

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

Sept. 30, 1956.

MADISON'S CANADIAN LUMBER REPORTER

There have been some attempts from New York area buyers to pick up blocks of green dimension through the Interior. Some mills report they have been offered \$62 mill for random loadings (70%) to buyers requirements.

Retailers in Ontario are starting to wonder if the bottom has completely dropped out of the Cedar market. Some point out that the continuing price drop is not doing any one any good. Retailers who bought Cedar at \$97 delivered a few weeks ago, now find themselves competing with retailers who were able to buy at \$93.

Just why there should be a difference of \$4 to \$6 per M between stock from small mills in Northern Alberta and Northern B.C. is difficult to understand.

October 27, 1956.

The surplus of green Fir dimension at P.G.E. and Interior mills is quickly disappearing as production dwindles each day.

Unemployment in the logging camps is expected to sharply increase by mid November, when an estimated 1200 men will be laid off because the industry lacks orders.

The Russians have offered 120,000,000 feet board measure to U.K. buyers. Prices have been cut since the Spring offering.

In some instances, according to U.K. sources the smaller widths from Russia are being offered at \$12 per M under prices last Spring. This last offer from Russia brought trading in Canadian softwoods almost to a standstill. This combined with increased freight rates is making it difficult for B.C. shippers to do new business with U.K.

Nov. 12, 1956.

MADISON'S CANADIAN LUMBER REPORTER

Long lengths in green dimension are very hard to buy from Interior mills. Not many mills have the logs to cut over 18'.

We are frankly very sceptical of some prices reported for #3 1x12 Engelmann Spruce at \$96 delivered \$1.36 rate. Unless the trees in Idaho and Montana have suddenly increased their girth, there is usually no surplus of 1x12 simply because the trees do not grow big enough.

MADISON'S CANADIAN LUMBER REPORTER

Nov. 27, 1956.

Wholesalers from Vancouver to Newfoundland report this is the slowest period yet. Some report that out of 30 calls they only get one retailer who is interested.

December 29, 1956.

West Coast Lumbermen's Association Barometer for the week ending December 22 showed orders 3.3% under production - a sharp contrast to the previous week when orders were 18% over production. This last report lists 144 mills operating out of a potential of 170 mills.

A C.P.R. rail strike is threatened for Canada.

May 28, 1957.

B.C. Coast manufacturers are preparing for a show down with IWA.

Conciliation Board hearings between FIR and IWA are now over. The Board will probably make its recommendation within a week. Unless it is agreeable to both parties it does not have to be accepted. If Board award is rejected next step is a strike vote. At the end of the hearings, attitude of union and operators was unchanged. No wage increase; a 20% wage increase. Neither side indicated any desire to compromise.

June 14, 1957.

IWA membership has returned a majority vote of 90% to reject the Conciliation Board award that wage negotiations be continued until September 30. The stage is now set for the Government supervised strike vote which will be completed before June 26. This is simply a legal formality. Having rejected the award, it is obvious the union will vote to strike. Then the men can walk out after 48 hours notice.

All talks have been suspended between FIR and IWA. Each side is holding firm. Union want a 20% wage increase right now. Operators are willing to stand by the award.

MADISON'S CANADIAN LUMBER REPORTER

July 13, 1957.

New IWA wage contract made last week by B.C. Coast manufacturers for 7½% or 13 cents an hour, whichever is greatest, has increased logging and sawmill costs by an average of \$2.50 per M. report operators.

One new factor is entering the sales picture from Quebec to B.C. This is the difficulty retailers are having with builders in getting their money in. Some of the bigger retailers are now employing collectors to hurry over due accounts.

July 27, 1957.

Green Fir dimension sales on Canadian and U.S. rail market reflected lower prices last week. In Eastern U.S. the cement strike slowed down building potential; in Chicago the strike in the building trades slowed down lumber sales.

According to reports from Ontario and Quebec plywood distributors, the Douglas Fir plywood market in those two Provinces is "chaotic". Discounts from B.C. mills are undercutting inventories in the distributors yards.

