

THE Canada Lumberman

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ADVERTISING RATES ON APPLICATION.

THE CANADA LUMBERMAN is published in the interests of the lumber, wood-working and allied industries, being the only representative in Canada of these important interests. It aims at giving full and timely information on all subjects touching these interests, and invites free discussion by its readers.

Special pains are taken to secure for publication in the WEEKLY LUMBERMAN the latest and most trustworthy market quotations throughout the world, so as to afford to the trade at home and abroad information on which it can rely in its operations. 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.

Advertisers will receive careful attention and liberal treatment. For manufacturing and supply firms wishing to bring their goods to the attention of owners and operators of saw and planing mills, wood-working factories, pulp mills, etc., the CANADA LUMBERMAN is undoubtedly the cheapest and most profitable advertising medium. Special attention is directed to "WANTED" and "FOR SALE" advertisements, which are inserted in a conspicuous position on front page of the Weekly Edition.

OVER-PRODUCTION AND PRICE-CUTTING.

If the lumber manufacturer could always follow his inclinations, it is probable that there would be less cause for complaint on the ground of over-production. Unfortunately, he is not always fully in control of his business, and must sometimes operate his logging camp and his mill whether or not he can see a profit in doing so. Nevertheless, the evils of over-production have at different periods been strikingly brought before Canadian lumbermen and every effort should be made to minimize as far as possible the probability of such a condition arising. The present demoralized condition of the lumber industry in British Columbia is due in part to over-production, although the unfavorable tariff laws have also contributed largely to that end.

At this season of the year preparations are being made for work in the woods, and we strongly advise the adoption of a conservative policy on the part of all operators. We do not anticipate that there will be a falling off in the quantity of Canadian lumber required for home consumption and for export, but it is the part of wisdom to so regulate the output, if such is possible, as to prevent a decline in the market price even if the demand should prove disappointing. One of the most certain ways to accomplish this end is to curtail logging operations. These remarks are especially applicable to the spruce territory, where present conditions from a price standpoint are somewhat demoralized. The decline of from \$2 to \$3 per thousand feet which has taken place has practically left the manufacturer's profit a nonentity, and it is therefore very necessary that the coming season's work in the woods should be planned with extreme caution. We would suggest that the lumbermen of Quebec, New Brunswick and Nova Scotia form an association with the object of making an arrangement whereby the maximum production will not ex-

ceed the probable consumption. This policy has been adopted by the Swedish and Finish mill owners with some success.

Price-cutting is another source of demoralization to the lumber trade. Uniform prices are a sure indication of healthy conditions and inspire a feeling of confidence in buyers. The person who requires lumber is always willing to buy at the market price if he can be assured that the basis will be steadily maintained and that his competitor will not be given an advantage over him. When price-cutting is indulged in the reverse is the case.

Under ordinary circumstances price-cutting below the average selling value provides but a temporary increase of business. A lumber salesman may succeed in selling a block of stock by giving exceptional inducements, but upon his next visit the customer so favored will in all probability demand a further reduction from the previous cut price and refuse to buy if a concession is not granted. He has become imbued with the idea that the undertone of the market is weak, and is therefore doubly cautious in making purchases. Had the cut price never been granted he would be a more willing buyer.

THE DEMAND FOR AN IMPORT DUTY.

The agitation for an import duty on lumber coming into Canada is now more pronounced and widespread than perhaps at any previous time in the history of the trade. In every province of the Dominion, with the exception of Manitoba and the Territories, the justice of the demand of the Canadian manufacturers is recognized. There is likewise a greater probability that the lumber trade will be accorded the protection which has been asked. A deputation of the Lumbermen's Association of Ontario recently interviewed Hon. W. S. Fielding, Minister of Finance, on the subject, and while no definite promise was made, they were given some reason to expect that the conditions would be remedied in the near future.

At this time the tables of imports and exports of forest products published on another page are peculiarly interesting, showing as they do that the question of an import duty on lumber is a much more important subject than is generally believed. Taking the month of May for comparison, the imports of forest products into Canada, according to the unrevised monthly statements issued by the Department of Trade and Commerce, were valued at \$625,382, while the exports of forest products from Canada in the same month were \$1,062,054, or less than double that of the imports. While we are not disposed to accept the figures as absolutely correct, the Department itself not making such claim, they at least reflect in a measure the relation which the imports bear to the exports, and refute the statement which is sometimes made that our lumber imports are insignificant in volume. The figures for the previous two months show the value of forest products imported to be still nearer that of the exports.

The lumber trade have asked for and expect an import duty. Until such duty becomes law, the "dumping clause" embodied in the recent

tariff introduced by the Minister of Finance should in some way be made applicable to lumber, notwithstanding that it is not designed to apply to free goods. This clause provides that when any imported article is sold in Canada below the market value for home consumption in the country of export, there shall be levied thereon in Canada, in addition to the ordinary duty established by the Canadian tariff, a special duty equal to the difference between the selling price and the fair market value for home consumption, provided, however, that such special duty shall not exceed one-half the ordinary duty provided by the tariff. It is well known that large quantities of United States lumber have been sold throughout the Canadian North-West below the actual selling price of such lumber in the United States, and the dumping clause should be at once enforced to prevent Canada from being any longer made the slaughter ground for United States manufacturers.

It is estimated that ninety per cent. of the imported lumber has come into Canada free of duty, as the Customs Tariff in the case of lumber sized one side and one edge has been violated by United States manufacturers, who, to avoid paying duty on it, first plane their dimension lumber on one side and then pass it over a fine-toothed rip saw to size it on the edge, while the Dominion Customs Tariff distinctly provides that an ad valorem duty shall be levied on all lumber when further manufactured than dressed on one side. As a result of representations made to Ottawa, we understand that the Government have notified the customs officers to collect duty in future on all dimension lumber planed on one side and edged by fine-toothed saws as above mentioned.

As showing that the lumber manufacturers of Canada have not been getting undue prices, it is pointed out that very few mills have been dividend payers, whereas a considerable number of persons who have embarked in the business have experienced failure. It is not the purpose of the trade, however, to advance lumber prices as the outcome of an import duty, but rather to create a market for the output of the mills, many of which as conditions now exist can be operated only for a short period in the year. At a meeting of the lumber and shingle manufacturers of British Columbia, held in Vancouver recently, a resolution was adopted pledging themselves not to increase the price of lumber in consequence of the protection afforded by a duty.

INCREASED CONSUMPTION OF LOW GRADE PINE.

An interesting feature in the lumber trade of the past year has been the heavy demand for all grades of white pine below common. The manufacturers in both Canada and the United States have experienced no difficulty whatever in disposing of all the lower grades, while the upper grades have not shown corresponding strength and were the first to recede in price when market conditions became a little unfavorable about six months ago. Coincident with the strong demand for low grade pine came an increased consumption of hemlock for building purposes. It would seem, therefore, that there