

CORRESPONDENCE

Letters are invited from our readers on matters of practical and timely interest to the lumber trade. To secure insertion all communications must be accompanied with name and address of writer, not necessarily for publication. The publisher will not hold himself responsible for opinions of correspondents.

IMPORT DUTY ON LUMBER.

TORONTO, June 21st, 1897.

To the Editor of the CANADA LUMBERMAN.

DEAR SIR, —The trade throughout Ontario appear to be much pleased to learn of the prompt action of a number of prominent men, directly or indirectly connected with the lumber business, in getting together at Ottawa immediately on learning that the lumber schedule of the Dingley bill had been passed by the United States Senate, and laying their views before the Government concerning the serious need of imposing an export duty on logs.

I do not here propose discussing the merits of an export duty. This is a subject which has been thoroughly ventilated in the public press, and the menace which is offered to the lumber trade of Canada in connection therewith is doubtless fairly well understood by the trade and the general public. A report of the Ottawa meeting, as published in the daily papers, makes no reference to another very important phase of the question, which apparently has been overlooked, that is, as to the necessity of an import duty on lumber. The urgent need of such a duty is clearly apparent to all who are familiar with the trade of Western Ontario. The facts simply are, that large quantities of lumber are being shipped into Canada from the United States, yellow pine from the south having been imported for several years past, and since the United States panic of 1893 there has been a very heavy accumulation of low grade white and Norway pine in the Michigan and Minnesota markets. This has been sacrificed regardless of cost in order to move it out, and Western Ontario has been made one of the slaughter markets. So long as reciprocity in lumber obtained between the two countries, of course the Canadian trade had no complaint to offer, but now being face to face with a United States prohibitory tariff, it is a question of a very different complexion. The marketing of low grade lumber will be a difficult problem for the Canadian manufacturer to solve henceforth; leaving our markets open to Americans will certainly not aid in a satisfactory solution thereof. This American competition cuts two ways. Not only has it displaced a proportionate quantity of Canadian low grade pine, but the ruinous prices at which it has been sold has naturally caused a corresponding reduction in the price of all low grade lumber sold in Ontario, until now it is a generally acknowledged fact that this class of material is going at much less than cost to the producer. The argument may be raised by the consumer or politician that the above conditions are desirable inasmuch as the public derive the benefit, but it may be fairly asserted that no permanent advantage can accrue to the country by one section of the community profiting by the loss of another. The lumber trade throughout Canada should give no uncertain sound as to their wishes in this matter, and should make very plain to the Government at Ottawa the necessity of safeguarding and caring for the interest of this, the most important branch of Canadian trade, one employing a vast amount of both capital and labor. It is generally believed that the Government will impose an export duty on logs and pulpwood, but any enactment not including an import duty on lumber cannot possibly be satisfactory to the trade.

Yours truly,

C. A. LARRIN.

INTERESTING LETTER FROM AUSTRALIA.

SYDNEY, N. S.W., May 6th, 1897.

To the Editor of the CANADA LUMBERMAN:

DEAR SIR, Messrs. David McLaren, of Ottawa, and his brother, the doctor, leave here by the "Aorangi," and will be home when this reaches you. They have made a study of the lumber trade of these colonies. Mr. McLaren read a copy of the letter sent you a couple of months ago, and says his inquiries confirm what I have written. He thinks that the price of lumber is too low, and the immediate future not sufficiently bright to warrant the opening of his British Columbia mill to do trade here yet. Prices are very low. The nominal quotation for Oregon just now is 6.6 per 100 feet, but this is only nominal, and I have heard that lumber has been sold that would not net the Pacific Coast mill more than \$6.50 per

thousand feet. At such figures Mr. McLaren is right in his views that it will pay him and Canada better to hold up a bit. The West Coast is producing more timber than the world needs just now, and consumers are fixing the price. When an agent receives instructions from San Francisco to get the best price he can, but sell, everybody knows what the result is likely to be.

