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J. S. ROBERTSON, EDITOR.

THE CANADA LUMBERMAN is published in the interests of the lumber trade and of allied industries throughout the Dominion, being the only representative in Canada of this foremost branch of the commerce of this country. It aims at giving full and timely information on all subjects touching these interests, discussing these topics editorially and inviting free discussion by others.

Special pains are taken to secure the latest and most trustworthy market quotations from various points throughout the world, so as to afford to the trade in Canada information on which it can rely in its operations.

Special correspondents in localities of importance present an accurate report not only of prices and the condition of the market, but also of other matters specially interesting to our readers. But correspondence is not only welcome, but is invited from all who have any information to communicate or subjects to discuss relating to the trade or in any way affecting it.

Even when we may not be able to agree with the writers, we will give them a fair opportunity for free discussion as the best means of eliciting the truth. Any items of interest are particularly requested, for even if not of great importance individually they contribute to a fund of information from which general results are obtained.

Advertisers will receive careful attention and liberal treatment. We need not point out that for many the CANADA LUMBERMAN, with its special class of readers, is not only an exceptionally good medium for securing publicity, but is indispensable for those who would bring themselves before the notice of that class. Special attention is directed to "WANTED" and "FOR SALE" advertisements, which will be inserted in a conspicuous position at the uniform price of 15 cents per line for each insertion. Announcements of this character will be subject to a discount of 25 per cent. if ordered for four successive issues or longer.

Subscribers will find the small amount they pay for the CANADA LUMBERMAN quite insignificant as compared with its value to them. There is not an individual in the trade, or specially interested in it, who should not be on our list, thus obtaining the present benefit and aiding and encouraging us to render it even more complete.

BANK OPINION.

It is doubtful if in any other way the financial situation throughout the country is more clearly and correctly focused than by means of the reports and addresses of our leading bankers, which usually come along about this time of the year.

Sir Donald A. Smith, president, and Mr. E. S. Clouston, general manager, of the Bank of Montreal, each delivered instructive addresses at the annual meeting of this bank, held on June 6. The occasion was the 74th annual meeting of the leading monetary institution of the Dominion. Illustrative not alone of the growth of the business of the bank, but also of the commerce of the country, for the two in this case go hand in hand, the president drew a contrast between the transactions of the bank in its early years, and those of to-day. In 1817 its capital was \$350,000, and as there was no other bank in the country at that time this represented the entire banking capital of Canada, where at present the capital of the banks doing business in Montreal alone is upwards of \$50,000,000. The capital of the Bank of Montreal is now \$12,000,000, with a rest of fifty per cent., or \$6,000,000.

The growth of the commerce of the Dominion during these years, and more particularly the past twenty-five years, is shown in a comparison of the imports and exports of this period, some interesting figures on this line being furnished by Sir Donald. In 1868 the total value of our foreign trade was \$131,027,532. It has not always maintained an easy level, fluctuating more or less at times. The trade returns, however, for the fiscal year, ending April 30, show an extraordinary development as contrasted with the preceding year, the figures of the export trade being, 1891, \$77,452,314, and 1892, \$88,435,793, and this notwithstanding the McKinley Bill. So with the shipping. The month of May just closed shows an inward tonnage in the port of Montreal of 174,000 tons, against 132,615 tons in '91 and 157,000 tons in '90, or 17,000 tons more than in May, '90, which

was the largest previous record. Throughout the entire address President Smith takes a hopeful view of the business situation, believing there are great things ahead for this Dominion.

Hardly running in parallel lines with this view is the opinion expressed by General Manager Clouston, but his remarks are none the less wholesome, even though in contrast with those of the president, decidedly pessimistic. Better times were expected when it was known beyond peradventure that the country had been favored with an exceptionally fine harvest, but Mr. Clouston says "we have experienced as dull, if not a duller, year than those preceding." The explanation of these hard times is attributed to the fact that farmers used what money was realized from the sale of grain for the payment of obligations due the loan associations, implement manufacturers and others. The residue of grain they have held in hopes of higher prices. "If, however," he says, "as it is supposed, there is still a considerable amount of grain in the farmers' hands, we are undoubtedly on a better and more assured basis, and with anything like a good harvest we may reasonably hope for some improvement in the future." Albeit, conditions would have been improved if the farmers had sold their grain earlier in the season instead of holding for higher prices, which have not been, or seem likely to be, realized, whilst the grain is suffering, in the opinion of those competent to judge, a depreciation of fully twenty per cent. from storage and attendant causes.

The deposits of the bank have increased largely during the year. In fact there has been, and is now, no lack of money in the country, but as Mr. Clouston remarks: "Cheap money is not an unmixed good, and is often a sign, as in the present case, of general distrust, and a widespread and far-reaching inactivity in business." The weak side of business in Canada to-day is the hesitancy exhibited, by those who have the money, to invest it in commercial undertakings. The general manager of the Bank of Toronto touched on the same matter in his annual address when he said: "The most conspicuous feature in the financial situation throughout the world has been the continual accumulation of unemployed money, which has been accompanied by a state of heaviness in general business, and an absence of new outlets for capital." And in this country, the Toronto manager goes on to say, this feature has "markedly characterized the business situation."

