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THE CANADA LUMBERMAN is published in the interests of the lumber trade and allied industries throughout the Dominion, being the only representative in Canada of this foremost branch of the commerce of this country. It aims at giving full and timely information on all subjects touching these interests, discussing these topics editorially and inviting for a discussion by others.

Special pains are taken to secure the latest and most trustworthy market quotations from various points throughout the world, so as to afford to the trade in Canada information in which it can rely in its operations.

Special correspondents in localities of importance present an accurate report not only of prices and the condition of the market, but also of other matters specially interesting to our readers. But correspondence is not only welcome, but is invited from all who have any information to communicate or subjects to discuss relating to the trade or in anyway affecting it. Even when we may not be able to agree with the writers, we will give them a fair opportunity for free discussion as the best means of eliciting the truth. Any items of interest are particularly requested, for even if not of great importance individually they contribute to a fund of information from which general results are obtained.

Advertisers will receive careful attention and liberal treatment. We need not point out that for many the CANADA LUMBERMAN, with its special class of readers, is not only an exceptionally good medium for securing publicity, but is indispensable for those who would bring themselves before the notice of that class. Special attention is directed to "WANTED" and "FOR SALE" advertisements, which will be inserted in a conspicuous position at the uniform price of 15 cents per line for each insertion. Announcements of this character will be subject to a discount of 25 per cent. if ordered for four successive issues or longer.

Subscribers will find the small amount they pay for the CANADA LUMBERMAN quite insignificant as compared with its value to them. There is not an individual in the trade, or specially interested in it, who should not be on our list, thus obtaining the present benefit and aiding and encouraging us to render it even more complete.

COST OF PRODUCTION IN RELATION TO
LUMBER PRICES.

Much has been heard of late of the excessive cost of lumber, and many projects, we are told, have been postponed until such time as they could be carried out at a lower cost. These opinions have been formed, no doubt, as the result of the sharp advance in the price of lumber which took place during the winter of 1899-1900, but without a study of the actual situation. True, lumber is high when compared with the prices ruling three or four years ago, but it should be remembered that these were years in which the industries of the country were operated at little profit, if not at an actual loss, and lumber was no exception to the rule. Indeed, it may fairly be said that from the year 1893 to 1898 there was no profit in the lumber business, and many of our lumbering concerns which struggled through these years of depression were only enabled to do so by the assistance of the banks.

The present selling prices of lumber are no higher than will afford a reasonable margin of profit to manufacturers, and the conditions of the lumber industry are such as to render it extremely improbable that prices will decline to the low point of four years ago. The one reason for this is found in the increased cost of production. The advance in lumber as compared with four years ago is equal to about \$4 per thousand feet, or say 25 per cent., while the cost of production has increased almost as much. Unfortunately,

it is the law of supply and demand, rather than the cost of production, that fixes the price of any manufactured article, yet the desire, if not the necessity, of realizing a profit from investments cannot but exert an influence on the price of the article, even if some time should elapse before this effect is visible.

The cost of producing lumber may be divided into four items: First, stumpage; second, supplies and woodmen's wages; third, transportation of logs to the mill; fourth, manufacture of the lumber, in which is included saw mill equipment.

Regarding the first item it cannot well be disputed that there has been a marked advance in the cost of stumpage, probably equal to one dollar per thousand feet of lumber. This has been brought about, not by an extraordinary demand for lumber, but by a more general realization of the fact that our timber supply, although yet large, will soon become depleted if not properly husbanded. It does not appear, therefore, that it will be possible for lumbermen to purchase standing timber in the future at a lower price than at present.

