



THE CANADA LUMBERMAN

DEVOTED TO THE LUMBER AND TIMBER INTERESTS OF THE DOMINION.

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EXPORT DUTY ON LOGS.

THE Ottawa *Free Press* publishes an interview with a lumberman, in regard to the export duty on logs, and makes it the occasion of giving its own views on the subject. It is opposed to the views of the lumbermen, and, writing on the supposition that there is no such duty now, it objects to any duty being placed on the export of unsawn lumber. It says:—

"We are at one with the lumberman, in believing it desirable that, so far as possible, all raw material or produce should be manufactured within our limits, and give employment to the largest number of hands possible; but all experience points to the fact that it is most economical in the long run to allow the laws of supply and demand—the convenience of producer and consumer—to govern these matters and not vainly attempt their control by the imposition of import or export duties. The moment an export duty is imposed on logs, that moment the timber limits of Ontario become less valuable in proportion to the export duty; and the loss will fall upon the Provincial treasury."

The theory that the laws of supply and demand should govern these matters is a very nice one, and those laws will govern the general price of lumber. But the theory is not now in practice, and that is how the Canadian lumbermen are placed at a disadvantage, and where the injustice is done. When a Canadian manufacturer exports lumber to the United States he is forced to pay \$2 per M duty, but when a United States manufacturer exports the raw material, and saws it up across the lines, he is only required to pay \$1 per M, board measure, and the foreign manufacturer is thus given an advantage of \$1 per M. This is an injustice that should be removed, and it can be removed by increasing the export duty on logs. If the United States will not consent to reciprocity, by removing their import duty on lumber, the Canadian Government can, and should, place the Canadian dealer on a reciprocal footing by

increasing the export duty on logs. This is a simple matter, easily understood, and no finely spun theories can obscure the plain facts.

The *Free Press* is oppressed with another fear. It fears that the imposition of an export duty on logs will decrease the value of the Ontario timber limits and that the Provincial treasury will suffer, which fear leads it to say:—

"A decreased Provincial revenue means one of two results necessarily—either that the Province resorts to direct taxation, or that the cost of maintaining the inmates of a number of Provincial institutions be thrown back upon the municipalities. Will the electors of this Province favor this proposal? We think not."

This result is to follow, according to the *Free Press*, if an export duty is imposed, but it has overlooked the fact that the present duty has not forced the Ontario Government to resort to direct taxation, nor to throw the cost of maintaining Provincial institutions upon the municipalities. There are, also, other considerations. It may well be considered whether it is not penny wise and pound foolish to force timber limits wholesale upon the market and dispose of this valuable capital rapidly, instead of husbanding it so that it will increase in value and be a permanent source of revenue. If the limits are disposed of at the rate they have been direct taxation must come, but if they are husbanded more carefully and economy practiced to keep the expenditure within the revenue, that evil will be postponed much longer; so that the lumbermen are the real friends of the people in endeavoring to stop the slaughter of their timber by foreign manufacturers.

The *Free Press* has still another objection, and a not very sound one. It is thus stated:—

"Another objection, and one which weighs much with many lumbermen who see beneath the surface in this matter, is that the non-imposition of an export duty upon logs in Canada, will in a measure weaken the hostility in the United to reciprocity in lumber. The American, and especially the Michigan lumbermen, who own Canadian limits, will be favorable to reciprocity in lumber, now that their old limits in Michigan are nearly exhausted. The imposition in Canada of an export duty on logs, will cripple the sale of, or competition for, limits upon the north shore of Lakes Superior and Huron, without promoting the establishment of a single mill. Why? Because, while the logs are now exported free of duty—giving employment to Canadian backwoodsmen—giving a market to farmers and others who have supplies to sell—the moment a log is sawn into lumber and imported into the United States, it becomes subject to a duty so high that competition in the western markets with American sawn lumber becomes almost impossible."

And the *Free Press* imagines that the Michigan lumbermen who own limits in Canada will use their influence to have the United States import duty on lumber removed. Not at all. By retaining that duty the Michigan owner of Canadian limits, who exports the raw material, is given an advantage over his Canadian competitor, and this advantage he will be loth to lose, so that, instead of promoting the object the *Free Press* has in view (a reciprocity treaty), allowing matters to remain as they are is a pretty certain method of keeping up in the United States a strong opposition to such a treaty. By increasing the export duty on logs the United States owners will not find it so profitable to export the raw material, and they will then be more likely to build mills nearer their timber, in which case they would become advocates of reciprocity. So that, instead of injuring the prospects of reciprocity, the increase of the export duty would improve them.

The dream of the *Free Press* about the employment of Canadian backwoodsmen and the market for farmers is a delusive one. The United States manufacturers who own limits in Canada bring from the other side of the lines their own workmen and supplies, and the Canadian workmen find no work with them and the farmer little or no market. They receive little or no benefit from the work in the woods, and as the logs are then exported unmanufactured, Canadians are deprived of the benefit of

the labor of manufacturing, and the Canadian manufacturer, who would give employment and a market to Canadians, is placed at a disadvantage to the benefit of a foreigner.

Such is the situation. Will it be allowed to continue as at present? That is the important question. It is encouraging to find a man of such generally recognized ability as the Hon. H. G. Joly giving the influence of his voice in favor of the lumbermen's view, and though his influence with the Government may not be great, his opinion should have some effect in silencing such critics as the *Free Press*. The closing paragraph of Mr. Joly's letter is significant: "It is not often," he says, "that Government can interfere, beneficially, with trade; but they can in the present case, and it is full time that they should do so." We commend Mr. Joly's opinion and the facts we have stated to those who oppose the demand of the lumbermen to be placed on an equal footing with foreigners in their own country.

TWO AIMS, ONE RESULT.

