

In the Power of Government: The Rise and Fall of Newsprint in Ontario, 1894-1932 by Mark Kuhlberg

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Don Lands, Bonnell peppers the books with passages that Toronto residents will find eerily relevant today. Referring to the Don Improvement Project of the 1880s: “For residents of Toronto’s east end, the idea of the improvement conjured images of prosperity and revitalization for an area that had long been relegated to the margins of the city” (55). And: “By sloughing off as too costly, ambitious, or extravagant significant components of the original plan as the reality of funds and time became apparent, the city created a project of half-

measures, reducing considerably its ability to meet expectations” (73).

In the past, the Don River Valley has not loomed large in the minds of Torontonians. To be fair, it doesn’t particularly loom large in the present either. But perhaps it should. Because as Jennifer Bonnell so brilliantly demonstrates, the future of the river depends very much on how people imagined it in the past.

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In the Power of Government

The Rise and Fall of Newsprint in Ontario, 1894–1932

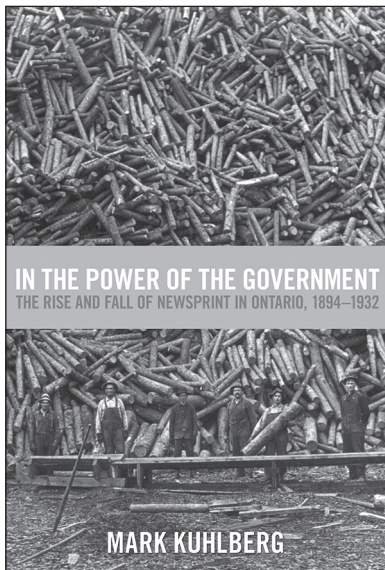
By Mark Kuhlberg

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Mark Kuhlberg’s *In the Power of Government* is a narrative history of the pulp and paper industry in Ontario from its birth at the end of the nineteenth-century, through its peak of health in the early 1920s, to its debt-ridden decline in the early 1930s. The industry consumed mainly spruce-wood, its main product was newsprint, and it operated from the north shore of Georgian Bay westwards past Thunder Bay. Readers interested in environmental history will find useful material in the book, but those looking for insights into labour or social his-

tory will not. The central theme is business-government relations, and important secondary themes include the rise of mass circulation newspapers and periodicals, natural resources management, provincial state formation, and Ontario political leadership.

The engaging prose, useful maps, charts, and photographs are enjoyable, and they complement Kuhlberg’s analysis. The author’s major contribution is the ample evidence he provides that relations between the paper making business and the provincial state were strained by competing visions of



economic development. The paper makers sought agreements that guaranteed long-term control of “forest tracts of previously unfathomable proportions” (45)—larger even “than some of the states of the Union” (9). Such agreements were the means to finance costly operations, and feed mills that devoured enormous quantities of “fibre resources” (*passim*). The politicians wished to use the industry to facilitate settlement in the northern portion of the province, and manipulated licensing and pulpwood export regulations to serve this end. The result was that the paper makers were “in the power of government” (56).

Told here in broad strokes, this story is an important corrective to the assumption that government acted as a servant to business in this era, a premise famously argued by H.V. Nelles in his 1974 work, *The Politics of Development: Forests, Mines, and Hydro-Electric Power in Ontario, 1849-1941* (a second edition was published by McGill-Queen’s University Press in 2005), whose views Kuhlberg addresses in his Introduction (4). Kuhlberg’s revisionist account is the result of research in overlooked business records (6-7). There is little reflection on these records in the eleven chapters that make up the bulk of the book. These tell us the narrative. The discussion of methodological and theoretical issues is contained in the Introduction and Conclusion, and a major take-away must be that the study of Canadian business and political history will benefit from continuing to diversify its source material.

If it remains unclear exactly how important these sources were for offering new insight into Ontario business and political history, it is clear that understanding this story means deconstructing the term “forest industry.” Standing out throughout the work is the remarkable contrast between the business of making lumber and mak-

ing paper. Compared with the lumber business, pulp and paper was immobile, land hungry, capital intensive, and indiscriminate in resource consumption. It follows that the pulp and paper business made unique demands of government, a point Kuhlberg appropriately emphasizes early in the work (52-55). The lumber barons needed only short-term access to high-quality pine on Crown land, after the collecting of which operators moved on, never imagining to see the re-growth of such fine timber. The paper makers wanted licenses giving long term, exclusive access to huge stretches of spruce-dominated terrain, which might produce another crop in a few decades’ time. The quality of the timber was a secondary concern, and water power was important mainly for generating electricity to power mills, and not simply to float logs.

Lumber makers and paper makers both cut down trees and collected them together, but the similarities ended there—they were vastly different businesses. Pulp and paper was a modern industry, in the sense of being corporate-dominated, requiring not only managerial competence, access to credit, and political friends, but levels of environmental, engineering, and technological expertise that firms held in larger staffs and contract relationships. This made the businesses scientifically informed and interested in economic sustainability in a way that governments were not. At places throughout the book Kuhlberg notes a tension between civil servants interested in stable and responsive resource management and capricious political leadership (95), and it is possible that this dynamic helped professionalize the Ontario public service over the long-term. Provincial state modernization is an intriguing theme in this work that researchers will hopefully test and elaborate upon.

Kuhlberg stresses another important difference between the lumber and pulp and paper industries. Lumbermen (they were men) enjoyed established relations with the Liberal and Conservative parties that they used to negotiate and influence patronage politics. The upstart paper makers struggled in this regard. There are examples of the importance of government favour for business success throughout the book. The role of patronage is a justifiably major theme for Kuhlberg, but his argument about the problems of Ontario's pulp and paper business pioneers does take on a "blame the politicians" tone, and this deserves critical attention. Though government doled out unfavourable decisions to numerous companies and helped shape a business environment that undermined their financial security, the industry thrived for most of this period, and decline did not mean disappearance. How much help can we expect politicians to have felt pulp and paper needed when by the early 1920s it was the "primary manufacturing activity" in Ontario and across Canada,

with the highest total value of production and wages of any Canadian industry? (191). The province's elected leaders and their bureaucratic advisors would seem to deserve credit for balancing industry needs with the economic interests of northern residents, and the goal of settlement, rather than facilitating greater rewards for this business sector. Recognizing the negative political responses to business proposals is an important finding in this field, but a more sympathetic interpretation of government policy could be offered.

In the Power of Government demonstrates the continued relevance of political-economic analysis, and the importance of historical research for revising and deepening our knowledge. Scholars, government and industry experts, and interested readers should welcome this readable, well-designed book, and note that the history of Canadian economic development and economic policy is still being written.

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