## BRITISH COLUMBIA SHINGLES.

PRESENT CONDITION OF THE TRADE. CAUSE OF THE DEPRESSION OUTLOOK FOR THE FUTURE. - WHAT A LEADING MANUFACTURER SAYS.

WITHIN a few years the manufacture of red cedar shingles in British Columbia has developed to a degree to make the subject one of importance to every intelligent lumberman. Though it is within comparatively a few years, that any large share of attention has been given to the lumber interests of this most westerly province of the Dominion, yet in the compass of this period these have taken a foremost place in the lumber world. There can be no mistaking the fact, just as Ontario has become famed, especially for its white pine, so British Columbia has made a place for itself as the home of the red cedar and Douglas fir.

Not more, perhaps, than ten years ago the manufacture of red cedar shingles began to engage the attention of lumbermen. It is no disparagement to the white pine shingle to say that the red cedar shingle posesses features of durability and character that are specially its own. The mistake was made there, probably, that is too often made when a country commences to show strength in some particular line, of too many rushing into the field at once and over-production becoming the result. This was the case in that near neighbor of British Columbia, Washington Territory, where similar woods find their native home. Shingle manufacturing was entered into in the Puget Sound district on the boom line. Just as speculators rush into building operations when a real estate boom is on, so all sorts and conditions of men thought they saw a quick fortune in the manufacture of red cedar shingles. Like some of the men who had entered building operations in Winnipeg at the time of its unfortunate boom, and not unlike a similar class of people who pursued this calling in Toronto a few years ago, it did not occur to them, whether they knew anything of the business or not. Money was to be so easily made, they thought, that any novice might be sure of striking good luck.

But business does not run for any time simply on luck and the Puget Sound people have discovered this to-day. A result is that they find it was a terrible mistake to run up their strength of shingle manufacturing from 75 to 300 mills in hardly two years. A policy of cutting prices has been the natural sequence, and the effect of this has been to react on our British Columbia shingle manufacturers.

On this question the LUMBERMAN has had a good deal to say from time to time. Something is known of the various efforts made in the Puget Sound district by the level-headed men of the trade to form an organization and prevent this policy of cutting prices. But the competition of unprincipled men has been too severe, and combinations were formed only to be quickly broken again. Prices, it was said at one time, had got down so low in Puget Sound, and shingles had become so plentiful, that they were made to pass as current coin on the church plates of that Territory. However that may be, it is well known that prices were cut beyond possible cost of manufacture. The British Columbia manufacturers for some time had been selling shingles, if not at a loss, practically without a profit, and in the effort to help over this trouble an association was organized within the past year. It unfortunately could not hold together for reasons that were explained in an interview in the LUMBERMAN last month with Mr. F. N. Tennant, who has been doing a large trade in British Columbia shingles. Prices were again broken. On top of this has come the liklihood of free lumber, and with it competition in the eastern markets of Canada, between British Columbia and Puget Sound shingle manufacturers. The situation altogether suggested many questions of importance to the trade and it has been with the idea of placing before our readers as clear a statement of the case as possible, that a month ago we set on foot an enquiry concerning this matter.

Following these remarks we are in this issue of the LUMBERMAN, enabled to present a comprehensive account of the conditions that govern the manufacture, sale and shipment of red cedar shingles in Canada. In our letter of enquiry we asked certain leading questions and we think our readers will grant that Mr. Spicer has answered these both fully and in an exceedingly frank manner.

### MR. H. H. SPICER'S VIEW.

Mr H. H. Spicer, of Vancouver, B. C., in answer to a letter of enquiry sent out by the LUMBERMAN has this to say If the Puget Sound shingle manufacturers can continue for any considerable time longer, to sell their product at the prices they have been selling at this year, this branch of business in Canada will become altogether unprofitable, when the Canadian Government responds to the Wilson Bill by putting shingles on the free list. I firmly believe, however, that this year will see the end for some time to come of the Puget Sound manufacturers selling their shingles at such ruinously low prices. Without assuming the role of a prophet I will venture to say that those parties on the Sound who have been selling their shingle this year as low as $1.10 per M will not be in the business another year, unless they have been, and continue stealing their timber, and not paying their labor. Without separately mentioning the value of timber, and the cost of manufacturing, it is a well-known fact (amongst those manufacturers who have figured with any degree of care) that it cos' $1.30 per M to produce shingles 16 inches long, 6 butts measuring two inches after being kiln dried. There are possibly 10 to 15 of the mills in Washington situated along the lines of railway in the woods that get their timber cheap enough so they can produce at a cost of $1.20 to $1.25 per M. These are, however, only small mills with a capacity of 30 to 60 M per day, and mostly of a temporary nature, with very inferior and out-of-date dry kilns, whereby they lose about as much on account of excessive freights, as they gain through getting their timber cheaper than their competitors. This matter of overweights to points as far east as Ontario is a most important one, since an excess of 2½ lbs. to the bundle makes a loss of 7½c. per M on the present all rail rate to Ontario, which is a very considerable amount in the face of the over production and consequent price of cutting that has been the rule so far this year.

