

CANADIAN CHEAP LUMBER.

DES MOINES, IOWA, Dec. 21, 1887.
 EDITOR LUMBER TRADE JOURNAL:—The question raised in the President's message so far as it affects the lumber interest is naturally exciting considerable attention among those interested in the trade. We hear arguments both in favor of and adverse to a removal of the tariff of lumber, and in the multitude of assertions we find confusion rather than wisdom. Those who are in favor of free lumber assert that a removal of the duty would have little or no effect upon lumber values in this country; but the volume of manufacture in Canada is insignificant as compared with that of the United States, and that if the whole of that volume was turned into this country its effects would be hardly noticed. Some assert that the original cost in Canada is greater than the United States, and that this alone would prevent such a reduction in price as would seriously effect American manufacturers. The advocates of a tariff assert that lumber is cheaper in Canada than in the States, that it can be produced cheaper, and would flood the country to the injury of American lumbermen if the duty were removed. They assert that the injury to manufacturers would more than offset the advantages to the many millions of consumers, while arguing that the country would be flooded with cheap lumber. Can you throw any light upon the subject that will enable your readers to form a reasonable correct opinion as to which is right, and as what would be the effect upon the lumber trade if the duties were to be taken off, and oblige an

INTERESTED READER.

Replying to the above the Chicago *Lumber Trade Journal* submits the following statistics which it claims should throw considerable light on the subject. Regarding the "cheap" labor theory, it reproduces the particulars of the sale of Ontario timber berths, which appeared in the last issue of THE LUMBERMAN, with the object of comparing the cost of timber lands in Canada with that of the United States. It says:—

This shows an average cost to the purchaser of \$4.62 per acre, for the privilege of cutting the timber and of paying a further stumpage duty to the government of \$1.00 per thousand feet for all that he may cut, and in addition a yearly direct tax of \$2 per square mile. If we average the cut at 10,000 feet per acre, we shall find the cost of the stumpage to be

License cost \$1.62 per acre is per thousand	46.2
Duty on cut logs per thousand	1.00
Yearly taxes allowing but one year	.20
Total paid to government	\$1.66 2-10

With a proposition under consideration to increase the stumpage duty on logs to \$2, which would bring the stumpage cost up to \$2.66 2-10 per thousand feet, with no fee in the land. The United States government sold its pine lands at \$2.50 per acre giving a title in fee simple. Averaging these at 10,000 feet to the acre which is as near the mark as the estimate on Canada lands, the stumpage cost to the purchaser was 25 cents per thousand as compared with say \$1.66 paid by the purchaser of Canada timber. We will not insult the intelligence of our readers by asking which government furnishes the cheapest stumpage.

But while the government values are the only ones on which a proper computation of stumpage cost should be estimated, we are not unmindful of the fact that the United States has parted with nearly, if not quite, all of its valuable pine lands, and that stumpage in the hands of present holders is a different thing from that which is offered by the government; nor of the still further fact that Canadian limit holders know how, and have just as selfish an interest to hold stumpage at all it will bring, as holders of United States timber, and American buyers of Canadian logs to be towed to American mills do not find themselves able to buy these logs in Canada at a cost delivered in mill boom enough below what they would pay for the same grade of American logs, to get very rich from the difference. But if the customs duty of \$2 be removed, would not the lumber be sold that much cheaper? Yes, provided the limit holders in Canada exhibit a trait in human nature so vastly at variance with all our experience to show that they don't know a good thing when they see it, and are so unselfish as to be willing that the American operator shall take all the persimmons, and the principal Canadian lumbermen are American born. A ten years' lumbering experience in Canada taught us that down east Yankees were not the only people in the world who were entitled to credit for shrewdness, but that a Canadian could often double discount and then beat him at his own game. When you set the Canadian lumberman down as a fool, you have need to look after your own laurels. But will they not overstock the market? Let us again appeal to the government for some information as to what they have been doing in the past. In the statistical abstract of the United States for the year ending June 30, 1886, the last official data obtainable, we find that the "quantities of dutiable wood and manufactures of wood, boards, blank deals, and other sawed lumber" imported from all countries, Canada being the principal source of supply, were as follows for the years named:

	1886.	1885.	1884.	1883.
Lumber etc.	517,532,000	555,582,000	600,762,000	571,003,000
Shingles	79,150,000	69,511,000	86,219,000	104,657,000
Value of the Same.				
1886.	1885.	1884.	1883.	
\$8,704,836	\$9,103,041	\$10,332,600	\$10,295,631	

