

## EDITORIAL NOTES.

OUR Pacific coast lumbermen will no doubt be interested in the announcement that after June 30th, next, rough or dressed lumber will be admitted into New South Wales, Australia, free of duty. A considerable trade has already been done with that country by the lumbermen of the west, and the removal of the duty should materially increase its volume.

THE commission appointed by the United States government to report on the project to construct a water way across the Nicaragua isthmus, have declared a more thorough investigation necessary before even the engineering possibility of the work can be decided upon. The report is at great variance with the numerous rumors and predictions which from time to time have been published concerning this project. The commission place a provisional estimate of cost at \$133,472,893, or nearly double that of the Maritime Coal Company's unconditional estimate. The report may be considered rather unfavorable to the execution of the work.

THE war cloud has reappeared on the European horizon, much to the disgust of those who have been looking forward to improved trade conditions. While warlike preparations may occasion a demand for certain kinds of materials, therefore benefitting a few individuals, their greatest influence is in the direction of unsettling conditions and retarding the progress of trade. There is little doubt that our export timber trade with Europe, the outlook for which has been brightening for some time past, would be adversely affected by a European war, in which Great Britain, Germany, and perhaps France three of our best customers would be involved. Let the dogs of war be chained up, and the battle fought out on commercial lines.

THE cedar shingles of Maine and New Brunswick are meeting competition from the Michigan mills. The shingles of Michigan are said to be of equally good quality, and not excelled by any in the market. The freight from Michigan to eastern points is about fifty cents per thousand, which is only a slight increase on the cost of freight from New Brunswick and Boston. Although enormous quantities of shingles are produced by New Brunswick and the above mentioned States, no heavy stocks are held over at the end of the year. The supply being only equal to the demand, there is no necessity for cutting prices, and an effort should be made to reach an understanding by which such cutting would be avoided.

THE advantages of organization are strikingly manifest in the case of the manufacturers of southern pine. Prior to organization the market for yellow pine was in a demoralized condition. To-day prices are being firmly maintained by means of the united action of the Manufacturers' Associations, which include 85 per cent. of the mills. Similar results are likely to be achieved by the recent organization of mill owners on the Pacific coast. It is surely not assuming too much to say that what has been done in the south and in British Columbia can also be accomplished in Eastern Canada. Is there not at least sufficient encouragement to justify an effort being made in this direction? As somebody must take

the initiative, we would suggest that the promoters of the Western Ontario Lumber Manufacturers' Association, to which reference was made in last month's issue, should endeavor to set the ball rolling.

LARGE quantities of rock elm are now being used in the manufacture of bicycle rims. This industry is rapidly increasing in Canada, and promises to provide a home market for a considerable quantity of first class elm. Two firms have recently commenced the manufacture of bicycles in the vicinity of Toronto, which will no doubt result in a considerable local demand. The requirements of the stock, however, are such that lumber dealers find little profit in filling the orders. The least indication of brashness, or of cross-grain, will at once condemn the lumber. It must be of the toughest possible kind, perfect in color, and thoroughly straight. Such stock commands a high figure, but considering the rigid inspection which is necessary, the margin of profit is small.

WHILE birch lumber is as yet a staple article, the bright outlook for that wood which was predicted a little less than two years ago, has to some extent disappeared. No one believed for a moment that it would replace oak or mahogany as a furniture wood, but it was used to imitate those woods, and met with considerable favor for the cheaper lines of furniture. Its use for this purpose has not proven satisfactory, however, owing to the fact that instead of becoming darker and more beautiful in color with age, it becomes lighter. Birch has also suffered somewhat during the past year from competition with cheap African mahogany. Nevertheless, a limited quantity will always be in demand, and unless too much is manufactured, birch should find a ready sale at fair prices.

COMPLAINTS have recently been made by settlers that forests on the American side of the boundary have been denuded of timber by Canadians, and that millions of dollars worth of lumber have been stolen during the past few years. The matter has been referred to the Secretary of the Interior. It is claimed by Canadian papers published along the border that if the timber was stolen, the American people did it, and sold it to Canadians, who considered it none of their concern whether the U. S. timber regulations had been complied with or not. If such an amount of timber was stolen, it does not speak well for the officers whose duty it was to protect the property. Another claim from the United States comes in the form of a boundary dispute, brought by the Congressional representative of Minnesota, by which claim is laid by that State to an island or islands in Rainy river, which both the American and Canadian governments have hitherto regarded as belonging to Canada. It is held that Minnesota has been the loser in territory by the erroneous location of the boundary line by the English commission of 1842. The land in those days was thought to possess little value, but is now found to be rich in timber and minerals. For fifty-four years this boundary line has been accepted as correct by both countries, and cannot surely be open to be challenged now, when such changes in physical conditions may have taken place as to render the correct boundary line somewhat uncertain.

