

Madison's Lumber Retrospective

A 60-year walk down
forestry's Memory Lane

118 RICHARDS STREET - VANCOUVER 2, B.C. - PACIFIC 6838

AN INDEPENDENT MARKET SURVEY COVERING FIR, HEMLOCK, CEDAR, WESTERN WHITE SPRUCE

September 30, 1955.

One significant factor in today's market is the weekly barometer of West Coast Lumbermen's Association. For the past four weeks production has been exceeding orders by an average of 15.8%.

Green Hemlock price on U.S. rail reflects more stability than green Fir. B.C. shippers report No. 1 (25% No.2) still selling at \$67 - \$68 F.O.B. Vancouver. Price of Green Fir boards is steady.

October 15, 1955.

P.G.E. mills continue to increase production. Last month according to official railway figures they rang up another record by shipping 1967 cars of lumber. Spruce mills in Northern B.C. also created a shipping record in September (see Spruce).

C.N.R. reported a total of 2,244 cars of lumber during September from Spruce mills through Northern B.C. This was one of the heaviest shipping months this year.

November 28, 1955.

Sub zero weather in P.G.E. producing areas cut production 70%. Major transit shippers were unable to locate much stock to sell. Mill shipment business for random cars green P.G.E. Fir was placed Friday at \$70 - \$71 U.S. F.O.B. Vancouver. Specified cars one length, one width sold at \$74 U.S.

Storms and cold weather swept consuming areas of Canada bringing business almost to a standstill. Shippers offered practically no stock on Canadian rail in transit, but concentrated on U.S. rail.

December 31, 1955.

P.L.I.B. re-inspection service will be available for the first time this Spring in Eastern U.S. States and Ontario. Requests for this service, or additional information can be obtained from Pacific Coast Lumber Inspection Bureau, 550 Burrard Street, Vancouver, B.C.

NUMBER OF WESTERN WHITE SPRUCE CARS LOADED EACH MONTH AT PRINCE GEORGE

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
1954:	420	719	805	437	403	874	1233	947	732	702	613	681	8466
1955:	524	760	837	528	580	962	1026	1082	939	749	609		

Sources: Canadian National Railways

July 14, 1956.

Volume of shipments from P.G.E. green Fir mills continues at a high level. June shipments were 1820 cars compared with 1547 for June last year. Best prices are still being paid for cars of Const & Btr green 2x10 including minimum 500 pcs of 14' at \$78 U.S. F.O.B. Vancouver.

The big blow to home building in cities across Canada is curtailment of mortgage money to the large project builder. Many builders who last year were able to build about 100 homes, this year planned to double their activity. Now they are stopped by lack of funds. In the farm areas and small towns across Canada, the person wanting to build a home under NHA is still able to do so. These places have never felt the influence of mass home production.

Many wholesalers across Canada are complaining about the difficulty of getting specifications suitable for the farm retail trade. They say they are losing business every day because Interior mills will not take specified business. This business is then placed with the large B.C. Coast mills who are willing to ship mixed cars to retail requirements. In Vancouver more wholesalers are concentrating on Canadian rail market where prices are several dollars above U.S. rail market prices. In summary, the rural areas across Canada will set the pace for lumber consumption this Fall.

Now the story from U.K. is that the sale of stock from the Strategic Reserve pile to the trade is not going as well as had been expected.

Demands of 19¢ an hour, plus a wide variety of fringe benefits by IWA, are causing concern with shippers in the Southern Interior. Present contract expires August 31. Under present market conditions employers are in no mood for large pay increases. The possibility of a shutdown should be kept in mind when placing business with Fir and Larch mills.

July 28, 1956. MADISON'S CANADIAN LUMBER REPORTER

GREEN SPRUCE TRANSITS AT \$95 DELIVERED ONTARIO

Some of the big shippers in Prince George area are still shipping away at order files. These big mills have not changed their asking prices of \$102 - \$104 for AD dimension. New business for these mills is very slow.

Long length Spruce dimension is still fetching a premium in Ontario, which in spite of all price cuts is still the best market for Western White Spruce dimension.

In Northern B.C. area some 3000 members of IWA have been offered a 13 cent hourly wage increase over the next two years (eight cents increase effective August 1.) Men also get fringe benefits including company contributions for half cost of medical plan and compulsory checkoff of union dues. New contract includes five more holidays during the next two years.

There is some demand for industrial stock from U.S. Midwest areas, although prices are very competitive. Northern Alberta mills are now operating. Prices being received by them are in line with shipments from the smaller mills surrounding Prince George and Southern Interior.

Winnipeg is crying the mid-summer blues. Buyers report plenty of transits which seldom come near required specifications. Reports that some No. 3 green Fir and Larch dimension had sold in Winnipeg for a price equivalent to \$35 F.O.B. turned out to be cars which were not suitable for U.S. use and contained #4 wide widths.

September 1, 1956.

Sales of green 2x10 are scattered. Current demand is slower than any time this year. Some 2x10 random loadings (300 pcs 14', 400 pcs 16', 100 pcs 18') sold at \$68 U.S. Other cars 80% 14' sold at \$72 U.S. At the other extreme were cleanup cars of random random widths with short lengths which sold down to \$63.50. A typical car reported was half 2x4 and half 2x8.

Although home building is down 10% from last year, NHA estimates that Canada will move into 1957 with 70,000 starts - thus ensuring a good beginning for next year. This is the second highest number of starts in Canadian house building history. It compares with the record of 80,000 starts this year. So far this year Canada has completed 52,723 homes compared with 53,165 for first seven months of last year.

NHA notes that the reduction in bank loans for homes is down 22% - but has been more than replaced by money for mortgages from credit unions, trust and insurance companies.

Briefly Canadian home building is still a very big business and is absorbing a lot of lumber. This fact has been brought home sharply to manufacturers - some of which in B.C. would have been forced to shut down this year if the Canadian market had been as poor as the U.S.

Sept. 15, 1956. MADISON'S CANADIAN LUMBER REPORTER

One very bad feature now affecting the Spruce dimension market is the liquidation of inventories under orders from the banks.

During our survey of mills last week several mentioned that the banks had told them to reduce yard inventories and get into a cash position because they consider the Spruce industry is heading for a winter of slow sales.

Although prices in Ontario are in the low \$90's, and demand is slow, mill returns are better from Canada than from the United States. Fewer transits last week report Ontario buyers. Some mill shipment business was placed by Canadian buyers last week at \$92 delivered Ontario.