

HOT FACTS FOR LUMBERMEN.

Our Correspondent States Facts and Arguments Worthy of Particular Attention—\$5,000,000 Losses to Michigan Manufacturers Alone—The State of the Trade—Losses on Common Lumber—Forced Sales of 3,000,000 Feet Daily at the Chicago Market—The Remedy for Existing Evils.

Correspondence of the Wisconsin Lumberman.

CHICAGO, July 11, 1874.

No business can be conducted with comfort in this latitude with the mercury above 100° any place outside an ice-house; and the lumber trade least of all others, as actual labor constitutes so large a share of it.

Logs once put afloat in a stream are sure to reach a market in the form of lumber, as neither drouths nor freshets, panics or prosperity, can prevent their onward march to the consumer. The log famine of the past winter has resulted in a full supply, and the feast of lumber that is being sawed the present year bids fair to sicken some of the participants—not unto death, I fear, which, in a business sense, could but result in a great benefit to the general lumber trade.

Time is the great adjuster of such matters, and there is reason to hope that some of the younger members of existing lumber firms may live to see sales of lumber again made in this market at a profit.

The gradual decline in values since the financial troubles of 1873, has caused much complaint in all departments of business, and but few houses claim to have added materially to their assets. There seems, however, a desire to curtail the operations of large producers of most staple articles, and the result is a large reduc-

tion of indebtedness, and a better outlook for the future. What would have been the state of the iron market to-day had an increased amount of ore been forced upon the market? Clearly the result would have been forced sales of iron at a ruinous loss, and a cessation of business until the surplus stock was consumed.

What would have been the condition of the lumber market had each manufacturer reduced his product during the past winter instead of increasing it? No one can doubt that three-fourths the amount being marketed the present season would have been a full supply for the actual requirements of trade, and that a larger sum of money would have been received for that quantity than for the amount now being rushed upon the market. When lumber is sawed for forced sale, by cargo, afloat, by parties who cannot protect it, and the amount gradually increased, it becomes simply a matter of time when a crash will come; and when from this cause the market is broken down, seldom recovers speedily. This overstock is not confined to any locality, but extends throughout the whole lumber-producing section. A depressed market at all lumber centres attests this state of the trade, and I estimate a loss to Michigan manufacturers alone of \$5,000,000, caused by over-production, this sum being the saving made of timber had a smaller quantity been marketed.

The same state of trade may be looked for in 1875, and probably in 1876, as there is too much sawing capacity, and unfortunately too much wealth, controlling it. There exists

at present an idea among saw-mill proprietors that small mill owners will soon stand aside and surrender the business into the hands of those who have larger investments and more capital.

This theory may be safely abandoned, or perhaps it would be better to place it on file with that other fallacy of mill owners, that little if any logging will be done while lumber is selling at cost or less. The small mills will be the last to reduce their business, as generally they are not compelled to observe the same promptness in meeting obligations that larger firms must; and when not kept in operation by parties to whom they owe for supplies, they have the sympathy of all who reside at their place of business, and in many cases their suspension destroys the town they have created.

The decrease of supply must commence with large manufacturers. They have large tracts of pine worth preserving, and unless they reduce, no others will, until a loss occurs so marked that it will be headed by all alike.

The state of this market at this time, if carefully studied, must result in a benefit to the trade that supplies it, and it is no different from the principal markets of the whole country. The cargo market here has been overstocked since June 1st, and only the higher grades of lumber actually pay a profit. Sales of Manistee and Ludington dimension lumber are made readily at \$8.75 to \$9.00, but when all charges are footed up nothing remains as profit. Three millions of feet are daily sold at forced sale

during the active months of the season, and in most instances without profit. The retail business in lumber in this market is equally demoralized, and no branch of trade is more urged than this. Fully two-thirds of the firms doing a yard trade employ traveling agents to dispose of their stocks; actually forcing lumber upon country dealers has created a system of credit in this department of business second to no other.

It would seem that lumbermen have a partial remedy for the present evil of overstock in their own hands, as they will actually gain by carrying logs into next season, and they cannot hope to replace those now on hand for a lower cost, as the past winter was much more favorable than an average of seasons. I will venture a prediction that a decrease of receipts at this port of but one-fifth the amount now arriving, will result in an advance of fully \$2 per M. feet per cargo lumber, as the market actually requires the remainder. I confess I have no hope of such a course being pursued, but it is the only remedy that can be applied with success, as the slightest advance in price from an increased demand is likely to result in larger receipts.

When the pine forests of the west are exhausted, I think lumbermen may consider it time to act more in concert, and check the present great evil of over-manufacture.

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