

10884c

4

LOG PURCHASES

The past year we purchased 5,019,569 ft. of logs, and as stated we have contracted at the present time the Hemlock production of the Ahonen Lumber Company which will no doubt total something over five to six million feet including the logs he now has in deck at Ironwood.

STOCK CONDITION

We have little or no inventory of lumber on hand and stocks are moving direct from the saw. Hardwoods are going into dry kiln as fast as space is available and kiln space is sold up for all available lumber. Indications are government restrictions will become more restricted so that the government will have first call on all lumber production. ← note

SALE OF LAND

During the past fiscal year we sold 7,943.35 acres of land for \$14,310.00, or an average of \$1.80 per acre and one lot at Appleton for which we received \$775.00 cash. average left -

CURRENT OPERATIONS

The sawmill is operating 50 hours per week basis and present wages for common labor is 62-1/2¢ per hour or 68-3/4¢ per hour based on overtime basis. The camps in the woods are operating on 48-hour per week basis and common labor is paid 57-1/2¢ per hour or 62-1/4¢ per hour on overtime basis. Mill men are none too plentiful and experienced mill men for key positions are not available, which make operation from a production standpoint very difficult. Agricultural labor for the woods has been of a very material advantage the past winter and has resulted in outstanding production accomplishment so far as our operation is concerned.

MARKET CONDITIONS

Lumber stocks in the North are only about 15% of normal in both Hardwoods and Hemlock with production of logs running about 25% over the winter of '42-'43 with a decrease of 25 to 30% of the Hemlock logs going into lumber, indicating that paper mills are getting a larger percentage of this production. This is no doubt due to the price of Rough Hemlock logs moving at \$24.00 per M ceiling price which is more than lumber operators can realize out of lumber production. Indications are that 20% of the Hardwood log production will go to outside sources such as Veneer mills, etc., while 10% over winter of 1942 to 1943 production will go into lumber. This picture may, however, change very materially after June 1 due to upset in present Selective Service Regulations.

The management wishes to thank the officers and stockholders for the excellent cooperation and consideration shown and are much appreciated.

Respectfully submitted,

Johanna

Manager, Rib Lake Lumber Company.