

Lumber Outlook Gloomy in Tone; Lack of Demand Is Felt By Mills; Pine Better Than Fir

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Editor Crow's Pacific Coast Lumber Digest
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A majority of the lumbermen throughout the northwest have been inclined to chuckle at the recent heavy break in the stock market, for it is generally conceded that stock gambling and the attendant high rates for call money have been the basis of most of the trouble which the lumber market has experienced during the past six months. As the epidemic of stock speculation has grown the inability to borrow money at reasonable rates for building purposes has become more pronounced and this has had a definite reflection in a very marked falling off in building permits in the larger cities of the United States.

The lumber manufacturers have made a determined effort to regulate the production to the shrunken demand, but on account of the steadily declining purchases and the increasing footage which is being dumped into the American markets from the Canadian mills, the situation has been discouraging.

Analyzing the major markets today presents rather a doleful tale.

Car Material Demand Good

The brightest spot at the present time is the car material demand, which has been stimulated by a large purchase by the Santa Fe railroad. The car material demand had held up straight through the year much better than it usually does, as ordinarily there is not a great deal of this class of business through the summer months. While car material prices lost a little ground, they have held up well and sales have been made during the last week that have brought fully as much money as has been obtained any time this year for similar items. While there is little immediately in sight upon which to definitely base a prediction, it is claimed on good authority that the prospects are for an increasingly active car material demand for the balance of this year and through the winter months. As car material takes the same class of stock that goes into many retail yard items, the outlook for car material orders is a cheerful development.

Although the demand for retail yard items for shipment into the middle west and eastern rail markets has not been particularly active, the heavy production regulation programs have held stocks down to the point where sales of hard assortments in mixed cars, which is the way the retailers now prefer to buy, have held up well in price, and mill stocks are so low that it would take only a very limited increase over the present volume of buying to give mixed car business plenty of backbone. On the other hand the small and medium sized plants that are not in position to ship finished uppers, such as flooring, ceiling, finish and drop siding, in with their common boards and dimension, have been faring badly.

With most of the retailers somewhat suspicious of the market, they have been more reluctant than ever to anticipate their wants and consequently have preferred to pay more and get a little of everything in each shipment, even though they could effect substantial savings by buying straight cars of common that carried quantities greater than they require for immediate needs. Long dimension especially has suffered. This class of business has been one side of the market which has been especially hit by the Canadian competition, as there are several mills on Vancouver Island that have timber adapted to the production of common boards and dimension and their competition during the past few weeks has been unbeatable for the American small and medium sized operators.

Export Business Sluggish

The water markets are worse condition than the rail markets. Export business has been sluggish, mostly on account of the tapering off in Japanese purchases and the continued lack of a revival in Australia. Export merch prices have lost a little ground in price but nothing in comparison with the domestic water markets. Export clears, the bulk of which moves to the United Kingdom, are in excellent demand and the mills are securing top prices for that class of business, which is easily secured.

What the future of the export market is no one can say. It is

a normally dull season for Chinese buying but lumbermen in position to judge are of the opinion that China will make a good volume during 1930, with new placements very likely beginning in January. Whether this will be enough to offset the shrunken Japanese demand remains to be seen.

The Atlantic coast cargo market is in a deplorable condition. Eighteen months ago it was impossible to sell hemlock boards on the Atlantic coast for more than could be obtained for fir and it appeared as though this excellent wood was at last coming into its own. Due to the advantage which the British Columbia mills hold in freight to the Atlantic coast through being privileged to charter foreign bottoms, hemlock prices have been hammered down steadily since early in the spring and have lost so much ground that it is impossible for the American mills to market this wood on the Atlantic coast profitably. The same thing is true of fir, although not to such an extent. Fir prices on the Atlantic coast have declined sharply. Without question, the inequality of the British Columbia competition has been the unknown quantity which has brought on distrust and confusion even among the American mills and wholesalers and has been the principal factor in placing the Atlantic coast market in its present condition.

California Trade Dull

The California cargo market is in much the same condition as the Atlantic coast. Even though the accumulations unsold on the dock at San Pedro, which are frequently taken as a barometer, have been reduced considerably, the condition of the market in California is bad, as fall buying has been tardy and the retailers are taking full advantage of their ability to say what they will pay. It is claimed on good authority that general conditions in California are good and it is possible that construction work will get under way during the winter months sufficiently to make up for the lack of fall business, but the cities in California are feeling the pinch of high money rates the same as elsewhere, particularly so in Los Angeles. The rail business into the inland parts of California that are served by Oregon mills has been slightly improved of late but the softness of water prices has permitted backhauls farther than usual, as is always experienced under such conditions and the rail business is therefore below normal for the season.

