admit that the season's cut will not average above fifty per cent. of the operations of either 1871-2 or 1872-3. Indeed, it is very questionable if the log crop of Michigan, Wisconsin and Minnesota this season, reaches even that proportion; the contingency depending entirely upon the favorableness and duration of the remaining winter. The general opinion of those whose experience sometimes enables them to correctly judge as to weather probabilities is, that we are to have a very early spring and very likely a general break-up as early as March 1st. If it should so happen that loggers are compelled to leave the woods as early as the middle of the present month, or even the 1st of March, the sum total of logging operations will dwindle down even below the per cent. we have suggested as likely to obtain. While the circumstances of the season have so operated as to cause not only inconvenience but serious embarrassment to hundreds of manufacturers and jobbers, yet in the main we cannot resist the conviction that the lumber business of the country will be most beneficially affected by the very circumstances which have contributed to seeming or actual disaster in individual cases. The spring trade is opening gradually, carefully and fairly prospective for the interests of manufacturers and the dealers who have their stock in hand unumbered. The winter's work will close, and seem trifling in comparison with that of the two preceding years, but the results therefrom will be the establishment of former prosperity in the lumber business and interests of the land.

FAIR WARNING TO MANUFACTURERS OF LUMBER.

CONDITION AND PROSPECTS OF THE TRADE IN THE NORTHWEST.

Only Prompt and United Action can Save it —The Markets of Milwaukee, St. Louis and Chicago Overstocked—No Hope of a Change for the Better until Manufacturers Learn the Lesson of Continence —The Evils of the following the Blunder of Over-Production—It is the Surplus that does the Injury.

A CONVENTION OF LUMBER MANUFACTURERS DEMANDED.

Chicago Correspondence Wisconsin Lumberman.

CHICAGO, January 20, 1874.

The present season for cutting logs has so far advanced that a fair estimate can be made of the winter's product, and it is generally understood that the new supply, added to the amount of logs at the close of last season will exceed the amount of lumber that reached the principal markets during 1873. Should the whole amount be forwarded, or even the majority of it there can be no doubt of an overstock at the principal distributing points, and a decline from the present low prices would naturally follow.

The inventory of January shows larger stocks at Milwaukee, St. Louis and Chicago than at any former time and only a moderate demand for any grade of lumber.

It would seem that lumbermen were too hopeful when they planned their winter business, or misinformed as to the amount of logs that would be provided as the closing prices for cargo lumber were far below a
profit and since November nothing has transpired to encourage manufacturers. It has been a very simple matter, to sell consignments in this market by cargo for cash for several years past, and therefore, manufacturers have added to their machinery until the supply exceeds the demand, at a price that affords a profit. There is no reason why cargo rates will be higher in April than they closed in November last, and should this prove the fact, prices will probably reach a lower range than the lowest of last year, unless consignments are less. I can think of no good reason why the entire amount of logs on hand should be forced upon the market if prices are not renumerative. Still until 1873 most of the logs provided have been manufactured during the season and consigned to market.

The "panic" of September last was the principal cause of so many logs being carried over at the mills on Lake Michigan, and could not in the same manner affect the coming season; but there are reasons that appeal with equal force to all mill owners that should cause them to retain one-fourth of their logs to be sawed in 1875 rather than overstock the market of the coming year. They would realize the same amount of money for three-fourths their logs, and greatly reduce the labor and risk.

The principal markets for lumber are overstocked, and present prices are lower for the common grades than at any time since 1861. Even at the present low prices three-fourths of all lumber sold from yards is on time ranging from 30 days to four months; averaging 60 days. The credit system is an evil that always follows over production, and when the retailer is compelled to extend credit, he must soon demand it of manufacturers and obtain it, or very low prices for cash. To this date the rule of the Chicago market has been cash for cargo sales, with an occasional exception when a large fleet was being closed out; but it was apparent to lumber merchants here that had the receipts of 1873 been an average during October and November, the credit system would have been introduced to some extent in order to prevent a decline. Lumbermen will not obtain the same amount of bank accommodation the coming season that they have formerly enjoyed, simply from inability of the banks to furnish the money. In former years they have been liberal borrowers, when their own means were exhausted, and have been favored customers of our banks.

The present and prospective demand for lumber is not encouraging. It is true the country has ample means compared to former years and will buy its proportion for farm improvements; but cities, villages and railway companies buy sparingly compared with past seasons. The consumption in this city will fall much below that of the past seasons; there having been, during 1872 and 1873, fully 1,000,000,000 feet consumed here.

The foregoing reasons are sufficient to cause manufacturers to reduce if possible the amount of their consignments, until the surplus has been removed and the market requires their
lumber. By the reduction of one-fourth in their product for 1874 a net saving of 50 cents per thousand could be made in lake freight, besides a handsome saving in the cost of all skilled labor employed, and also a reduction in the price of common labor. The principal benefit to manufactures would be the increased value of lumber. No dealer here can doubt that should the receipts be regulated by the actual demand, an advance from present prices must follow. For example Manistee and Ludington produce standard dimension lumber and control that branch of the cargo sales. The receipts of 1873 from the ports amounted to 250,000,000. It is now supposed that cargo price of such lumber will be $8 at the opening of spring sales, but were it known that but 175,000,000 feet would be the amount received in 1874 in Chicago it is safe to predict an average of $2 more per thousand feet than it is likely to sell for now, would be the result.

An excess of 100,000,000 feet of lumber beyond the wants of this market, renders the market flat and causes a reduction on a season's business of more than its whole value. A few cargoes too many in any fleet make the price for the whole fleet and often of succeeding ones. It is the surplus that does the whole injury. It would seem that we are surely drifting into a market similar to 1858 and that only prompt and united action can place the lumber trade again on a profitable basis. In former times timber was of little value, compared to the present, and it was not as important that any plan should be found to regulate the manufacture of lumber. The country was growing rapidly and there was not sufficient capital invested in lumber to cause alarm as to an overstock. At present manufacturing is so wide spread that some means should be provided to better inform those interested of the amount being produced, with a view to prevent over manufacture. The remedy which I propose to meet the present emergency is to call a convention of lumber manufacturers to be held during February, to arrange among themselves to hold over a part of their logs and limit the amount to be manufactured in 1874. The convention to be held at the most accessible point, and any mill owner may become a delegate. Each large manufacturing point could send delegates and by them signatures could be obtained to any agreement made at the convention. It would not be expected that all could reduce, but if 300,000,000 feet of logs could be held over at the lake Michigan mills a fair seasons business could be anticipated.

Such a convention could decide as to the propriety of an organization to include the three great lumber producing sections of Saginaw, Lake Michigan and Mississippi, and through the advantage of such an organization owners of timber and mills need no longer operate with the uncertainty of the past—but adjust the lumber product to the requirements of trade and in this manner make a lasting value to their timber that is just now being so recklessly wasted.