Business Weekly, these prices include all export
shipments to the United States and England, and on this
basis, I believe they are about right.

For your convenience, I am enclosing a
memorandum that I have made for the staff here. The
title of "Assistant Timber Controller" didn't cost any-
thing and helped especially with those who are giving
their time.

Thanks for the newspaper clipping
"Industrialists Resting on Oars". I think I can use
this to avail on my Western trip.

Yours sincerely,

A.S. Nicholson

A.S. Nicholson/S

Enc.



DEPARTMENT OF MUNITIONS AND SUPPLY

OTTAWA, CANADA

January 8th, 1942.

General Instructions to Timber
Control Organization

In order that we may have a clear understanding of our present set-up, including the changes to date made necessary by the pulpwood control and the administration of the price control of practically all wood products except furniture, the following is given for the guidance of all. Changes of course will be necessary from time to time, but the organization as it now stands is as follows:

- A.S. NICHOLSON - Timber Controller
- L.R. ANDREWS - Deputy Timber Controller
- D.D. ROSENBERRY - Assistant Timber Controller for British Columbia and Deputy Administrator of all prices in the Pacific Coast region that come under our authority.
- S.J. STANFORTH - Assistant Timber Controller in charge of Hardwoods, and Deputy Administrator of Hardwood Lumber and Log prices.
- W.A. DELANEY - Assistant Timber Controller in charge of Pulpwood and Deputy Administrator of Pulpwood prices.
- K.M. BROWN - Assistant Timber Controller and Deputy Administrator of Manufacturers', Wholesalers' and Industrial Lumber prices.
- G.G. GOODALL - Assistant Timber Controller in charge of Lumber purchases.
- S.F. ROOK - Assistant Timber Controller in charge of Millwork purchases, and Deputy Administrator of Millwork, Box, Shook, Basket and Cooperage prices.
- G.H. ROCHESTER - Assistant Timber Controller in charge of Veneer, Plywood, Aircraft Spruce and Woodenware, and Deputy Administrator of Veneer, Plywood, Aircraft Spruce and Woodenware prices.
- M. McNICOL - Assistant Timber Controller and Deputy Administrator of Retail Lumber prices.
- W.R. FISKE - Assistant Timber Controller for the Maritimes, and Deputy Administrator for such prices in the Maritime region as come under our authority.

Each of the above mentioned officials in the Ottawa office will immediately assume full responsibility for his own division of the Control and Administration as above outlined and will also assume the responsibility of immediately procuring the required assistance, as needed, with the exception of stenographic help. In the latter case, each will inform H.J. Luck of his requirements and Luck will obtain such help.

- H.J. LUCK - Secretary of Timber Control and in charge of all records.
- R.L. SARGANT - Statistical and general information.
- R.H. ROBINSON - General Representative at Montreal
- H.H. ROSS - General Representative at Edmonton
- W.E. GOLDING - General Representative at Saint John
- F.V. WILSON - General Representative at Toronto
- W.W. SCOVILLE - General Representative at Winnipeg

C.E. MacCULLOCH - General Representative at Halifax

L.M. CRANDALL - Technical Advisor re box shooks.

Attached hereto is a list of Prices and Supply representatives appointed by the W.P.T.B. It is our privilege to place in each of these offices, a Timber Control representative, but for the present, our set-up will be as follows:

Toronto - George B. Gallagher
 Montreal - J.R. Bonhomme
 Saint John - W.R. Fiske, who will carry on from his own office, or arrangements may be made to move into the Price and Supply office.

Vancouver - Our own office under D.D. Rosenberry, for the present, will take care of Vancouver.

Winnipeg - We will appoint a representative as soon as we can select a suitable man.

I do not believe we will need a representative at Edmonton, Regina, London, Brockville, North Bay, Quebec City, Halifax or Charlottetown.

As Timber Control, we are under the Wartime Industries Control Board of the Department of Munitions and Supply. As Price Administrators, we are under the Wartime Prices and Trade Board of the Department of Finance. We, however, shall operate both in the name of, and within the frame work of the Timber Control and in the Department of Munitions and Supply.

It is my understanding at the moment that all "Head Office" employees will be under the Department of Munitions and Supply, and that representatives established in the District Offices will be employees of the Wartime Prices and Trade Board of the Department of Finance.

We will continue to issue T.C. orders as heretofore with the approval of the Chairman of the W.I.C.B. and the concurrence of the Chairman of the W.P.T.B. We, however, will issue specific W.P.T.B. price orders, using the same form as the "Cheese Box" order, but always sending a copy to the Secretary of each Board. If the order is of a special nature or of sufficient importance, we should obtain the approval of the Chairman of one, or both, Boards, depending upon the circumstances surrounding the order.

All our Import and Export regulations will be issued under the authority of the W.I.C.B. and the approval of the Chairman.

In our new office, we expect to have a small conference room where we will meet as frequently as is necessary at 4:30 to discuss and clear all matters, particularly those pertaining to the price administration. In this way, we will develop a uniformity of decision, and for a time at least, it may be necessary to have these short conferences daily. This will, to some extent, avoid wasting each other's time and facilitate our work.

- 3 -

Replies to correspondence must not be held over for more than one day, unless there is a special reason for the delay.

We will not make appointments, and we will discourage visitors until after ten o'clock in the morning.

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Some of the above may seem petty or unnecessary, but, because we have, comparatively speaking, a small staff with an enormous volume of work, I feel that unless we have rules and regulations with reasonable interpretation, our work will get behind and we will always be waiting for decisions.

A.S. NICHOLSON.

PLEASE DESTROY PREVIOUS MEMORANDUM ON THIS SUBJECT DATED JANUARY 6.

Copy of these instructions have been sent to all members of the Timber Control staff, also to Chairmen and Secretaries of Price Control Committees.

L.R.A.	W.A.D.	S.F.R.	W.R.F.	H.H.R.	F.V.W.
D.D.R.	K.H.B.	G.H.R.	H.J.L.	R.H.R.	G.B.G.
S.J.S.	G.C.G.	M.McN.	R.L.S.	W.E.G.	J.R.B.

PRICE AND SUPPLY REPRESENTATIVES OF THE WARTIME PRICES AND TRADE BOARD

Wm. R. Dowrey,
1019 Marine Bldg.,
335 Burrard Street,
Vancouver, B.C.

Walter S. Campbell,
Rooms 35-36,
Dominion Bank Chambers,
Edmonton, Alta.

A.R. Mackie,
303 Darke Block,
Regina, Sask.
(Phone 7651)

George G.A. Young,
Power Bldg.,
Winnipeg, Man.

G.H. Rennie,
c/o Haig & Rennie,
Northern Ontario Bldg.,
Adelaide & Bay Sts.,
Toronto, Ont.

Harold McPhillips,
Bell Bldg.,
London, Ont.

Edwin C. Cossitt,
Victoria Bldg.,
Brockville, Ont.

A.T. Smith,
332 Main Street,
North Bay, Ont.

L.C. Robitaille,
Aldred Bldg.,
Montreal, Que.

Louis D. Hudon,
Morin Bldg.,
111 Mountain Hill
Quebec, Que.

Chas. C. Sullivan,
147 Prince William Street,
Saint John, N.B.

W. Stanley Lee,
c/o O'Leary & Lee, Ltd.,
Halifax, N.S.

Gordon McDonald,
S.A. McDonald's Retail Drygoods Store,
Charlottetown, P.E.I.

SUPERVISOR OF REGIONAL OFFICES

R.B. Whitehead,
Metropolitan Bldg.,
Toronto, Ont.
(Phone Ad. 8651)