Taking a period of ten years, 1877 to 1886 inclusive, the imports of lumber from all countries into the United States aggregated 4,978,175,000 feet and of shingles 715,770,000,

the total value being placed at \$76,505,232, an average of less than 500,000,000 feet of lumber and 70,577,000 shingles valued at \$7,650,523 for each of the ten years. About one-quarter as much as the receipts of Chicago for one year in lumber and one-tenth of her receipts for shingles. The receipts of lumber at Chicago this year are three and a half times greater than the average yearly importation into the United States for the period of ten years. At an estimated yearly consumption in the United States of 500 feet per individual, Canada's average shows a supply of one foot in sixty feet. The wildest controversialist would not dare to assert that figures would be doubled in case of free trade with Canada, but if they were, it would only raise her quota to one foot in each thirty feet of the nation's supply. How deeply this would affect American producers we leave it for our correspondent to figure out. We have aimed only to state facts, and shall have something further to say in the future.

Since the above was in type, Government reports for the year ending June 30, 1887, are at hand, from which we gather still further valuable information on this subject. The value of "wood imports" for the year is stated as follows:

	Value.	Duty Collected.	Average Ad-valorem Rate of Duty.
Unmanufactured	\$ 15,077,79	\$ 2,977.26	19.73
Manufacturers of	8,208,416.07	1,500,206.53	18.25
Total	\$8,223,504.05	\$1,503,183.09	18.25

In a table of "total values of imported merchandise" our imports from British North American Provinces is shown as follows: 1860, \$23,570,000; 1880, \$33,220,000; 1882, \$51,113,000; 1883, \$44,740,000; 1884, \$39,020,000; 1885, \$36,960,000; 1886, \$37,500,000; 1887, \$38,020,000, and the percentage of total imports 6.66 in 1860, and 5.49 in 1887. Our export trade with the Provinces was as follows: 1860, \$18,660,000; 1880, \$28,060,000; 1882, \$35,290,000; 1883, \$42,831,000; 1884, \$42,510,000; 1885, \$35,980,000; 1886, \$31,960,000; 1887, \$33,495,000, and the percentage of total exports 5.90 in 1860, and 4.76 per cent. in 1887. The exports of the United States for 1887 are set down at \$703,022,923 and are classified as follows:

	Value.	Per Cent.
Products of Agriculture	\$52,073,798	4.41
Products of Manufacture	1,673,107	19.45
Products of Mining including mineral oil	11,738,662	1.67
Products of the Forest	21,126,273	3.01
Products of Fisheries	5,155,775	.73
Other products	5,173,310	.73
Total	\$703,022,923	100.00

The figures given above apply only to the general imports and exports from and to all countries. The Canadian "blue book" for 1886 will reach the Canadian Parliament Jan. 31, and from it we shall be able to gather more definite information regarding our trade with Canada.

We have a very warm friend now residing in Canada, one whom we have known as a lumberman since 1845, competent therefore to speak intelligently upon the question propounded by us "Who will get the benefit if the \$2 tariff is removed from Canada lumber?" We append his answer:

"From many years observation, and with intimate knowledge of the Canadian lumber trade, as well as that of our own country, I am certainly of opinion that if the entire lumber cut of Canada was dumped into the United States, it would not effect the price of Southern lumber, and I doubt if it would have the slightest effect upon values in Northern lumber. You ask, 'who will get the benefit of the \$2 off duty?' I say, the Canadian. It will simply enable him to advance prices that much, or approximately, and not a rap of good to the American purchaser. Is it at all reasonable to suppose that the American lumbermen will reduce their prices? Not a bit of it. The working of free lumber will be \$2 out of the United States and \$2 into Canada. No surplus of pine lumber will ever again be seen. Combine the abilities of both the United States and Canada (and they represent the total of white pine growth) and they can never again overstock the market. Pine is not being reproduced, it is simply sliding away, and in ten years more, as in the last ten, a big difference in quality and quantity will be seen. The sliding scale is so evident that all must admit it.

"The English trade in lumber is increasing, while that in timber is decreasing. The entire output of deals as low as 4ths (sound common) to be made in 1888 is already sold for the English market, leaving only the very coarsest logs and the siding for the American market, of which the sidings form good deal logs are already heavily sold for the English market. The Canadian lumber as a rule is very coarse and very shaky. The "Grove" timber makes a very good "piece board" (13 feet) and does not make deal. Stock will not be plenty here the coming season, for advance sales will not leave much for the open market."