### COST OF MANUFACTURING AND SHIPPING.

As to whether the Puget Sound manufacturers can afford to sell a 6 to 2 x 16in. clear shingle at $2.35 delivered at the different railway points in Ontario should our Government take the duty off, when the Wilson Bill is made effective, a few calculations will show. We will assume that all the mills on the Sound, both large and small, can produce a 6 to 2 x 16 shingle for $1.20 per M. We will also give them the benefit of the lowest possible weight for a 6 to 2 shingle, namely 160 lbs. per M. Now as to rates. During the season of navigation on the lakes the Sound mills, and also those in B. C., can reach the lake ports, such as Sarnia, Windsor, St. Catharines and Toronto, on a 60 cent rate. The average rate to interior points in Ontario is not less than 10c. per 100 lbs. This rate on a weight of 160 lbs. to the M makes the freight $1.12 per M shingles. The usual terms being 60 days from shipment, the cost of discounting bills must be considered, which is about 3c. per M. We now have cost of production $1.20, freight $1.12, discount 3c., making a thousand 6 to 2in. shingles cost $2.35 delivered in Ontario. In connection with freight rates it must be remembered that the season of lake navigation only lasts about five months in the year, and that during the balance of the year an all rail rate of 75c. per 100 lbs. has to be paid, which makes the freight $1.20 instead of $1.12. Reverting again to the cost of production, I have no hesitation in saying that a large proportion of the shingle manufacturers on the coast really don't know how much it is costing them to produce their shingles, which makes them as long as they last dangerous competitors.

### B. C. AND PUGET SOUND SHINGLES COMPARED.

In answer to your question as to whether the B. C. manufacturers are able to meet Puget Sound prices of $2.35 delivered in Ontario, we know they cannot; and as to whether the Sound manufacturers can afford to sell at that price, we have shown that they are unable to do so. As to the comparative value of B. C. and Puget Sound shingles, it is a well-known and acknowledged fact by disinterested persons from the Sound that our shingles are much superior to theirs.

We believe when the time comes that we will have to compete with our neighbors on the Sound, that the lumber dealers in Ontario will give from 15 to 25c. per M more for our shingles. Possibly the greatest superiority in B. C. shingles is that they are manufactured from bolts taken from the largest and best trees, whereas the most of the shingles on the Sound are made direct from the log, the best part of which is first sawn into lumber, and the balance of the rough and coarse portion is put into shingles. This fact as to the superiority of the timber the B. C. mills put into their shingles as compared with those on the Sound has been pointed out to the writer by wholesale dealers in Buffalo and Boston.

When free trade in lumber and shingles finally becomes law in Canada and the U. S., it will be found that the B. C. shingle manufacturers will hold the largest proportion of their trade in the Northwest and Ontario, and at the same time secure considerably more new trade in the U. S. than the Puget Sound manufacturers have taken from them in Canada. I will give 3 reasons for this claim: 1st, it is, as has been shown, a financial impossibility for the Sound manufacturers to continue much longer at present prices; 2nd, the superior quality of our shingles; 3rd, our ability to make more prompt shipments to Northwest and Ontario points—having one continuous line of railway, whereas Puget Sound shingles are handled by two and sometimes three different lines.

### REASONS FOR PRESENT DEMORALIZATION.

The question will naturally be asked what has brought about the demoralized condition of the shingle business. This can be about fully answered—so far as the Sound mills are concerned in one word, viz. Overproduction. There have been other contributing causes, such as the general stagnation of business which has prevailed in the U. S. and Canada during the last 18 months, and also the tie-up of the transcontinental railways on account of the floods and strikes.

It may not be generally known in the East, especially in Ontario, that a perfect craze took place during the spring of 1892 in Washington and Oregon to manufacture red cedar shingles. The excitement was kept at fever heat through 1892-3, until the number of mills in those two states had increased from about 75 to 300. During the shingle craze all sorts and conditions of men embarked in the business, and all thinking, I presume, they had discovered the way to wealth and prosperity. It is safe to say that the largest percentage of these men had very little or no capital to work on, and a great many more had no experience, and the balance acted as though they had not much common sense; and judging from the present condition of the shingle business in Washington and Oregon, one is warranted in saying that a large proportion of them were lacking in these three prime requisites of success in any line.

In the light of these facts is it any wonder that the shingle business on the Sound is in such a demoralized condition to-day? There has been, however, a weeding out process going on for the last eight months, and it is reasonable to expect that by next spring the business will be much more in the hands of legitimate manufacturers.

### A HEALTHY REVIVAL COMING.

While the present condition of the lumber and shingle business on the coast is unsatisfactory, there are more reasons than one for expecting a healthy revival by next spring. It is generally thought, I believe, that the business depression cannot last much longer, and that at the furthest the beginning of next year will see a great change for the better. During this long stagnation of business the lumber dealers in the territory reached by Pacific Coast manufacturers have let their stocks run down until it would take a number of their lumber yards bunched together to make an ordinary sized yard.

A greatly increased trade is expected for Pacific Coast shingles and lumber upon the completion of coast extension of the Chicago, Burlington & Quincy Railway, which will take place by the last of this year.

It is said that this road will deliver Pacific Coast lumber and shingles in nine different states on a transcontinental rate, without any local rates added. In fact, it is expected that the Burlington Road will do more to open up new territory for Pacific Coast lumber products than any other excepting the Northern Pacific.