B. C. Lumber Manufacturers Association sent a representative to Australia to protest attempts to increase the tariff on softwood imports. Outcome of the hearing is not yet known.

August 15, 1957.

During the past week blocks of green Fir dimension from one to three million feet have been contracted for on both rail and water from B.C. Coast and Interior mills. Most of this stock is semi specified. These sales emphasize the price cutting required to move volume at today's market levels.

B.C. Coast mills have now pretty well pulled out of the Canadian rail market with exception of mixed cars.

August 31, 1957.

After an appraising look at potential sales this winter in the U.S., Coast shippers have decided they can do better in the United Kingdom.

Some of the new \$150,000,000 CMHC funds will be in circulation by October 1, according to Corporation officials. An open Fall in Eastern Canada could help lumber sales.

B.C. export mills report sales to U.K. continue to increase in volume, as tramp charter rates remain at competitive levels.

January 11, 1957.

P.G.E. mill shipments for December surprised many operators. Shipments totalled 1225 cars of boards and dimension which is 35 more cars than December a year ago, although more mills were shut down this December than last.

NUMBER OF LUMBER CARS LOADED FROM MILLS IN P.G.E. AREA EACH MONTH

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
1955:	1320	1562	1575	1124	1308	1547	1318	1850	1967	1833	1442	1313	18159
1956:	1370	1645	2100	967	1206	1820	1898	2018	1679	1830	1665	1188	19386

The Interior Fir and Larch areas of B.C. are hardest hit by the current C.P.R. strike.

February 1, 1957.

There will be more plywood offered for sale in Canada this summer. Two mills will come into production in the Southern Interior; another Coast mill has an expansion program underway. On a per capita basis, Canada is among the leading nations of the world in plywood consumption.

Trading outlook for U.K. during this year is very poor, according to H.R. MacMillan, chairman of finance and policy committee for MacMillan and Bloedel.

During the month of January production has been cut 90% in the Southern Interior of B.C. In some areas snow is too deep to log.

February 15, 1957.

B. C. cargo shippers received bleak news from the U.K. Government which is selling off 140,000,000 b.f.m. of 60% Douglas Fir and 40% Hemlock it has held in stockpile. Some manufacturers here point out that at the present rate of 20,000,000 b.f.m. sales a month to U.K. this lumber represents a nine month order file. Others said this stock has hung over the market since the war. They are glad to see the end of it. This sell off means the U.K. Government is getting out of the timber importing business.

MADISON'S CANADIAN LUMBER REPORTER Feb. 28, 1957

At the IWA convention in Vancouver last week, delegates made two conflicting statements. At one meeting they called on the Federal Government to ease mortgage money to help out the depressed lumber industry in B.C. At another meeting the same delegates called for a wage increase of 20% on the present basic rate of \$1.59 per hour. Union has a \$1,000,000 strike fund.

MADISON'S CANADIAN LUMBER REPORTER April 13, 1957.

A government appointed conciliation officer is now trying to work out a solution for IWA and B.C. Coast lumber industry. The conciliator was appointed after talks on wages broke down between IWA officers and FIR (Forest Industrial Relations) representing B.C. Coast manufacturers. After the deadlock both sides issued statements to the public.

FIR said the lumber industry is being asked for a 20% general increase in wages plus other concessions at a time of decline in value and volume of lumber sales. IWA claims the lumber industry of B.C. is in a financially sound position. This can be shown by the financial statements of all leading corporations. Present contract expires for B.C. Coast mills June 15.

April 27, 1957.

Green random dimension prices have not strengthened on U.S. rail during the past 10 days. Demand is spotty. Housing starts in March were at an eight year low.

Russia has now made her third lumber offering to U.K. This stock was held back when B.C. moved into the market about three weeks ago. As reported here at that time, charter rates declined rapidly. Now Russia apparently considers current B.C. sales to U.K. not a serious factor and is offering large quantities of lumber again.