

LUMBER MARKET IS ANALYZED BY CHAS. S. KEITH

President of Oregon American Company Discusses Present Conditions

The question now being asked by lumbermen from all producing regions in the United States is: What is the matter with the lumber industry?

Apparently the building program in the United States shows no abatement; industry is busy and consuming more of our product; railroads are prosperous and are spending no less in maintenance and car building; foreign conditions are more stable, and qualified judges advise demand will be five per cent greater this year than last. Agricultural prospects are good for good crops; prices are higher than in several years; the farmer is more prosperous and has greater purchasing power. His needs have been delayed and will be satisfied; stocks of lumber, mill, retail and industrial, are substantially lower than a year ago. Lumber in transit, shipped on order and placed in transit for sale, enroute from point of origin to destination, is at the lowest point in years.

If present and future consumption are at least equal to the years of 1923 and 1924; if stocks of lumber are less; if production of lumber is no greater, why is the demand from distributors hesitant? Why are manufacturers' order files lighter? Retailers are making greater deliveries than usual, and yet appear to be entering the market slowly. This condition is so unusual that it requires study and analysis.

Demand for lumber should not be confused with consumption. Consumption creates demand, and demand either anticipates or follows consumption. Normally it anticipates consumption. May not the answer lie in transportation, and apply with equal force to all industries? For ten years the demand for our product has not been seasonal, although consumption has continued on a seasonal basis. Demand has anticipated consumption, based upon time of transportation. Transportation from 1914 to 1923 was affected by the government's attitude toward the railroads, resulting in inadequate credits to provide facilities necessary to meet the nation's expanding traffic requirements, and governmental activities in co-ordinating transportation for war needs, and governmental operation; the dislocation of labor during the war to other activities; the readjustment following the war and the re-allocation of labor; the spirit of unrest, resulting in strikes and inefficiency in operation, which reached its culmination in the year 1922. This resulted in the time of delivery gradually and progressively growing longer until 1925, which necessitated ordering stocks in excess of current requirements in anticipation of future seasonal buying, and distributors probably had as much lumber in transit or under orders as they had in stock in their yards. Purchases were made in December and January to meet May and June construction requirements. Suddenly, through extraordinary efforts of railroad management and wonderful co-operation on the part of railroad employees, transportation became more efficient. Where it formerly took approximately 50 days to move a car to an average destination, it now takes about 10. Forty days of production in transit has therefore probably been released to consumption. Stocks built up in anticipation of delays in transportation were liquidated. Construction and industry have consumed in the past two years not only all of production, but all stocks released by the change in the time of transit, and by the liquidation of excess stocks carried in anticipation of delay in transit as well as 30 per cent of the mill stocks on hand two years ago. The buyer today can place his order and get his shipment forwarded to destination in 30 days or less. Why, therefore, should he anticipate his May requirements in December, when he can purchase them in April? Naturally the readjustment in time of transit results in a readjustment in time of purchase to meet current consumption. The dealer will not carry stocks he formerly carried, but will work on a smaller stock, securing more frequent turnover. He can well afford to buy only as needed, rather than store lumber, which he could only do at speculative prices. If the manufacturer makes speculative prices, his business will be unprofitable. If he attempts to regulate his production to current buying demand on the part of the distributors, the consumers of lumber will not secure sufficient production to meet their requirements at the time of consumption. Therefore, if the consumer is to be able to obtain lumber as and when he needs it, the manufacturer of lumber must provide financial and physical facilities to carry their production in excess of their current mill shipments, during such periods as the distributors are not buying, so that they may be able to supply the distributors and consumers at the time of consumption. Otherwise, if the manufacturer should regulate his production in accordance with current buying demand, at certain seasons of the year, employments would be less and at other seasons of the year his facilities would be inadequate to meet requirements. This condition would result in increased production costs and naturally increased cost to the consumer and would place the lumber industry in the same unfortunate position that the coal industry is in—an industry which cannot stock its production—and for which industry the best governmental minds have been seeking some way to avoid the fluctuations in employments and production and the great economic loss created thereby.

