

ARE LUMBER PRICES TOO HIGH?

By JOHN CHARLTON, M.P.

(Written for the CANADA LUMBERMAN.)

Complaints on the part of consumers of lumber are made that prices are maintained at too high a figure, and an expectation seems to be entertained that prices now current will recede. The belief that prices are too high is ill founded; whether a reduction will be forced upon lumber producers remains to be seen.

Lumber prices have advanced from thirty to forty per cent. above the low rates current from '95 to '98. This is a smaller proportionate advance than has taken place during the same period in the prices of iron, steel, hardware, various structural materials, etc. This percentage of advance is not in excess of the percentage of advance in wages paid in the woods, in saw mills, on lumber drives, and in other departments of lumbering operations. There has been an increased cost in the various kinds of supplies used by lumbermen; this advance in many cases being in excess of the percentage of advance in lumber. The cost of mill machinery and mill repairs has also increased very materially during the past two years.

Another element bearing upon the cost of lumber production is the constant tendency to increased cost of logging, in consequence of operations being pushed further from the main streams and the points more distant from the mills. The supply of timber in Canada, on the main rivers, such as the Ottawa, Gatineau, Coulange and others, if not entirely exhausted, is of so small account as to be scarcely worth considering. Year by year old limits are exhausted, and new operations are commenced at more remote points. Many of the Ottawa lumbermen are obliged to put in their supplies to their distant camps in the winter preceding the one when the logs are to be cut, and banked upon the driving streams, and it requires two years, and in some cases three years, from the time supplies are sent to their camps before the logs reach their mills. The cost of the logs to these mills, and in fact to all mills in Canada, is constantly increasing. Many of the Ottawa mills lay down their logs at a cost exceeding \$9 per M, exclusive of crown dues and stumpage.

Another feature of the lumber trade having to do with the cost of production, is the constant tendency to increase in the price of stumpage. The stock of white pine in Canada is rapidly diminishing. A popular illusion is the generally entertained belief that we have a boundless supply of pine. The truth is that the end is in sight, and the utmost care should be observed in husbanding our timber resources. The opinion is expressed by some gentleman, quite conversant with the question of timber supply, that we have not in Quebec and Ontario a materially larger amount of white pine than to-day is standing in the States of Michigan, Wisconsin and Minnesota, where it is estimated the present rate of consumption will exhaust the supply in the next seven to ten years.

The cost of logging in Canada is largely in excess of the cost of the same kind of work in the American lumbering states, with the same length of haul and stream drive. When in Washington upon the Joint High Commission, in connection with my investigations upon the lumber question I addressed letters to a great number of lumber firms both in Canada and in the United States white pine states, as to the cost of lumbering, and the result of the investigations then instituted proved that the excess of cost in Canada over the cost in Michigan, Wisconsin, and Minnesota, on the same length of haul from stump to stream, and drive from stream to mill, was on the average somewhat in excess of 40 per cent. This was due to the rough character of the country in Canada, and to the broken nature of the streams, which required extensive improvements by way of construction of slides and dams.

The prices paid for lumber from 1895 to 1898 furnish no proper basis for estimating what would be a reasonable and proper scale of prices at the present time. During that period lumbermen were almost invariably losing money. Those who secured the return of a new dollar for an old dollar invested were the fortunate exceptions. Our lumbering concerns in Canada were kept afloat through the liberality and broad-minded policy of the banking institutions which stood at their backs. The interests of the bank and the lumberman were mutual, for the failure of one would impair securities and inflict loss and trouble upon the other.

At a conference held by lumber representatives of the

Canadian and American lumber interests, which I was instrumental in arranging for at Washington during the sitting of the Joint High Commission, in February, 1898, the American lumbermen assigned as a reason for their determination to secure the continuance of the \$2 duty, the fact that their business under free lumber had been a losing one. The Canadian representatives asserted that the same had been the case with themselves, and a comparison of notes between these representatives of the lumber interests, from the two countries, revealed the fact that almost if not all the firms represented upon that conference had been heavy and continual losers during the period of depression from 1895 to 1898. It may be asked, "Why should these firms continue to prosecute their business under these adverse conditions; and, if losses were being made, why not suspend operations?" In answer to this query, it may be said that lumbermen hoped from year to year for an advance in prices that would at least cover the cost of production. To suspend lumbering operations involves many serious consequences. A great lumbering firm gathers together a staff of woodsmen, among them men of capability and energy, to take charge of running camps, making logs and timber, scaling logs, running drives and other work of that description, also skilled sawyers and a competent saw mill staff of book-keepers, foremen, yardmen, inspectors, engineers, filers, etc. Farms have been opened at the camps, which must be kept up or the labor and expense bestowed upon them will be lost. Teams have been transported to the scene of operations in the woods at great expense, and to suspend operations simply means the complete disorganization of the complicated business, which it has taken years to build up and place in an efficient condition. To allow such disorganization by suspension would involve loss of time and money in again placing these extensive operations on a working basis, and so the lumbering firm naturally decides to hold together and keep on, trusting that times will take a turn for the better, and that the article which they produce will command in the market a price adequate at least to the cost of producing it.

