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Prospects and Trends in the Lumber Industry

Outlook Better Than Last Spring—Fine Crop Situation and Necessity for Homes Stimulating Trade—Need for Co-operation to Maintain an Active Industry.

The lumber industry of the Province is fast recovering from the depression of last spring, which was caused by the runaway market of the late winter. The home building campaign of last summer, stimulated by the United States Government, gathered great impetus as the season progressed and continued practically all during the winter. This campaign resulted in a tremendous demand for British Columbia lumber in the United States, in consequence of which domestic needs had difficulty in being filled. Due to a depreciation in the Canadian dollar, it was highly attractive to Provincial lumbermen to sell their product in the United States and with decreasing supplies, prices mounted to tremendous heights. The trade followed lumber prices until in its opinion they became prohibitive and with almost unanimity stopped buying. The trade then became very unstable with wide fluctuations in quoted prices. Both logs and lumber have since declined in price and a reasonable degree of stability is now established, and buyers are coming into the market much more confidently.

In any industry the matter of price stability is always a very important factor. It is a very important question to the producer to know that when he makes plans for the manufacture of lumber, he will, when his goods are ready for market, be able to obtain a reasonable price, or at least a price not far from the quotations at the time when he engages on his plans for future operations. The consumer similarly wishes to know that when he needs lumber he can get it at or near the price at which he had figured on paying, but when a market is fluctuating widely both producer and consumer are uncertain and in this state of uncertainty both refuse to do anything. Therefore, any degree of stability in an industry is a tremendous stimulus to production and general activity.

During the present state of the lumber market both buyers and sellers of lumber are beginning to take the position that prices will remain about at the present level

for several months to come, and that these prices involve a profit to the logger and the manufacturer, and are at such a level that the consumer can see his way clear to engage in building operations for a considerable period ahead without being whip-sawed in the matter of price and delivery.

Assuming that the situation has reached a present normal, not necessarily permanent, but still a degree of normality, which will permit of future commitments, the question arises as to just what are the future prospects and trends in the trade.

As mentioned above, the house building campaign which swept the United States in 1919, has created a great demand for lumber, and has resulted in a huge shipment of both lumber and shingles across the line. Due to tightening money conditions the supply of available money for home building has materially decreased, and large loaning institutions have withdrawn funds from the market for this purpose, because of the uncertainties as to credit conditions. However, the favorable crop situation in the United States is giving great confidence to financial interests, and that while money will be tight and credit conditions still remain strained, apprehension as to more severe conditions have been somewhat dissipated with the approach of harvests. It, therefore, would appear that coincident with a heavy crop moving period, there would also be commenced on a large scale the building of homes such as was experienced last year.

The situation in Canada is not dissimilar to that in the United States. The agricultural situation is indeed satisfactory

and very comforting. Eastern Canada and Ontario are having very favorable results and the outlook is splendid for general agricultural production. On the prairies, particularly in Manitoba and Alberta, the crop situation is excellent, resembling the bumper crop of 1915. The situation in Saskatchewan is somewhat less satisfactory, and there will be lean districts in that Province, but altogether the estimates of wheat, running from two hundred and fifty million bushels to two hundred and sixty million bushels, will show a tremendous improvement over the previous year, when one hundred and eighty-nine million bushels were harvested. The oat crop is also heavy, and general

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