

# THE CANADA LUMBERMAN

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## 1899

### VIEW OF THE LUMBER TRADE.

#### GENERAL SURVEY.

In many respects 1899 was a remarkable year for the lumber trade. A most active demand, high prices and a reasonable profit to manufacturers were features of the season's business. If adequate returns were available, they would undoubtedly show an increased home trade and a considerable expansion in the volume of export business. From almost every province of the Dominion there was an increase in shipments to foreign countries, and particularly was there an improvement in the United States trade. One of the most striking features of the year's business was the almost unprecedented demand for hardwoods and the lower grades of pine and spruce. So great was the demand for low grade lumber that at the close of the year this quality of lumber was in more scant supply than the upper grades.

Lumber prices steadily improved from the early spring to about the month of September, when there was a particularly sharp advance, brought about partly by increased freight and insurance charges, and partly by the competition in buying stocks for fall and winter requirements. While the average prices for all grades of lumber were high, the profits of manufacturers were reduced to some extent by the increased cost of labor and supplies. The cost of producing lumber, calculating from the tree to the finished product, was about two dollars per thousand feet higher than the previous year, so that reckoning on an advance on the finished product of two dollars per thousand feet, the manufacturer's profit could be increased only by about one dollar.

The expansion of the lumber trade during the year was very largely due to increased building operations and a revival in industrial lines. The wood-consuming industries of the country operated steadily throughout the year, many of them working night and day. The result was a large increase in the consumption of lumber. Mining development also created a demand for lumber. Excepting a slight expansion, there were no peculiar features of the export trade. Great Britain remains our best customer, and will, we believe, continue to provide a market for a greater quantity of Canadian lumber each year. Australia, South America, the West Indies, China and Japan are also promising markets for Canadian lumber. The trend of foreign trade seems to be in the direction of closer relations between the manufacturer and the consumer.

At the time of writing there is much uncertainty regarding the business of the current year. Prospects are favorable to a large demand for lumber,

and preparations were made by the lumbermen early in the winter to get out a large stock of logs. In this they seem likely to be prevented by unfavorable weather conditions. The result will probably be that the production of lumber will not meet the requirements of the markets, and that present prices will be maintained if they are not considerably advanced.

#### ONTARIO.

Lumber manufacturing was unusually active in the province of Ontario during 1899, and the general conditions surrounding the trade were such as to give encouragement to lumbermen. It was the first year in which the benefits of the manufacturing clause were realized. Although this legislation went into effect on April 30th, 1898, the lumbermen were permitted to export in the summer of that year the logs cut during the previous winter. The effect of the regulation, so far as the sawing of lumber is concerned, did not begin to be felt until the spring of last year. The result of the legislation was a largely increased production of lumber in western Canada in comparison with the previous year and the putting into operation of mills that had been idle for years. There was a marked revival in the industry, the cost of labor and supplies was higher, and the country generally became more prosperous as a result. The full benefit of the law, however, has only commenced to be realized, as from year to year a greater number of saw-mills and wood-working factories will be established. At the present time new mills are in course of construction, and others are being refitted for operations next season.

While the production of lumber in the Georgian Bay district was considerably heavier than in the previous year, the output of the Ottawa Valley mills shows a falling off. The total pine production of the province, nevertheless, was probably 100,000,000 feet greater than in the season of 1898.

Throughout the entire year there was an active demand for pine lumber. Many sharp advances in prices took place, particularly in the lower grades. Mill culls, for instance, at Georgian Bay points which sold in 1898 at \$5.50 per thousand were readily taken last year at an advance of \$3. Much of this class of stock was shipped to the United States, the cost to the purchaser being thus increased by the import duty of \$2 per thousand. Before the close of the season all available box lumber had been picked up, and the higher grades were purchased to some extent for box-making. This resulted in an advance in the price of the better quality of pine lumber. There was probably an advance during the year averaging \$2 per thousand feet on all grades. A quantity of deals cut by the Georgian Bay mills was shipped to Great Britain, but the Ottawa Valley continues to hold the bulk of this trade owing to its favorable location for shipping purposes. The Ottawa Valley manufacturers realized for their British stock slightly higher prices than in 1898, while their shipments to the United States, which were considerable, they secured a substantial advance.

