

pine is cheaper and for certain purposes is found more suitable. California red wood is a favoured timber, but generally the price is too high. It is not affected by the white ant pest, and the opinion was expressed that British Columbia red cedar should also prove a suitable wood for the South China market for the same reason. It was reported that the prices of British Columbia lumber have been too high as compared with Oregon and Washington, but this may be attributed to the fact that the Canadian mills have never been properly organized for this business.

HANDLING OF LUMBER IMPORT TRADE.

The trade in timber with Hong Kong is in the hands of a few firms, most of whom have long-established connections with mills on the Pacific coast of North America and in other producing countries. These firms have their own piling grounds at the principal centres and well organized system of distribution through native dealers covering all important points in the interior. It is difficult to see how the sales of Canadian lumber on the Hong Kong market can increase without some form of selling organization and facilities for handling and distributing the lumber. In the past the trade in British Columbia lumber has been restricted chiefly owing to the lack of representation and the handicap under which the Canadian mills have laboured in the securing of tonnage for the shipment of lumber abroad. These are matters which it would appear could be remedied by combined and energetic action on the part of British Columbia producers.

A list of the principal importers of timber into Hong Kong is on file with the Commercial Intelligence Branch, Department of Trade and Commerce. Reference file 20069.

NOTE.—The Douglas fir and the Oregon pine are merely different names for the same tree. In British Columbia the name Douglas fir is used. In the States of Oregon and Washington the tree is called Oregon pines.

MARKET FOR METALS AND MACHINERY, LEATHER AND PAPER.

There is a good opening for the extension of Canadian trade with Hong Kong in iron and steel and other metals and machinery. Although China is rich in iron ore and other minerals, the resources of the country connection have only recently begun to be developed and it will be many years

ina will be able to supply even a large proportion of her own requirements for Great Britain and Germany were formerly large suppliers of iron and steel metals to the Hong Kong market, but as a result of war conditions increasing dependence has been placed upon North America for the supply of these products. It is probable that this part of the world will continue to be the main source of supply for some years to come. The leading importing firms at Hong Kong expressed their desire to be placed in touch with Canadian exporters of all kinds of iron and steel goods. Although export restrictions at present prohibit any large trade in these products, Canadian firms should nevertheless be able to do a fairly large business after the war in such lines as wire and wire nails, bars, sheets, angles, rails and other iron and steel products. Wire nails have been practically the only considerable export from Canada to the Hong Kong market in the past, but lately representatives from certain Canadian mills have visited the colony and established important connections. The current needs of the population and the increasing railway and industrial development of South China will require the importation of a