For the last year prices have been satisfactory to the lumber trade, because they have afforded a moderate and reasonable profit. The impression that profits have exceeded this limit is unfounded, and in answer to the question, "Are the prices of lumber too high?" I answer most emphatically that they are not; that they now stand upon a basis which covers the cost of production and affords a reasonable profit only, and that the great lumber industry of Canada, which has struggled for years with adverse influences and disastrous conditions of the market, is entitled, now that it has its head above water, to keep it there, and go on with operations which under present prices are reasonably successful, and minister most effectively to the general prosperity of the country.

LYNEDOCH, August 21st, 1900.

LEGAL DECISIONS.

PIGGOTT v. ROACH. — Judgment on appeal by defendants Roach and Simpson, from the judgment of the County Court of Essex in favor of the plaintiffs in an action for replevin of a carload of lumber. The plaintiffs were the vendees and the question was whether the property had passed to them. The contract was with the defendant Roach, but the defendant Simpson got out the lumber, and the defendant Roach gave him a bill of sale upon it. The lumber was piled at the place agreed, and was there called by the plaintiffs' agent, and was then placed on cars by the defendant Simpson, who subsequently had it consigned to his own banker and drew on plaintiffs for the price. Plaintiffs refused the draft, asserting a debt due them by the defendant Roach, but on the defendant Simpson ordering the goods to be returned to him the plaintiffs replevined. The question was whether the property passed by delivery to the culler. The appellants contended that nothing took place when the agent of the plaintiffs came down to cull which deprived defendant Simpson of the property, and that the reservation of the right of disposition over the goods prevented the property passing. Held, that the property in the lumber passed to defendant Simpson. He took a receipt for the lumber from the railway company in his own name, and consigned it to the order of his own agent. (Rogers v. Devitt, 25 O. R. 84.) Appeal allowed with costs and action dismissed with costs.

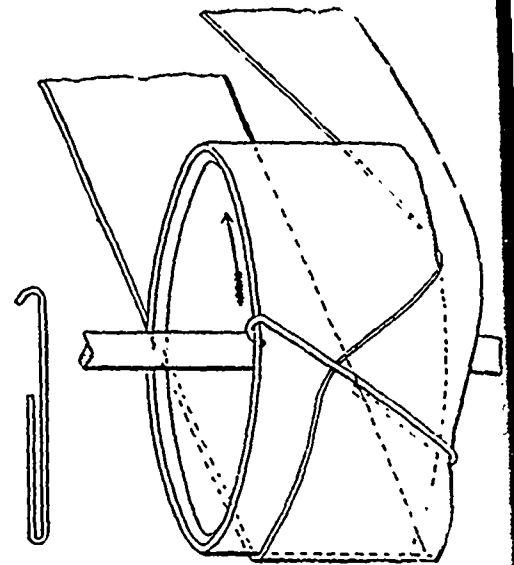
SPEED OF LOG CHAINS.

What is the proper speed at which to run log chain for taking logs from water, or carrying them into or through the mill? A correspondent of the Paper Mill. The answer given is:

For long logs a chain should run at 70 to 100 feet per minute. Some chains will run 100 feet per minute, but that is pretty fast for long logs. The shorter the average length the faster the logs be handled. Where the average is between 16 and 60 feet, a chain had better not travel more than 80 feet per minute. When, however, 4 foot wood is to be handled, the chain may run at 200 feet per minute with excellent results.

FOR HANDLING HEAVY BELTS.

The accompanying sketches show a very simple device for putting on heavy belts when it is necessary to shut down in order to do so, and when a rope is usually employed for the purpose. Take a piece of 5-16 or 3/8-inch round iron and bend it as shown in the small sketch at the side, and hook the short end over the edge of the rim of pulley and the long end under the belt as indicated. Start up the engine slowly, and the



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the belt is on it is not necessary to stop, as it is when a rope is used, because the short end of the hook will always straighten out and disengage itself. It is a good plan to use a bar of light iron for the purpose as will answer, since it will straighten out and free itself with less strain on the belt. I have never used this method on iron pulleys, but presume it would be necessary to file a little notch in the rim to allow the hook to catch in. It works admirably on wooden pulleys. — A. C. Mills, in American Machinist.

PREVENTING BOILER INCRUSTATION.

UNITED States Consul Hughes sends the following from Cobourg, under date of May 17, 1900.

A. Reis, of Antwerp, has patented the following method for preventing incrustation in boilers. A mixture of sugar, tannin extract, silicate of potash or soda, and boric acid is added to the boiler water to keep the salts in solution; when the water attains a density of about 15° to 25° Be, the boiler is "blown off." The working periods range from a fortnight to three months according to the quality of the water in use. Glycerine and alkaline sulphates are sometimes used in the mixture.