Cedar and hemlock lumber shared in the improvement, the advance in price being about \$2 per thousand. Hemlock which sold at mills in Western Ontario at \$6 in the spring brought

as high as \$8 toward the close of the year. There was a greater use of these classes of timber for building purposes.

The hardwood industry made a marked advancement. So great was the demand that buyers found it impossible to purchase to the full extent of their requirements, and towards the close of the year the question of price became a secondary consideration. Ash advanced during the year about \$4, and elm about \$3 per thousand. On hardwoods generally there was a gain of about \$3 per thousand. The full extent of this advance, however, was not realized by some manufacturers, who had sold their output early in the season at lower prices than those which ruled later in the year. The cost of logs was likewise considerably higher. But, considering all the conditions, we believe that the margin of profit in the manufacture of hardwood lumber exceeded any year for the past decade.

Shingles and lath were in brisk demand during the year. The price of shingles did not advance in proportion to other stock, but the same cannot be said of lath. No. 1 lath, which sold early in the spring at \$1.50 per thousand, readily found a purchaser before the close of the year at \$3.75. This represents an advance of 250 per cent., which is almost unprecedented in lumber trade history.

Reverting to the lumber production, we give below the cut for two years of twenty-one mills in Western Ontario. The totals show an increase of production last year equal to about fifty per cent. The figures are given with a view of indicating the increase in the production, and represent but a small proportion of the total cut of the district:

#### CUT OF SOME WESTERN ONTARIO MILLS.

	1898—Feet.	1899—Feet.
James Playfair, Midland.....	16,000,000	32,000,000
Georgian Bay Lumber Co.....	24,000,000	29,000,000
Victoria Harbor Lumber Co.....	21,500,000	24,500,000
Chev Bros., Midland.....	15,000,000	20,000,000
C. Beck Mfg. Co., Penetang.....	1,500,000	15,000,000
Longford Lumber Co.....	8,000,000	12,000,000
Toner & Gregory, Collingwood.....	3,000,000	8,000,000
M. Boyd & Co., Bohaygeon.....	1,000,000	3,000,000
Goderich Lumber Co., Goderich.....	3,000,000	3,500,000
Harrison & Hawke, Shallow Lake.....	1,500,000	2,000,000
Snyder Lumber Co., Gravenhurst.....	4,500,000	6,200,000
H. Cargill & Son, Cargill.....	4,000,000	5,300,000
South River Lumber Co.....	2,500,000	5,000,000
Blind River Lumber Co.....	2,500,000	3,500,000
Thompson & Avery, Sharbot Lake.....	1,200,000	2,000,000
Wm. Milne, Trout Creek.....	2,000,000	3,000,000
D. G. Cooper, Collingwood.....	2,500,000	2,500,000
J. E. Murphy, Hepworth Station.....	1,000,000	1,500,000
John Carew, Lindsay.....	2,500,000	3,000,000
J. Harrison & Sons, Owen Sound.....	4,000,000	3,500,000
A. McPherson & Co., Longford Mills.....	5,000,000	6,000,000
Total.....	126,200,000	175,500,000

After careful investigation the lumber production of the Ottawa Valley in 1899 is placed at 532,000,000 feet. Below is given a statement of the separate and combined cuts of the mills for the past two seasons. It will be observed that, in comparison with the previous year, a decrease is shown of about 100,000,000 feet. The explanation of this is that the Bronson & Weston mill and Wm. Mason & Son's mill at Ottawa, and the mill of the Canada Lumber Co. at Carleton Place, were not operated during the year. The combined cut of these three mills in 1898 was 36,000,000 feet. R. & W. Conroy's mill at Deschenes, which cut 17,000,000 feet in 1898, was destroyed by fire in July last, when only 3,000,000 feet had been cut. Another circumstance was that