Canadian lumber is coming here, and at an average of better prices than from the United States mills, because the average quality is better. Some complaints are made that the Canadians are not so prompt, either in replying to enquiries or in filling orders, as they might be. I think this is the exception rather than the rule. I know that one or two cargoes have been much delayed, and are likely to reach a poor market rather than a good one. The importer is naturally put a little out of temper thereby.

Three or four cargoes have been shipped in a year from the St. Lawrence to Melbourne, to be sold on arrival. Occasionally fair prices were obtained, but when they came in pretty close together, as has happened, the result was unfortunate for the shipper. An effort, with some success attending it, has been made to get orders ahead. This is very much better. Not only will this enable the shipper to know what he is getting, but he can get orders for other stuff besides spruce and pine deal. Norway sends lining and weather boards. From the United Kingdom and Eastern United States some shelving, clear pine, walnut and oak are shipped. Canada could supply these. I have an enquiry before me from Melbourne for oak staves for wine casks, 38 to 40 inches long, 4 inches wide, and 7/8 to one inch thick. These Canada can supply. The timber ships could be utilized to carry other goods, helping the timber trade and manufactures of the country.

If any of your subscribers can supply the oak staves referred to, I shall be glad to hear from them. It would be necessary to send price f.o.b. at New York, as until there are regular ships from the St. Lawrence they must go that way. Samples are also asked for. The only method would be to saw a stave up to the regulation length of parcel post shipments and mail to me in that way.

Yours truly,

J. S. LARKE.

OUR EXPORT LUMBER TRADE.

TORONTO, June 11th, 1897.

To the Editor of the CANADA LUMBERMAN:

DEAR SIR, I see by letters in your columns and also in the daily press that there seems to be a great desire on the part of our lumbermen, more particularly the manufacturer, to deal with France, England, Australia, South Africa and South America. They have cited cases where the goods they manufactured were sent to these foreign points by American dealers who purchased the goods from them or from some of our dealers here, and they ask the question, "why can we not sell these goods direct to Great Britain, France, South America, etc., and get the credit that is due to the character and quality of our lumber, and also the full value of it, instead of allowing Americans to have it?" To this, I will answer that we cannot do so very well under present conditions. This export trade is a peculiar line of the lumber business, and has to be learned. You cannot jump into it all at once. It has taken a great deal of time and money to open up this trade, and to learn the wants of the different markets, and also to get acquainted with the people and their financial standing, the peculiarities of their grading, their customs laws, the value of their money, etc.

Judging from the expressions of some of the writers, it would appear that they think all that would be needed to step into these markets would be to write to some dealers in France, or South America, or England, and tell them that they had certain kinds and sizes of pine or hardwood lumber for sale, and that they would immediately receive orders for it at big prices. Now, let us consider it for a minute. Would the writers of some of these articles be able to write an intelligible letter in French or Spanish to a South American dealer? Would they be able to write an intelligent letter to an English or Scotch importing house, i. e., making an offer to sell them goods such as they deal in, quoting them prices in their currency and their standards of measurement? I question very much if there could be found many in this country who could do so. They have never had the opportunity to learn this branch of the trade, and it must be learned before business can be done with a foreign country. We have been so long making our lumber for the American trade that we practically do not know any other. If we want to go into the exporting trade we have got to commence all over again. For instance, the English market takes practically nothing from us but deals, 3 in. No. 1, 2 and 3, and

if trade is slack they do not want any No. 3, and are able to make more of this third quality than of ones and twos. The value of the English market to us depends on our ability to take our lower grades. Unless our mills are equipped and prepared to cut the logs to special order, and our manufacturers in a position to select their lumber in a way that they are unaccustomed to, they cannot hope to sell much of their ordinary cut stock there.

The South American market calls largely for one size of pine in size and quality, 1 x 12 - 16, of a quality of dressing, and designated as a South American shipper. This is practically all we could ship there.