The change that has taken place in the industry is fundamental and requires changed methods of merchandising to meet it. It will require more courage and patience, and a better understanding on the part of the manufacturer of the nation's needs. Last year there was more lumber sold than the producer manufactured, and more lumber consumed than was purchased by the distributors, and yet some regions last year marketed their production at a loss. At the present time, current demands will depend upon rapid transportation and current production, as stocks have been depleted by consumption—from mill, industrial, retail and transit stocks—in excess of production. The trade is working as close to production as it is possible for it to do with safety to the consumer. So, while conditions are favorable from every cross-section of domestic and foreign demand, and the probably is that demand will consume more than is produced for the year, methods of merchandising must be changed to meet the new transportation conditions, i. e., the manufacturer must be willing to carry larger stocks or market his product at a financial loss.

Whenever fundamental economic changes occur in any industry, and the executives of the industry are aware of them, methods of merchandising will change to meet them. As long as present transportation conditions prevail, the manufacturer will probably provide both financial and physical facilities to stock lumber during periods that the distributors are not buying. The probable future of the lumber industry will result in manufacturers carrying large stocks, together with lighter order files, while the distributor will buy in smaller quantities and visit the market more frequently.

In the absence of present manufacturers' facilities in some regions to carry sufficient stocks; in the presence of shortages in present mill stocks; in the absence of the large amount of transit stocks heretofore enroute, it is manifestly in the interest of the distributor of lumber to carry larger stocks than he is now carrying, to meet the requirements of his trade at the peak of consumption. The dealer should fortify himself with reasonable stocks to meet the situation. The manufacturer of lumber should recognize the changed situation and immediately study his local conditions with a view of providing facilities to stock his production during periods of under-buying so as to provide lumber to meet consumers' demands at the time of consumption and at a time when production will be inadequate to meet these demands.

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STEINER RETURNS

Fred Steiner returned to Klamath Falls from Susanville last week, after an absence of nearly a year. Steiner was working in the camps of the Fruit Grower's company before he came up. He is working for the Pelican Bay Lumber company at present in the mill.



A world's champion in six months! That is the future mapped out for Frances Adams, 18-year-old Los Angeles girl. Miss Adams came into prominence almost over night when she upset the "dope" by winning a 50-yard event from a field including the best swimmers in Southern California. Her time was 29 3-5 seconds, one second slower than the present world's record. Three months ago she could hardly swim a stroke.

LAMM'S CAMP

Mr. and Mrs. A. J. Cooley left this week on a long fishing trip. We all hope they have better luck than most of us.

Iva Wilson and Mrs. Cecil Love were strongly contemplating going until Miss Wilson had the misfortune of missing a tree and cutting her shin. She said she didn't mind the cut but she surely hated ruining a brand new pair of hose. We haven't noticed them falling any more timber.

Claude Houghton, Bert Gillis, Geo. Hagedorn and Dave Anderson motored to Klamath Falls Tuesday night to attend the big fight.

Everyone seems down hearted. So much rain we're all wondering if we'll ever see the sun again.

Have heard several wishing that Badger Brady would take off his RED shirt so the sun would come out again. Guess he doesn't know that it is summer time.

Mr. and Mrs. W. L. Clement drove to Ewauna camp Sunday afternoon, visiting with the E. Normans and W. Ward families.

Miss Emma Stone arrived in camp early last week to take the place of Mrs. Jack Cooley who recently left the cookhouse.

Those to leave camp service this week were, H. (Society Red) Pygall and Patty Shanley. Red was holding down the position as camp spud peeler.

Mr. and Mrs. Jerry O'Callaghan and children of Kirkford visited camp Monday afternoon. Mrs. Callaghan called on Mrs. Cecil Lowe.

Wayne Lowe returned to camp last week after being a patient in the Klamath General hospital, having medical attention for his finger which was badly smashed. He will not be able to work for at least a month.

The Jammer and caterpillars were moved to the landing north of camp last Monday. The crew is all glad for they don't have so far to go to work.