THE news that ship building is looking up in Great Britain, and the yards on the Clyde, the Tyne and elsewhere have received extensive orders, is evidence of reviving trade. These iron vessels are fast ousting wooden ships from the carrying trade of the world, and this is the reason why shipbuilding in our Maritime Provinces does not progress as do our other industries.

EXCHANGE ECHOES.

Mississippi Valley Lumberman.

The lumber dealers in the Twin cities, and the northwest generally, are watching with interest the attempt now being made by the Chicago yard men to crush out the scalper, and to annihilate him as an element in trade. The agreement signed by a majority of the lumber merchants of Chicago is apparently sweeping enough to accomplish its results, but it is still to be demonstrated whether all the parties thereto are impregnable to the assaults of the scalper who may have tempting bills of lumber for which he has a market. The scalper in any trade is an incubus, draining the profits which should legitimately go into the pocket of the producer, the man furnishing the capital and sustaining all the risks of the credit system and the consumer.

Northwestern Lumberman.

It really looks as though the turning point in the poplar market had been reached. We dare not anticipate too much; but the horizon looks brighter, and it may be an omen of future prosperity. The demand for choice poplar is active. The supply, which in a measure regulates the price, is already curtailed, appearances point to a further scarcity of stock in the season to come. Whether this will have a decided or slight effect upon selling price remains to be seen. Certain mills have already contracted for next season, while others have so far declined what during the last year would have been considered good offers. The scarcity of stock, and a refusal of producers to longer accept the beggerly selling price of the last three years, should have a marked effect on prices, particularly for the better grades of poplar.

Dominion Mechanical and Milling News.

The statement will soon be published that a couple of well-known gentlemen are trying to obtain a lease of a tract of timber land, comprising no less than 26,000 acres, in British Columbia. In view of the rapid depletion of the United States pine forests, and the fact that the supplies of that country must in future be largely drawn from Canada, the wisdom of giving individuals control of such large areas is open to question. The wonderful advance which is taking place in the value of such lands was clearly shown at the Government sale in Toronto the other day. Seeing, therefore, that our timber lands are certain to double and treble in value within a few years, the Dominion and Provincial Governments should manage things so that the profits resulting from increased values shall go into the public exchequer instead of into the pockets of private individuals.

Southern Lumberman.

THE CANADA LUMBERMAN has figured out the conclusion, that the Southern lumbermen are opposed to the repeal of the duty on Canadian lumber. Correct. It may also make up its mind that the South don't want unrestricted free trade with the Dominion because that would simply mean free trade with England and all her colonies who choose to do business through Canadian agents.

Chicago Timberman.

An experiment is about to be tried by New York parties, which will result in lowering the rate of transportation on spruce and pine by water from the Province, if it proves to be successful and practical. The fact that enormous rafts of logs have been towed hundreds of miles successfully has given rise to the idea that manufactured lumber might be marketed in the same manner, and at a much less rate per thousand, than it was possible to transport it by vessel. A huge raft containing over 20,000,000 feet has lately been launched in the Bay of Fundy, which it is proposed to tow to New York. The trip of this peculiar raft, if it may be so called, will be watched with much interest by the owners of coasting schooners; for, should it prove a success, their source of income will be very materially curtailed. The probable success or non-success of this method of transporting lumber is being discussed very generally by eastern operators, but it is not generally believed that the scheme will be at all practicable. Should the raft chance to encounter a stiff easterly gale, it is quite probable that there would be large quantities of driftwood afloat to offset any saving in freight.

Timber Trades Journal, London, Eng.

Rumors are again current as to extensive contracts that have been closed for next season, but on careful inquiry in various usually well-informed quarters we cannot find that these reports have any solid basis. As we have already mentioned, a few sales of some magnitude have been made to continental buyers, but in England the business transacted is confined to staves, firewood, and sundry extras, but can have little effect upon the future of the market. There is unquestionably, however, a stronger demand on the spot, while the reports that reach us from the outports tend to show that importers are at last enabled to conduct their business on fairly remunerative principles. In London, again, the tone of the market appears healthy, and, we notice, as a favorable sign, the absence of disquieting rumors which tended to disorganize trade last autumn.