Next we come to the largest item in the expense of producing lumber, namely, wages for men and teams. A conservative estimate of the advance in this item would be 35 per cent. A well-known Ottawa firm is authority for the statement that wages of woodsmen are 70 per cent. and that of teams 50 per cent. higher than they were four years ago, so that the estimate of 35 per cent. is extremely low. For the coming winter's operations foremen are being engaged at \$60, log-cutters at \$28, teamsters at \$26, road-makers and shanty-hands at \$23, and cooks at \$45 per month. And even at these figures difficulty is being experienced by the lumbermen in securing sufficient men. In the Maritime provinces also the increased cost of labor is reported to be from 25 to 50 per cent., and it would seem that these conditions apply throughout the Dominion. Until this year the advance in the cost of camp supplies had not been correspondingly large, and did not represent more, perhaps, than 15 to 20 per cent. The supplies for the coming season's operations promise to cost considerably more than last year, as there has been an all round advance within twelve months equal to about 12 per cent. Sugar and raisins are nearly 30 per cent. higher, currants 60 per cent. higher, Japan tea 25 per cent. higher, and molasses 12 per cent. higher. Flour, pork and peas are selling at the same figures as last year. There has been a slight advance in other supplies, while scarcely an article required by lumbermen has declined in price. The principal advance in hardware and iron goods has been in axes, which are quoted about 20 per cent. above the prices ruling last season. From these figures it will be seen that so far as supplies are concerned the cost of logging operations during the coming winter will be considerably higher than for many years past.

The third item, namely, transportation of logs to the mills, is each year becoming a more important factor in the cost of producing lumber, although it is a question which is seldom given consideration by the public. When it is stated that in some instances the logs are driven five hundred miles to the mill, and frequently great difficulties are encountered in the process of raft-

ing, it will be admitted that this question should receive some attention. While the drives usually start in April, the first of them do not arrive at the mills until July, and during that time considerable expense is involved in the process of driving. Ottawa mills once near the limits now get their supply from the headwaters of the Ottawa and Gatineau rivers. This reminds us that while the value of timber limits is increasing, the quality of the timber is in many cases much inferior to that which lumbermen would purchase some years ago. This is proved by the policy of the lumbermen, who now cut on what are called white pine limits, spruce and red pine that years ago would be passed by.

Lastly, we come to the question of manufacturing the lumber. A saw mill cannot be built to-day nearly as cheaply as it could four years ago, nor can the expense of repairs be kept at a low limit. But, as with logging operations, labor is the largest item of expense around the saw mill. We doubt if there is a manufacturer in Canada who is not paying higher wages to his employees than he paid four years ago. This advance is probably equal to 20 per cent.

Considering the above conditions, is it reasonable to expect that lumber prices will materially decline? With one or two exceptions, the prices at which lumber is now being held are warranted by the cost of production, and there is no reason why they should not be maintained. It rests with the lumbermen to take a firm stand on the subject of lumber prices, and to secure for themselves the profit to which they are entitled. Their action thus far in this respect is to be commended, as while in the United States some of the lumbermen have given away and thus broken down the market, the Canadian manufacturers almost universally have refused to dispose of their stock except at the figures asked. The past two months have witnessed a rather slack demand, but there are indications that the trade is now picking up, and that all the lumber manufactured in Canada in the next few years will be wanted at reasonable prices.

EDITORIAL NOTES.

As time goes by, the advocates of the legislation prohibiting the export of saw logs from Ontario are finding more and more reasons to congratulate themselves on the wisdom of their policy. A number of Michigan saw mills have already been placed on Canadian soil, and others will follow as necessity demands. It may reasonably be expected that in a very short time the Georgian Bay district will not only outrival the Ottawa valley as a lumber producing centre, but that it will be the seat of extensive wood-working plants also. The true-value of our raw material can only be obtained by working it up to the fullest extent in this country, and there are indications that this will be done in the near future.

THAT the Canadian exhibit of timber products at the Paris Exposition should have been awarded the grand prize is an honor of which we, as common with every reader of THE LUMBERMAN, should feel proud. It is a forcible reminder that we possess a forest wealth greater than that of any other country in the world. Much credit is due Mr. Macoun for his efforts to secure a representative exhibit of Canadian timber products, notwithstanding that in some instances it was