Mr. and Mrs. W. E. Lamm and daughter, Winifred, with Mr. Lamm's uncle, Mr. Elliott were camp callers on Monday.

Geo. Hagedorn drove to Klamath Falls on Monday to attend to business matters. Be careful George, town is no place for lumberjacks.

Mr. and Mrs. E. L. Dixon and daughter, Betty Lou and Miss Carrie Dixon of Modoc Point, visited camp on last Sunday on their way to see as much of the big snows of Crater Lake as they could. This was Miss Dixon's first trip to a logging camp, which she enjoyed immensely.

The loading crew here is all feeling happy this week over a big loading record for last month. Top loader Bert Gillis says that Paul Bunyan and his Blue Ox has nothing on him and his Yammer crew BY HECK, Ha, H. I. I.

All camp is feeling blue this week over the loss of Society Red who has left us for parts unknown. We all wish you prosperity Red, wherever you may be, the we are afraid that the Red-Eye will get you first.

Mr. Driscoll, mill superintendent of Modoc Point visited the camp on last Wednesday afternoon. This was his first trip here and he declared that he liked the logging operations very much.

Former Senator McCumber of North Dakota was appointed to the International joint committee.

TENNANT ITEMS

All who attended the dance Friday night given by the Tennant Amusement club report a most enjoyable time.

Mrs. E. O. Gholson, daughter, Elizabeth, and small son, Hubert, left Sunday for their farm at Ukiah, California. They expect to remain there for six weeks or two months.

Born, Saturday, May 30, to Mr. and Mrs. Bernard Girard, a baby girl, christened Carol Gwendolyn. Mother and daughter are doing nicely.

Mr. and Mrs. C. W. Murphy, Robert Murphy, Dorothy Murphy and Pearl Murphy left Saturday by motor for San Francisco on a pleasure trip. They expect to be away about ten days, and may go as far south as Los Angeles.

A four-room addition is being built to the camp hospital, including a surgery, waiting room, dentist's office and morgue.

The blacksmith shop, which burned some months ago, is now nearing completion. A new five-ton trip hammer is being installed.

In the Ladies Guild social hall kitchen a new sink and hot water tank has been connected with the range. The ladies have also purchased a quantity of new silverware.

The latest addition to the machine shop is a Cincinnati shaper, which is a much needed device for machine work.

Mr. and Mrs. John Dollarhide, with their sons, Corrie and Morris, and daughter Dorothy motored to Klamath Falls Friday to attend the eighth grade graduation exercises, their daughter, Clara, being one of the graduating class.

Monday afternoon the Wear-ever aluminum salesman and his wife gave a cooking demonstration in the guild social room, cooking a full meal over one gas burner. Hot cakes and coffee were served to the ladies present. Mrs. H. G. Davis won the special prize, a small aluminum pan, and a beautiful aluminum casserole was presented to the guild. About 30 ladies were present. Each received a small aluminum pie tin.

Mr. and Mrs. E. F. Miller have purchased a fine new Dodge coach.

The ball game Sunday between Tennant and Lamm's mill resulted in the score of 3-0 in favor of Tennant.

Mrs. Ed McDonald entertained the Tennant Lady Elks' club at her home on C street Thursday afternoon. After the business session Mrs. McDonald served a dainty lunch, and all enjoyed a delightful afternoon.

Mrs. Wm. Hammersley left Saturday for Talent, Oregon, to join her husband, who has gone there to locate.

Mr. and Mrs. Clay Parker and Mr. Parker's mother motored to Klamath Falls Sunday. Mrs. Parker Sr. stayed to visit with her daughter for a few days.

The Tillikum club enjoyed a delicious chicken luncheon at the home of Mrs. H. J. Templeton Friday, June 5.

About two inches of snow fell here Thursday night. It was quite ornamental for a while, but not the best thing in the world for gardens.

Little Merdle, infant daughter of Mr. and Mrs. M. H. Crane, has been quite ill with bronchitis, but is showing improvement.

Shoe Repairing

—There is nothing that you wear that gets the hard wear that your shoes get.