The one important article of confidence is what is most required to give healthfulness and tone to the commercial situation.

THE QUESTION OF MARKET CENTRES.

It is contended that if the yard system in lumber is made to supplement the commission man, or buying direct from the mills, that in a short time an undesirable monopoly would be created. Is this so? Doubtless it is a possibility, for concentration of trade in a few hands not unfrequently leads to a combination for the purpose of advancing prices. Almost every branch of trade has experienced the ill effects of these combinations. The grocer has a sugar combine to fight, and the dry goods man a monopoly in cottons or woollens.

The nature of the lumber trade is such that combines on parallel lines to those of other trades is rather problematical. A grocer sells teas, sugars, spices and a score or more of articles the output of distinct and different manufacturers. So with the dealer in dry-goods, and other merchants trading in general commodities. A combine in some particular and leading line of the catalogue is not unworkable.

With the lumberman it is hardly the same. He sells only the one line of goods; there will be different kinds and classes of lumber, but not in anyone of these would a combine be practicable in the sense that it is possible with sugar or cottons. It might be expected, as the trade would resolve itself into fewer hands, that a greater uniformity of price would be the rule and that these prices would be firmer than when everyone is paddling his own canoe. This could not be deemed an unmixed evil. Carried to unreasonable lengths its baneful effects would be as condemnable as those of any other combine. But a union of business men, not to unduly increase prices, but to prevent what is too often ruinous cutting, is a condition to be sought for in every business.

In buying direct from the mills or through the commission man the dealer is but following in some respects the trend of business in other lines. As we pointed out last month, the practice is surrounded with certain risks and drawbacks; yet it is carrying out the principle which in other departments of commerce makes each man a direct importer and saves him money by cutting out the profit of the middleman. The millmen in a good measure encourage this method of business, as they, rightly or wrongly, argue that the profit charged by the wholesaler is a profit which it is better for them to retain and divide up with the dealer who buys direct.

There is this, too, about the custom, that the small millman, who must sell his cut, finds that he is more likely to do business direct than through a jobber. And we have enough millmen to make competition among them about as lively as one would want to see it anywhere.

Perhaps this is turning sound business methods topsy-turvy, and is a violation of every principle of political economy. With the keenness of business to-day the closest regard is not given to the principles of Adam Smith, Bastiat, Walker, Mill, Carey, Perry, or any school of economists, past or present.

EDITORIAL NOTES.

MR. GEORGE HILLIARD, ex-M.P., a well-known lumberman, died at his residence in Peterboro on 23rd June. The deceased was a son of Christopher Hilliard, an officer of the British army, who served under the Duke of Wellington, and was all through the Peninsular war. He was born in Dundas county in 1827 and came to Peterboro in 1847. In 1862 he entered the lumber trade, purchasing a sawmill, which is now within the corporation of the town of Peterboro. He has also been engaged in flour milling and was interested in a woolen mill. He was a Conservative in politics, and in 1878 was elected for the House of Commons, and re-elected in 1882. He declined a third nomination. He was a prominent member of the church. His death is deeply regretted by all who knew him.

THE loggers of British Columbia have for some time been agitating for the appointment of a Government scaler. They had hoped that action would have been taken so that the difficulties, that they allege meet them in their work, would have been escaped this season. But nothing has been done. The complaint, as given by a Vancouver paper, is this: "A man gets a boom of logs ready at some given point. He scales them there as accurately as it is possible to scale them, making due allowance for bark, shaken timber and general waste, according to the accepted rule on the coast. When he comes down here and tells the millmen that he has so many feet to dispose of, if they agree to take the quantity he has for disposal they hire to him the requisite number of boom-chains at a certain figure, according to the regular rates. They also agree to send a steamboat up to the place where the boom is lying to bring it down. After the logs arrive they have, of course, to be scaled by the millscaler, whose estimate of the number of feet in the boom almost invariably turns out to be a good deal lower than that which was made by the owner of the boom. There is no appeal from his estimate, however, and the luckless boom owner is caught, as the phrase goes, in the crack of the door, and must either accept the price of his logs according to the said estimate or let them be where they are, besides paying for the use of the chains and for the towage. In the case of a poor man who has perhaps nothing but his boom to depend on, the result is inevitable. He has to take the price fixed by the millman, in order to pay the charges incurred. He has no recourse in law or otherwise, being entirely in the power of the party of the other part." This is the logger's side of the story, and relief he contends would be found in the government scaler, who could act impartially and fair to both parties. Our Vancouver contemporary adds that most of the millowners are strongly in favor of the appointment of the Government scaler and say that the sooner it is done the better for all parties. As the business is worked now, the millman who wishes to do an honest business is handicapped in the competition with those who practically steal their logs.