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Canada's Position in Australian Timber Imports

Report of H. R. MacMillan—Causes Which Have Retarded British Columbia Trade with the Commonwealth—Steps Necessary to Remedy Situation.

Mr. H. R. MacMillan's report on the timber import trade of Australia has been issued as a supplement to the Weekly Bulletin of the Department of Trade and Commerce, Ottawa. This report, which has been long awaited by the lumber and business interests of Canada, is a most valuable contribution on this important subject to the future trade of British Columbia.

The conclusions of Mr. MacMillan, with some notes on future possibilities of trade with Australia, follow:—

It has been evident in every important division of the lumber export trade from the North Pacific coast to Australia that Canadian transactions have been approaching the vanishing point.

The reason for this ignominious condition cannot be sought in natural conditions. So far as Nature could go, Canada is equipped in such a manner as to be able to monopolize the Australian trade without restraining her resources. Millions of acres of virgin forest still stand to the water's edge along hundreds of miles of waterways and shore front plentifully supplied with harbors.

The cause for Canadian decadence in the lumber export trade must be sought in the influences affecting the channels of trade rather than in lack of the natural advantages and resources with which to maintain exports.

Briefly, the chief causes for the decline of Canadian trade are:—

1. Canada has not now so great a proportion of the exporting mills as was the case in 1894.

About 1894, when 35 per cent. of Australia's imports of lumber from the North Pacific came from Canada, about 50 per cent. of the export lumber producing mills were in British Columbia. The more advanced development and greater population and wealth of the United States has led to a more rapid increase in export mill building in that country than in Canada. The result is that Canada now has but fifteen per cent. of the export mill capacity of the Pacific Coast. It should be borne in mind, however, that this fifteen per cent., concentrated on export business, could fill all Australia's demands.

2. Canadian mills, when the export trade changed from sailers to steamers, did not keep pace with the United States mills in equipping themselves for the new type of business.

The export trade, when Canada did an important share of it (prior to about 1900), was almost exclusively carried on in sailing vessels. Sailing vessels in 1894 carried about 78 per cent. of all North Pacific overseas lumber equipments. Sailing vessel cargoes were small units, easily marketed. It was not beyond the ability of a sawmill company to charter

sailing vessels months ahead, speculate in several trip charters and dispose of the cargoes c. i. f. Sailers were loaded at the rate of 50,000 to 150,000 feet daily, rarely the latter figure. A sawmill could take several sailers on, closely following one another without requiring great storage space or running the risk of demurrage. Further, a whole sailing cargo was not too great a contract for the overseas purchaser who could and did buy in cargo lots.

Steamers entirely changed the essentials of the business. The trip chartering of steamers was too great a contract for single mills; mills could no longer individually control the transportation of their product. Steamers loaded 200,000 to 400,000 feet per day and carried such large cargoes, 500,000 to 5,000,000 feet, that the mill could rarely take the risk of assuming responsibility for filling a complete cargo. No mill could risk attempting to fill two steamers arriving together. Further, the foreign buyer could not assume responsibility for nor take delivery of a full cargo.

Unfortunately, when it became necessary that Canadian export mills should develop further organization and equip themselves to handle steamers, their attention was diverted from the export trade by the meteoric rise in the domestic lumber market. The rapid expansion of Western Canada, the equipping of half a continent, all in the space of a few years, with dwellings, towns, cities, railways and public works, more than exhausted the capacity of Canadian mills and led to the importation for a few years of large quantities of lumber.

New mills were built to meet this demand. In their building the prairie was the only market in view and no thought was given to the export trade.

Unfortunately our competitors in the Douglas fir region of the United States were free during this period with a

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