## THE LUMBER COMBINE ON THE PACIFIC COAST

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THE recent lumber combine, which practically controls all the mills on the Pacific coast has been accomplished after a long, patient, and persevering struggle. Although for some time it has been known that such a combination was under process of formation, it was not until a few days ago that the details were published and the real strength of the combine was known. The mills in the combination are all exporters, and, therefore, the local markets are not affected and the conditions of local supply not altered. There are somewhere between 40 and 50 mills in British Columbia, large and small, in operation. There are only four in the combine. The big McLaren-Ross mills are not in operation, and are not likely to open up until the prices and demand considerably improve. Unless a mill like the foregoing, which is equipped on a large scale, can run full capacity and full time, expenses are too heavy to make a profit, and the McLaren-Ross Co. has wisely decided to wait until conditions suit them.

As to all the details of the arrangement the public has not been taken into the confidence of the mill men. The object is to maintain prices above the ruinous competitive rates of the past four or five years, and the machinery is said to be very elaborate, far reaching and effective. It necessarily includes the retail dealers of outside markets, who, if they buy from others outside of the combine, at lower prices, will be dropped. The effect of this will be to cause the mills outside of the combine to keep up to the market price as arranged, the expectation being that they will not be strong enough to work by themselves. Of course there are many difficulties to overcome in carrying out an unbroken plan on such a large scale, and it will demand the utmost good faith on the part of all concerned. There are numerous conditions to observe, and many interests to take into consideration, and it is certainly a question for speculation if it can continue to operate successfully. Besides the mills there are 150 ships under control. The trust represents an actual capital of over \$70,000,000, and an annual output of about 600,000,000 feet. The effect has been to raise prices \$2 a thousand, and certainly there is much greater activity observable in Burrard Inlet than for some time. There are 12 or 15 ships waiting to load, with a number on the way. It is claimed that wages and the price of logs will advance, and that is a matter of the very greatest importance to us from an industrial point of view. The loggers have suffered a good deal; in fact, the depression has been very severe, and prices very low. Loggers, like mill men, have been losing money. A local paper discussing the situation says:

"The relation between the loggers and the lumbermen are extremely complicated. Some of the mills have logging facilities of their own, and hence are not wholly dependent on loggers for their supply. At the same time it is known that some of this very class of mills have done their logging work at a loss. On the other hand, few of the loggers have disengaged capital enough to think of embarking in the mill business on their own account. Even if this should be done in a few isolated cases, or jointly by a logger's association, it could not be done on such a scale as to utilize the entire supply of logs. It will be seen, therefore, that while a sharp line of distinction has been drawn between the two industries, they are more or less dependent on each other. At present neither is inclined to make war on the other, and perhaps it is not putting it too strongly to say that neither is very much disposed towards co-operating with the other, at least so far as any organic connection is concerned. The loggers are going ahead quietly, prosecuting their work of organization week by week. They expect by March 1st to have their business as a whole in more systematic shape than it has ever been. It will not be part of their plan to levy on the mill men for an advance in price, but it is in the wind that they may curtail the supply so as to avoid glutting the market, and thus indirectly prevent the loss at which so many logs have been cut."

The above applies to the situation as a whole on the coast. In order to protect the interests of the loggers, about which there was much complaint during the dull times, the Government has appointed official log scalers, whose duty it is to scale logs offered for sale to the mills.

Apart from the combine altogether the trade in lumber is improving, and in all probability would continue to improve, but no doubt the situation has been greatly strengthened as a result. It is to be hoped that a new era for the lumbering industry in British Columbia has set in. It has been a long and hard struggle for all concerned. In the past four or five years export mills, if not working at an actual loss, have made no profit. Local trade up to within the past three years was good, but subsequently demand has been limited and competition extremely keen. The North-west trade, too, was very unsatisfactory. It now gives prospect of considerable improvement.