

BANK OF MONTREAL

Established 100 years (1817-1917)

Capital Paid up, \$16,000,000 Rest, \$16,000,000
Undivided Profits, \$1,414,423
Total Assets, - - \$365,215,541

BOARD OF DIRECTORS:

Sir Vincent Meredith, Bart., President
C. B. Gordon, Esq., Vice-President

Rt B. Angus, Esq.	Lord Shaughnessy, K.C.V.O.	Sir William Macdonald
A. Baumgarten, Esq.	Capt. Herbert Molson	C. R. Hosmer, Esq.
E. B. Greenshields, Esq.	Harold Kennedy, Esq.	H. R. Drummond, Esq.
D. Forbes Angus, Esq.		William McMaster, Esq.

Head Office: MONTREAL

Sir Frederick Williams-Taylor, LL.D., General Manager
A. D. Braithwaite, Assistant General Manager

Branches and Agencies { Throughout Canada and Newfoundland
Also at London, England;
And New York, Chicago and Spokane in the United States.

A GENERAL BANKING BUSINESS TRANSACTED

D. R. CLARKE,
Superintendent of
British Columbia Branches
Vancouver

W. H. HOGG,
Manager
Vancouver Branch

The Royal Bank of Canada

INCORPORATED 1869

Capital Authorized \$ 25,000,000
Capital Paid Up 12,900,000
Reserve and Undivided Profits 14,300,000
Total Assets 275,000,000

HEAD OFFICE, MONTREAL

BOARD OF DIRECTORS:

Sir H. S. Holt, President E. L. Pease, Vice-President and Man. Director
W. B. Johnston, K.C., 2nd Vice-President

Jas. Redmond	A. J. Brown, K.C.	G. H. Duggan
G. R. Crowe	W. J. Sheppard	C. C. Blackadar
D. K. Elliott	C. S. Wilcox	John T. Ross
Hon. W. H. Thorne	A. E. Dymont	R. MacD. Paterson
Hugh Paton	C. E. Neill	G. G. Stuart, K.C.
Wm. Robertson	Sir M. B. Davis	

OFFICERS:

E. L. Pease, Managing Director
C. E. Neill, General Manager F. J. Sherman, Asst. Gen. Manager
W. B. Torrance, Superintendent of Branches

358 Branches distributed throughout every province in the Dominion of Canada and in Newfoundland; also Branches throughout the West Indies.

LONDON, ENG., OFFICE—Princes St., E. C. 2.
NEW YORK AGENCY—Corner William and Cedar Sts.

ELEVEN BRANCHES IN VANCOUVER

C. W. FRAZEE
Supervisor of B.C. Branches
Vancouver

S. G. DOBSON Mgr.
F. St. C. HARRIS, Asst. Mgr.
Vancouver Branch

mill capacity in excess of their domestic requirements to exploit the foreign market.

United States mills were enlarged and equipped to give steamers the despatch demanded by the owners. Mills developed in groups on the Columbia River and Puget Sound, groups that could work together loading steamers of any capacity, giving a despatch of 400,000 feet daily.

United States trading organizations grew up, specializing in lumber buying, lumber transportation and lumber distribution in foreign countries. These companies absolutely superseded the practice of mills engaging transportation and selling direct to the consumer c. i. f.

The Canadian domestic market for lumber has slackened to fifty per cent. of what it was in 1912. The mills still exist, however, that were built to take care of the 1912 demand. These mills are in a bad position. They find the United States exporting companies so strongly in possession of all overseas markets that notwithstanding that the British Empire took in 1914, 64 per cent. of all lumber exported from the Pacific Coast, companies have their headquarters in the United States, in addition to handling all of the lumber exported from the United States, exported in 1913, 69 per cent. of all lumber sent overseas from British Columbia. United States companies absolutely and completely dominate shipments from British Columbia to Australia.

The United States had organized to meet the new demands improved by steamer transportation and Canada had not.

Canadian mills could not give despatch equal to that given in the United States. Persons responsible for charters fear demurrage in Canadian ports, and therefore prefer, when prices are equal, to place orders in those United States exporting districts where strong groups of mills co-operate in furnishing the cargo.

The mills built in boom times in British Columbia equipped for much remanufacture of lumber for the rail trade are not as economical mills in which to produce lumber for export as are many of the mills in the United States built for a greater dependence on the cargo trade.

3. Coaling arrangements are not considered by some vessel operators to be as satisfactory in Canada as in the United States.

4. United States ownership of a preponderance of the lumber carrying sailers operates against Canadian interests. A proportion of 28 per cent. of the lumber carried in 1913 was carried in sailers. Tasmania, and occasionally other ports, Brisbane and West and South Australia ports take sailing cargoes in normal times. In 1913, 83 per cent. of the lumber carrying sailers operating from the North Pacific were under the United States flag. All United States sailers ask a freight of 60 cents to \$1.25 per thousand feet higher for loading in a Canadian than in a United States port. Such a high differential on a commodity selling at \$10.00 to \$12.00 per thousand feet f.a.s. is prohibitive.

5. Control of the low grade lumber markets and during the past ten years greater over production in the United States domestic market than in the Canadian, has resulted in United States f.a.s. prices being frequently lower than Canadian.

Australia, as constantly pointed out, takes only the high grade portion of the log. Roughly, 60 to 70 per cent. of the mill product must be sold in some other market. The domestic rail market is not great enough to absorb the whole of this low grade. Nevertheless, it has been the only market available to Canadian exporters.

The United States is more favourably situated. United States trading companies have control of the lumber imports of South America and China. These two countries, together with California, which buys chiefly low grade, took in 1913, 78 per cent. of the lumber shipped by water from the North Pacific Coast. No Canadian mill participated in these shipments. The possession of these markets for low grade undoubtedly helps many United States mills in making prices for the export market.

(Continued on page 14)