

PREFACE.

The serious decline of Canada's share of Australia's timber imports would at any time demand attention. That this loss of trade in raw products between two neighbouring British Dominions should occur at a time when Imperial sentiment is strengthening, when the move for closer Imperial trade relations is gaining favour, and should be most marked in a trade in which Canada not only possesses all the natural advantages, but in which she has greatly increased her productive capacity during the period of trade, is a matter of serious concern.

The investigation of which the following is the report, was undertaken with the idea of discovering the cause. The work of investigation was very greatly facilitated by the Canadian Trade Commissioner for Australia, who was indefatigable in rendering assistance and was thoroughly familiar with Australian business conditions.

Briefly, the chief obstacles over which Canadian timber trade with Australia has stumbled are,—

1. The channels of the trade are non-British.
2. The trade has been driven to death.

Canadian concentration on development of domestic opportunities has been such that no Canadian firms paid attention to building up a trans-Pacific timber brokerage and shipping business. Such business has been entirely in the hands of what are chiefly United States companies, and naturally they, finding a surplus of timber for export at their doors, found it no advantage to come to Canada for supplies.

Fortunately this condition shows signs of righting itself. Canadian companies, properly equipped to carry on a shipping business, are now entering the field, with results that cannot fail to be of benefit to Canada.

A tremendous overproduction of lumber on the Pacific coast, and the dumping of this lumber abroad under conditions of competition ruinous to many of the producers engaged in it, has resulted for several years from the unorganized state of the lumber industry. The competition has so flooded the Australian market from time to time that Canadian mills have not been attracted to foreign trade. A stronger organization of United States mills is now in effect, which promises to prevent lumber dumping.

The Australian market is a growing one. It will long continue to be second only to the Canadian prairie as an outlet for British Columbia lumber. It possesses an additional importance. Should Canada supply only one-half Australia's timber requirements, she will lay the foundation of a powerful merchant marine on the Pacific, which will in turn exercise a profound influence on the development of her ports and of subsidiary trading and maritime industries.

So long as there lies, across a few thousand miles of water, a sure market and that within the Empire, for all of Western Canada's most conspicuous and superfluous resources, so long should Canadian timber industries co-operate in supporting Canadian exporting and shipping interests to secure that market.

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