The red cedar shingle market has been limping along, suffering under the same conditions that have been holding back the demand for lumber. Red cedar shingle prices are down to a low point, so much so that many mills have found it necessary to close, even though the product of the Canadian shingle mills continues to come into our domestic markets and take the business away from the American mills. The demand for shingles has been disappointing. It had been anticipated that the prosperous condition of most of the agricultural sections would mean a better demand for red cedar shingles through the fall months than there has been for some time, but this business has been a great disappointment, and shingle prices have been correspondingly affected.

Pine Mills Affected
It happens frequently that the pine mills east of the Cascades are enjoying a good demand while the fir manufacturers are in the dumps, but for several months now the trend of the pine demand has run parallel to that of fir. The most serious feature of the pine market today is the lack of a satisfactory volume of shop grade orders. The pine mills are going into the winter with much more shop on hand than they had last year. Until recently, shop prices had held comparatively firm, and while

there has been no heavy break, some concerns have in their anxiety to get stock moved before the bad weather begins, made price concessions, and the entire pine market is inclined to waver. The pine mills are in a better position than the fir on account of the fact that they are accustomed to putting their lumber in pile for seasoning and once on sticks it is not so difficult to hold it after it is dry, it that seems the wise thing to do.

The sash and door factories throughout the east and middle west have felt directly the falling off in building permits and this has enabled them to hold their purchases down to a minimum. Ordinarily the large factories place orders for big quantities of shop lumber prior to the opening of the building season but this year they have made their purchases on a hand-to-mouth basis and some manufacturers are beginning to fear that this method of buying will become a fixed method, which would be regrettable. The pine box factories have enjoyed an active season, which has now passed its peak. The pine box factories are still operating to capacity but from now on the output will gradually decline.

Taken as a whole, the outlook for the lumber market the balance of this year is rather gloomy and it is to be hoped that the abandonment of the hysteria of stock speculation will be completed by the first of January and that money will be available for legitimate demands so that spring building can make up for the dull period that is being experienced the last half of this year.

DOG LICENSES CAUSE WORRY

John Doe Gillespie, charged with harboring an unlicensed dog over the age of eight months, has entered a plea of not guilty to the charge before Justice of the Peace W. B. Barnes.

The complaint against Gillespie and one against C. J. Bradbury were filed by B. L. Dodson, special deputy sheriff, who has been employed by the county to check up on all unlicensed dogs in the county.

All dogs over eight months of age must be licensed by their owners by March 1 of each year or within one month after they become the owner of the dog.

TOOK BOOZE TO DANCE, FINED

Roy Wimer yesterday paid a fine of \$75, imposed by Justice of the Peace W. B. Barnes after he had pleaded guilty to a charge of possession of intoxicating liquor at a Merrill dance hall.

It's strange how many children become deaf when the leaves begin to fall.

SHE'S NOW LIKE A NEW PERSON

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The poor we have with us always, but almost any modern can refer to his other pants without seeming boastful.

CHRISTMAS PORTRAITS
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Avoid the Rush
May King Studio

BOY TO ENTER HIGH SCHOOL

The "Big Tent," Seventh and Pine Sts., was dark last night, for the first time since "The Little Minister" started his revival. Monday was rest night for the family.

There will only be two more meetings and then this likeable lad, Richard Headrick, will hurry north to Dallas, Oregon where he is to have a new experience. He has matriculated in the high school there, and will have the pleasure of becoming a real school boy. His education so far has been taken care of by a private tutor.

Richard feels that all his friends in Klamath Falls will attend tonight and tomorrow night's meeting. He is tightening his belt and getting ready to preach better than ever. His

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GENERAL VIOLET RAY ANTI-KNOCK GASOLINE

subject tonight will be, "The Open Door." His farewell sermon will be "The Closed Door." All are invited.
Mrs. DeVries, who has so ably conducted the song service in "The Big Tent," will give a solo at tonight's meeting.

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LEVENS ILL.
SALEM, Ore., Oct. 29, (AP)—William S. Levens, assistant attorney general for Oregon, and former state prohibition commissioner, has been seriously ill at his home here for several days with intestinal influenza. He is reported improved today after a restless night.

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COMPLETION by Southern Pacific of its new line connecting Klamath Falls with the transcontinental OVERLAND ROUTE, opens for travel a new and shorter route to the mid-west and east.

Thru service to Chicago without change of trains

Between Klamath Falls and Chicago direct, thru passenger service has been inaugurated via Alturas and Ogden. You may now go to Chicago from here without change of trains by boarding Pullman sleeper leaving here daily at 9:30 a.m. This train also provides local service between Klamath Falls, Reno and Ogden.

Now... only \$30.56 direct to Ogden

With the opening of this new route a substantial reduction is made in passenger fares. From Klamath Falls to Ogden, for example, the fare is only \$30.56. Thru Pullman sleeper is operated daily between these points.

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Southern Pacific

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