

BRITISH COLUMBIA LUMBER CONDITIONS.

After two years of successful association work the export mills of the Pacific Coast have been obliged to abandon the cargo combination, and thus for the present the Pacific Coast Lumber Exporters' Association terminates its existence. The reason for this is found in the fact that one member of the association, Pope & Talbot, of San Francisco, refused to enter an agreement for another year, and their refusal released all other mills and put the foreign cargo market in the category of an open market. Mr. R. H. Alexander, manager of the Hastings saw mill branch, was one of a deputation who interviewed Pope & Talbot to endeavour to induce them to continue in the association, but efforts in that direction were unsuccessful. One of the reasons advanced for their action is that they considered that, as pioneers in the foreign trade, they were only encouraging and assisting other and more recent exporters to secure a share of the trade. It is claimed that in the two years during which the foreign trade has been handled by agreement, the business has been more profitable than in previous years.

The domestic lumber business of British Columbia is looking up a little. Mills which for some time past have been running on short time are now working full time, and some good-sized orders have been booked by some of the mills for both lumber and shingles. It is reported that Woods & Spicer and the Hastings Shingle Manufacturing Company have contracted to supply a large quantity of shingles to a Boston firm.

The demand for logs is still quiet, but as the supply is light, prices are a shade stiffer. Fir logs are quoted at from \$5 to \$7.50 per thousand delivered at the mill, and cedar at from \$5.50 to \$8.50, according to quality.

Mr. R. H. Alexander, secretary of the British Columbia Mills, Lumber & Trading Company, of Vancouver, B.C., has sent a communication to the Pacific Coast Lumber Trade Journal giving his opinion on the lumber outlook. Mr. Alexander characterizes the past year as a season of unprofitable business, the fault of the producers themselves, and argues as follows:

"The causes for this unfortunate state of affairs, in my opinion, are almost entirely confined to two; in fact almost to one, as the first produces the second, and these are, firstly, overproduction, and secondly, fierce (one might term it almost insane) competition between the different producers for business to market their over-production.

"As far as I can ascertain from the information at hand, the different branches of the trade have not fallen off in volume

during the last year, and the price of our product has not been forced down by competition with cheaper lumber from other sources.

"In two branches, the foreign and the coastwise, owing to the decline in freights, lumber could be furnished at the end of the year at a lower delivered cost to the customer than at the beginning of 1903, and still net the producer a better price. The price while remunerative to the producer, did not check consumption, as the volume of trade in 1903 was greater than in 1902. Consumers were able to use our product at these prices, and would have continued to do so had not we poor fools of producers killed the goose which laid the golden eggs for us, with a surfeit of food, with the result that instead of making a legitimate profit for ourselves, and at the same time benefiting business conditions generally in a host of ways, we are now making a present of all this to the consumer. The fact is that though many in the trade could remember the conditions which existed for upwards of ten years prior to 1902, a great many more did not have that experience, and a saw mill on the Pacific Coast appeared a veritable bonanza; hence mills have been built by the score, and many of those already in the business, finding they were doing well, could not rest satisfied without a larger share, and either enlarged their mills or started grinding out lumber by night as well as by day, or even did both. The production became far in excess of any possible demand, and not being able to find a legitimate outlet for their product, the absurd old game began of stealing business from one another by cutting prices. This no doubt would answer for oneself, if left to play the game alone, but anyone who flatters himself that his doings in this respect remain unnoticed, reminds me of the story of the ostrich that fancies because its head is hidden in the sand, the rest of it is also invisible. At the most but a temporary advantage can be

gained. "A" steals an order or a customer which naturally would be "B's". "B" to make up for this loss of business retaliates by a greater cut in price to regain it or steal some of "C's" and so it works in a circle until all find themselves with really less business than they had before, and at a price which yields them no profit, for a weakening of prices, instead of stimulating trade, has generally the opposite effect, as buyers become nervous; each is afraid his neighbor may be able to purchase more cheaply than himself, and all therefore are inclined to wait until prices touch the bottom; that is, until the producer can go no lower.

The sooner we recognize that the trouble lies with the producing end of the trade, and apply measures of self-cure, the sooner will conditions improve. It appears to me that common sense should teach us that the only real cure for over-production is to lessen it; so, as a first step, abolish by agreement the practise of night work and be satisfied with the amount of business you can supply by working days only. It is not human-nature for "B" to sit idle all day

and see "A" running both night and day, without trying to obtain some share of the business "A" is enjoying. It is quite possible "A" may be an old-established firm and could reply, "my position in the trade and the clientele I hold give me trade that requires my running night and day; let "B" go and establish his own trade instead of demanding some of mine." All very well, but can you, friend "A", hold that clientele except you meet the prices made by "B", "C," and "D"? The whole experience of the trade is that you cannot. Four apples will not furnish a whole apple each to five parties, each hungry for apple, and there is certain to be trouble till number five, who may have just appeared on the scene, gets a share that satisfies him; therefore "live and let live" should be the motto; better to let one-fifth go and make a profit on four-fifths than to make no profit at all. At the same time the last comer should recognize that he has had nothing to do with growing the apples, and that it is not policy for him to demand too big a bite in case the other four make up their minds to throw away their apples rather than share them."

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