The U.S. rail market which has been quiet for the past three months is showing more interest in B.C. lumber. This is reported due to the anticipated acceleration of low cost housing. Contractors expect the government will ease its credit buying restrictions on new residential construction. Also new housing projects are starting in Levittown, Penna., where 16,000 new homes will be built, for a defence project. These factors, coupled with eased mortgage funds indicate that the supply of construction grades will soon be exhausted, report mills.

If loggers agree to work six days a week, although they have not done so yet, instead of five, and providing the weather stays open late this fall the current acute log shortage will be considerably eased.

All camps are back in full production on the Coast. However because loggers refuse to work overtime the log supply is still very short, and the future production outlook clouded. This factor is causing mills to be chary about commitments on future business.

The announcement from Ottawa that National Housing Act regulations will result in down payments on new homes being cut in half will possibly make itself felt to the benefit of the retail lumber trade in Canada in spring. It should also generally benefit the entire lumber industry.

However, the joker in the N.H.A. change is whether new loans will be based on values in relation to present costs. If this is done, home building will show a sharp increase next year. This will be a change in CMHC policy, which has always been to place values for loan purposes far below costs.

J.H. Mackin, President Canadian Western Lumber Co. Ltd., reported his company has enough orders for next six months. He said the Elk Falls Co., of which C.W.L. own 50% plan to build a pulp plant to operate in conjunction with newsprint plant which is expected to be in production during latter part of next year.

H.R. MacMillan told Vancouver Board of Trade costs will increase next year as Canada spends more money on defence.

Settlement of I.W.A. dispute cost operators from $7 to $7.50 per M.

Rail markets slow, but better than previous week. Buyers demand specified dimension - prompt delivery. Some top mills refuse to sell at present prices, building up inventories for spring. Boards are generally lower. Spread down to about $4. Top producers getting better prices than those shown in this report.

One sales manager reported "there does not seem any bottom to green stock market". Part of the trouble here is with the operators themselves.

While some mills ship well manufactured green stock, there are others for whom "anything goes." This class of mills have a detrimental effect on the market.
Some claim that insurance companies are not advancing mortgage money freely because they can get better returns in the Municipal and industrial bond markets.

U.S. mortgage companies are reported looking over the Toronto housing field, with a possible view of investing.

Forest service saw log scale for January in Nelson forest district, including Kootenay and Boundary, totalled 25,733,555 feet board measure, up over 20% compared with 19,542,478 f.b.m. for same month last year.

Seaboard Lumber Sales Co. Ltd. of Vancouver is now one of the world's largest lumber exporting organizations. The company which handles sales and shipping for 37 B.C. sawmills has been joined by the lumber division of Alaska Pine and Cellulose Co. Ltd. This union means that Seaboard mills now have an annual production of over one billion one hundred million board feet of lumber. Organization was formed in 1953.

There is at least 75,000,000 board feet of green Spruce in the concentration yards of planer mills at Prince George today according to a survey made by this Reporter. This is the largest stock of green Spruce ever reported in this area. Eighty percent is 2" dimension.

Private trading with U.K. has been a disappointment. Not more than 6,000,000 f.b.m. has been sold by B.C. mills since the turn of the year. Britain's new austerity program and shortage of dollars in other sterling areas makes the outlook grim for the last quarter of this year.

Douglas Fir Market

The increased costs were also clearly shown in the 1951 annual report of Canadian Western Lumber Co., Ltd., which in spite of higher prices received for lumber products and increased utilization of logs showed a decline in profits last year.

British Columbia has labor trouble looming. In Vancouver an IWA demand for a 35c an hour increase plus other benefits was met by a counter demand from employers for a 12½ cent an hour cut in wages for employees in manufacturing units and a 10% cut in wages of shingle mill workers. Wage cuts are necessary, said employers, chiefly because there is no future overseas export market for B.C. lumber. The IWA threatens strike action. Present contract expires June 14.

Rail shipments from Smithers Division reached a new high in March when 1800 cars of lumber were shipped. Of this total 869 were from the Prince George area. Box car supply is satisfactory.

Possibility that the Federal Government may enter the home building mortgage field in Canada was hinted recently in the House of Commons. Critics of private mortgage companies claimed these institutions have abandoned this field for the more lucrative interest paying bond markets. An estimated 1,000,000 homes are needed in Canada this year, according to Government officials.

For the second consecutive month, Port George Forest district smashed all records for cutting. February figures were 62,000,000 b.f.m. and March production reached an all time high of 65,038,096 b.f.m. If present cutting rate continues for next eight months the 1952 production will pass the half billion board feet mark. The highest ever cut in Prince George and Quesnel areas.
A final attempt to settle the current IWA wage dispute will be made in Vancouver this week when a three man Government appointed Conciliation Board meets. Both sides are standing firm on their demands. If this Board fails a shut down of B.C. coast mills employing 32,000 IWA workers is inevitable on June 14.

Last week British Columbia received another blow from her overseas export market. The Scandinavian countries slashed prices on their common lumber because the 1,500,000,000 f.b.m. available for export was not moving. The cut ranged from $30 to $40 for finish lumber per M.

All B.C. coast Cedar and Shingle mills are also shut down by the strike.

When operators and IWA representatives last met 17 days ago, the Union rejected an offer to work at the same rate of pay as last year. Since that meeting no progress has been made.

IWA has 5,000 members in Interior mills. They will ask nine statutory holidays; health and welfare plan and improved vacations with pay as part of a 35¢ an hour wage boost. (On the B. C. coast these and other demands were in addition to a 35¢ hourly increase).

Majority of Douglas Fir, cedar and plywood plants are in full production again in British Columbia. The 45 day IWA strike ended last Wednesday when workers received a 50 cent an hour wage hike, cost of living bonus and three statutory holidays with pay. Only 16 operators refused to sign the recommendation made by Chief Justice Gordon Sloan who mediated the dispute.

In the Maritimes they were talking about defence projects. An estimated $25,000,000 will be spent down there in the next six months for expansion of various armed service construction projects. Housing is better since new 80% CMHC mortgage became effective.

Fire destroyed the shingle mill at New Westminster of Capilano Shingle Company. Staining plant was saved. Company officials have moved operations to Vancouver Plant which has 21 machines.

Wet weather in May and June has resulted in low inventories in Prince George. This is shown by the Forestry Department statistics for those two months which reveals a decline of 6,000,000 b.f.m. for May and 4,000,000 b.f.m. for June below the same two months last year. This includes surrounding areas.

United Kingdom has announced their initial quota of global softwood buying for 1953. This is 500,000 standard or one billion b.f.m. It is estimated the quota will cover a six months period. There is no special preference for British Columbia. The United Kingdom will buy where they can purchase the cheapest on the sterling or dollar markets.

One exporter estimated that by November there may be 20 vessels.

He pointed out that this approximate 100,000,000 feet is only a "drop in the bucket" compared with the 30 billion feet of lumber used last year in United States. Mill returns from lumber already sold in Eastern U.S. are $77 for Douglas Fir No. 1 (25% No. 2) 2x4 random length. Mills here who are participating in the waterborne movement are now receiving the advantage of a low charter rate. As this charter market strengthens their returns will diminish.