The West India trade calls for much the same class of stock, except that there is a little larger range of width, from 8 to 12 in. wide, and the quality is not quite as high.

The regulations in regard to inspection on shipments to many South American points are very rigid, and there are a few shipments made that are accepted as invoiced; deductions are the rule, and sometimes they are extremely heavy, and the grading very arbitrary. Their customs regulations are costly and cumbersome, making it almost necessary to have an agency there, which only large and wealthy concerns could afford to do. The terms of payment is generally six months.

The French trade is generally for specific sizes and kinds. It would be impossible to sell a lot of lumber such as is cut in any of our pine or hardwood mills. Their measure is the metric, which I have no doubt would set some of our manufacturers or dealers figuring to turn out an invoice of three or four different kinds and sizes, reduced from our superficial feet board measure to their system.

These are some of the difficulties in the way of doing an export business. The question is, can they be overcome, and how? To the first question, I would say I think they can. If the American dealers and large exporting companies can do this business, I see no reason why we should not, providing we are prepared to spend some time and money to learn to do it right. The Export Lumber Company, of New York, which does the largest South American trade, has spent many thousands of dollars in building up their trade, and they could not have got it had they not done so, there has been times when they have had to carry very heavy loads during some of the periodic disturbances in some of the South American republics.

Some of the large New York and Boston houses have done a nice export trade with England in finished goods, hardwood and pine, by giving their customers what they wanted, and by keeping in touch with the markets of the world, being enabled to do this by carrying large stocks of all kinds of lumber, and having machinery of the most modern kind, with the aid of which they could promptly fill any orders they may be entrusted with.

How can we put ourselves on the same footing as Americans, and get a share of the export trade? By working for it in one way, and in order to place ourselves on same footing as Americans, we must establish lumber yards, where all kinds of lumber is kept in stock all the time. I mean such yards as you see in Buffalo, Albany, New York, Boston, etc., where the lumber from many mills is concentrated, sorted and graded, according to size and quality, a place where an intending purchaser can come with the certainty of finding just what he wants and any quantity of it. Have we any such yards? I am sorry to say we have no. There are some local lumber yards carrying stock sufficient for the wants of their immediate neighborhood with perhaps a small quantity suitable for export, but is there a yard in the country carrying a stock of saw lumber as is carried by any of the large pine or hardwood dealers in Buffalo or New York? Supposing a London, England, dealer were to come here and ask where he could get a large quantity of 3"x4" maple, birch, elm, basswood or pine. Where would he get it except by travelling all over the country in hope of picking it up at the many mills scattered all over the country. If he did find it, would the mill men want to sell one or two kinds and sizes alone? Would it not be better if there was a lumber merchant or a company to whom they could sell the whole of their stock, all kinds and all grades, thus relieving them of the necessity of looking after a number of purchasers, while the buyers would be attracted here if there was any place where there was a fair stock and assortment of kinds and sizes, that they could see and judge for themselves. Under present conditions this is now impossible. There is no yard carrying any stock. Buyers will not come where they cannot get an assortment, or where there is no competition.

Transportation charges are higher where the trade is scattered; there is nothing to attract purchasers. We ought to be in as good a position as the dealers in the United States to distribute the output of our mills instead of selling to them in the rough, and have them dress and otherwise prepare the lumber for further export, and if we can only find some of the capitalists of this country who are prepared to spend some money to establish lumber yards at our principal distributing points that will handle the output of our mills in such quantities that they will be able to attract intending buyers, and who will establish planing and re-sawing mills to further prepare the lumber for the export trade, and the saw mill men will deal fairly with such wholesale yardmen, by agreeing to sell to them instead of selling to American dealers, thus enabling our own wholesale yard men to compete for the export trade on fair terms with our neighbours, then, and not until then, can we expect to get a share of this foreign business.

Yours truly,

"LUMBERMAN."