We are pleased to note that the influential *Hamilton Spectator* adds its voice to those who are asking for an increase of the export duty on logs. The object of the *Hamilton* paper is primarily to conserve the forests, but it also sees the injustice done to Canadians by the present arrangement of the duties. Whether the duty is increased in order to conserve the forests, or to remove the disadvantage at which the Canadian lumberman are placed, the result will be beneficial to Canada. With two such good objects to be gained there should be no difficulty in getting the necessary increase. The following is the *Spectator's* article:—

"The appeal in behalf of Canadian forests recently made by Mr. Joly is one which deserves earnest consideration. Canada has in her timber a rich heritage, which, with proper care, might be made an inexhaustible source of wealth. Unfortunately no care is given it. Indeed, the authorities of the several Provinces seem madly bent on destroying this magnificent property instead of caring for and conserving it. For export purposes, the United States has ceased to produce timber. That country now buys more than she sells. And her remaining pine forests are being depleted at an alarmingly rapid rate. Great Britain imports wood of all descriptions in enormous quantities. In 1883 the import of wood and timber were valued at \$90,000,000. That excluded wood pulp for paper, tanbark, dyewoods and other products of wood. Nearly 6,000,000 tons were of pine and fir; and of that one-fourth was from Canada. Sweden sent a little more; Russia was not far behind Canada, and the United States sent nearly a fourth as much as Canada."

Europe has nearly 750,000,000 acres under forest, of which more than two-thirds are in Russia. But Canada has more than 1,000,000,000 acres, or vastly more than all Europe. Except black walnut, which is rapidly disappearing, we have none of the more expensive woods. Our principal wealth is in pine. This timber is yearly coming into greater demand, while the sources of supply are rapidly decreasing, and prices are continually rising. In 1835 Great Britain imported less than 2,000,000 tons of fir; in 1883, almost 6,000,000 tons. Except in Austria the forests are not cared for, and the supply is becoming scarcer and more difficult of access.

Under these circumstances wisdom counsels the people of Canada to carefully preserve their pine forests—to protect them, so far as possible, from the ravages of fire, not to force their products upon a gorged market at insufficient prices, and to discourage exports of saw logs and other timber in their natural state.

Fire is the worst enemy of the pine tree. And the lumbermen themselves are principally responsible for the fire. They slash down the trees, cut out the logs and leave the chips and branches upon the ground. In a year these are as dry as tinder, and a spark from a hunter's fire or even from a pipe, sets them in a blaze. Fanned by a breeze the flames run with amazing rapidity over miles of territory, roaring through the resinous branches of the living trees, and destroying every living thing in their course. The blackened trunks of the pine stand for years but they are valueless. In Sweden the

refuse of the forests is carefully collected and converted into charcoal, which is used in smelting the iron for which that country is so famous. Our pineries are so far from any point at which charcoal could be used that it would not pay to follow that plan in this country, except to a limited extent; but it surely would be profit, able to destroy the refuse so that it would not become a means of loss and a source of danger. There are large tracts of timber land in Ontario which can never be subjected to cultivation by reason of the rocky and broken nature of the soil. It would be wise both for economic and climatic reasons to preserve the forests on these. The timber might be cut out as it matures and a vast preserve thus maintained for all time to come.

Mr Joly's contention that a higher export duty should be put upon saw logs is most wise. At present the United States lumberman finds it to his profit to take logs from Canada into the States and there cut them into lumber. The duty on lumber is \$2 per 1,000 feet, while the logs enter free. Canadian lumbermen are thus deprived of the opportunity to cut our own logs into lumber. The Dominion has since confederation charged an export duty of \$1 per 1,000 feet, calculated at board measure, on the logs exported. It would certainly be wise to increase this to at least the rate of the import duty on sawn lumber in the United States, so that there would be no pecuniary temptation to take logs rather than lumber into that country.

Next to the pine, the black birch is probably the most valuable of Canadian forest trees. In the northern country these trees grow to fine proportions, and the wood is fine grained and easily worked, while in color it is suitable for cabinet work and office furnishings. The outer part is white, while the heart of the tree is almost as black as ebony. This wood has been strangely neglected hitherto; but if its value were known it would certainly come into general use. The Pacific Junction railway, just finished, runs through a district in which millions of these trees are to be found, many of them from three to four feet in diameter."

THE PROBABLE OUTLOOK.

The *Ohio Lumber Journal*, of Cleveland makes the following observations upon the outlook in the lumber trade. The stocks of lumber in the different markets are of a sufficiency to meet moderate demands, yet there is no over surplus of any one class of stock. We take it from our reports published in this issue that there will be a firm advance as the spring buds, but we do not look for an advance that will be beyond reason. The natural tendency of all commodities is towards an advance, and we do not think there is a person in the whole world that will begrudge any advance that is likely to follow. Good business, economy and prudence warrant it; and when that warrant is so universal it strengthens and stimulates every branch of trade. The lumber merchants at the present time are feeling very conservative and are in nowise disposed to make any concessions on present prices. Many of the wholesale trade in this market are quite as busy now in filling orders as they can be with small winter forces. In a jaunt through the different arteries of the lumber trade we were surprised to note the number of customers that one meets looking over the stocks and figuring on purchases for early shipment. Reports coming to this office from all the leading markets east and west are of the same tendency and what we find of the large cities we find equally true of all the prominent small cities and interior towns throughout the entire country. We, however, do not wish to be understood that we think the coming season will be that of a building boom. Far from it; it will, however, be one of renewed activity, such as would emanate from a successful season. As a year of railroad building we do not think it will show an exaggeration, but one where better facilities of transportation is a necessity to complete roads already commenced or in the course of construction. As to prices we think the first of April will find prices materially higher than they are at the present time; but that advance will be steady and firm. What will follow later on is a mere matter of speculation.