—There is nothing that you wear that you let run down and wear out like your shoes.

—If you would mail them in when they begin to show signs of wear, we could fix them up in first class shape so that they would give miles and miles of comfortable wear.

MAIL THEM IN TODAY

GOODYEAR REPAIR SHOP

W. W. CONNORS, Prop. Next to Herald office

We can fix your shoes if the eyelets are left and if they are gone we can replace them—never throw your shoes away.

SHAW-BERTRAM CAMP

Superintendent J. F. Potter, who has not been feeling well for some time, was taken quite seriously ill Friday night. His son Willis took him to the hospital. It is thought that he has appendicitis.

Andy Reiger, the blacksmith's helper, had the misfortune to have a large wheel on which they were setting the tires drop on his foot. Andy has been applying liniment to it regularly.

Pete Miller, hooker on the jammer, says this rain is sure making lots of grass and stock ought to do well this year. Pete owns some shares in the goat ranch at the south end of camp.

Jennings King, who was promoted to swamper this week, relinquished one badger (that he caught several weeks ago) to Foreman Arthur Keenan. Keenan says he is going to take the badger to his wife, who lives in Medford, where she runs a rabbitry. (Wait till the badger sees those rabbits.)

The boys here are wondering how soon it will be advisable to send for B. V. D.s. So far there have been no signs of summer.

Since Chuck Morehouse, former cat skinner here, got married last month, notables here are figuring on getting hooked up before cold weather sets in. Albert Keady and Ed Reiger, both of whom quit here recently, were contemplating matrimony very strongly. The camp was knocked for a loop when Sawflor Mark Nobis returned from a ten-day visit to Spokane came trooping into camp with his newly wedded wife. The couple have moved to the outskirts of camp. Mark set up the cigars, but they were charivaried just the same.

The fellows in camp who are raising mustaches, and trying to raise them, are Geo. Duff, cat skinner; Roman Kintz and Joe Barratt. The latter two are anxiously waiting for the time when they can curl them.

The dance at Fort Klamath Saturday night attracted a bunch of the fellows from here. All who went there were no serious casualties. Arrived home in fair condition. Charlie Hessler, top loader, and wife drove to Klamath Falls Saturday evening to visit with friends and relatives there.

George Eastman invented the flexible ribbon film.

LOGGERS--

—send in your boots to us. Have them repaired and waiting for you when you come in.

Agents for Vanco Loggers

EVANS SHOE SHOP

1014 Main St. Klamath Falls

Gloves—Socks—Dress Shoes

EXPERT WATCHMAKERS

30 years' experience at the bench—18 in Klamath Falls

Send us your watch—We'll repair it and return it promptly

All work guaranteed

Frank M. Upp H. S. Marley

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439 SIXTH, KLAMATH FALLS, OREGON

Coal—Iron—Steel

Bolts and logging equipment

Oldest and best equipped shop in this locality in connection.

I Can't Get 'Em Up, I Can't Get 'Em Up, Says 'Dad' Fidler

N. P. "Dad" Fidler has had so much difficulty of late in getting O. P. "Spike" Darny, Dick Dow, and Al Fidler up in time for breakfast that he has struck upon an excellent plan to get them out.

"Dad" bought a record of U. S. Army bugle calls, and every morning plays first call, when it is time for breakfast. All three men are world war vets, and they come grumbling out of their beds, making remarks even too strong for Lumberlogue to print.

TO YELLOWSTONE

O. P. "Spike" Kany, formerly offer in the Pelican Bay box factory, has left for Yellowstone park, where he will take a position as cook for the coming season. Concensus of opinion around the box factory is that "Spike" will bring some innovations to the art of cooking, such as using cup grease for the lubrication of hot cake griddles, etc., and other practices which he used in the factory.

STILL AFTER UPPERS

Blacky Goucher is still going in after uppers. At present the Mormon is going after them on the front end of the big rig at Pelican.

—and then he got a long-life power-packed, Dynamic Pelico.

Battery Service Station

013 Klamath Ave.

PELICO

DIAMOND GRIND BATTERIES