

# Reduced Demands for Luxuries

## Luxury Prices Falling—Transition From Silk to Wool— Duty of Investors to Support Production of Necessaries—The Primary Processes First

By B. K. SANDWELL.

Commercial travellers and retailers in the dry goods business report a largely reduced demand for silk fabrics and several other classes of what may be described as luxury wearing apparel. Prices in some of these lines have fallen off as much as 50 per cent. This movement is going on at the same time as an actual upward movement in the price of necessary wearing apparel even of the highest grades. Woollen fabrics, will, it is expected, reach higher prices before next winter than they have ever attained before, and many classes of cotton goods are becoming almost unobtainable.

This seems to be the logical way for the downward movement to commence. The prosperous portion of the human race has been constantly adding to its requirements for the last twenty years, and has done so with exceptional rapidity for the last four years. Many of the things thus added are articles of pure luxury and display, and these will be the first to feel the results of curtailing buying power. A good cloth suit is not a luxury in spite of its present high prices, and the demand for that class of article will persist long after the demand for silk underwear has fallen to a fraction of its recent volume. It will be some time before the productive power which has been diverted into the manufacture of luxuries will get back to the production of necessities and thereby effect an increase in their supply and a consequent reduction in their price. But within a few years a much more healthy distribution of producing activity should be effected. The chief trouble will be with the raw materials. Labor can be transferred from the manufacture of silk goods to the manufacture of cloth goods without any great difficulty or delay. But labor and capital cannot be diverted from silk worms to sheep at a few week's notice. Both the woollen and the cotton industry will continue to be handicapped by short supplies for another two or three years,

but it is satisfactory to know that the process of readjustment has at last commenced.

It is an unfortunate effect of the system of taxation in vogue generally on this continent and to some extent in Europe, that it tends to encourage certain classes of luxury expenditure, which actually enable the spenders to evade taxation and to pay for their luxuries largely at the expense of the government. A great benefit could be obtained if the system of taxation could be so readjusted, at any rate for the next few years, as to bear much more heavily upon luxury expenditures and to exempt, or at least tax very lightly, the sums which are spent on necessities, or on increasing the means of production. Canada in particular, would stand to gain very largely from such a system, for her own productive machinery is devoted chiefly to necessities and her demand for luxuries is largely satisfied by importation from other countries.

Investors of capital have it in their power to aid materially in the process of readjustment and to serve their own interests in so doing. Increases in the capital devoted to the production of luxuries should be looked upon with disfavor for the two vital reasons, that they are against the public interest, and that they are quite likely to become much less profitable in the near future. Increases in the capital devoted to the production of necessities should be favored, particularly if they deal with the primary process by which the raw materials are obtained from the natural resources of the country. The individual capitalist can do much to affect the supply of capital in such industries. The individual cannot do much to affect the supply of labor, but he can influence his government towards the wise policy which will encourage the workers to seek such employments as are most likely to be beneficial to the community.

## Good Year in Paint Business

The successful manner in which many Canadian industrial concerns have met the period of reconstruction is reflected by the annual statement of Brandram-Henderson, Limited, for the fiscal year ending December 31, 1919. The company not only reports a considerable increase in earnings, but also has established a new high record in point of sales. This growth of sales reflects the expansion of the company's business both at home and abroad.

The company has also made an important rearrangement which will widen its scope for export trade by effecting a new agreement with Brandram Bros & Company, of London, England. Under a previous agreement between the Canadian company and the English concern, the right of Brandram-Henderson, Limited, to sell white lead outside of certain allotted countries in Europe was withheld for a period of twenty years from 1906. As a result of a supplementary agreement arranged by the President, George Henderson, the Canadian company will now be able to effect the sale of the greater number of its brands of white lead to buyers in all parts of the world, except in the territory constituting the Empire of Russia before the war. Already large sales have resulted from this agreement and increased production has, in consequence, been provided for at the lead works at Montreal.

Of special importance to the company's general business is the announcement that an interest has also been secured in the Pacific White Lead Company, Limited, corrodors and grinders of white lead, of Vancouver, B. C., and an arrangement made with this company whereby the direction of its sales policy and the general conduct of its affairs will be assumed by Brandram-Henderson, Limited.

### President's Review of Trade Conditions.

Regarding general trade conditions, George Henderson, the President, reports:

"During the early months of the year, foreign sales were disappointing, but as the months passed by conditions rapidly improved, until, by the end of the year, our export shipments and booked orders represented a bigger percentage of the totals than ever before. This was in no way attributable to any decrease in home trade, because each Canadian division reports a half-yearly increase, and also an increase for the year.

"Your subsidiary, the Alberta Linseed Oil Company, Limited, has been kept in full production throughout the year, except during a few weeks in early autumn, when it was impossible to secure seed, and has been a source of great advantage to the parent company.

"Your Directors consider the position of the company justifies their recommendation of a

continuance of the present dividend of seven per cent on the preferred and an increase to five per cent of the dividend on the common stock, payable quarterly to shareholders of record one month prior to dates of quarterly payments."

### A British All-Electric Home

At the "Ideal Home Exhibition" recently in London, England, one of the exhibits consisted of a modern house equipped throughout with electricity, not only for lighting but for cooking, heating, (including the heating of water for kitchen, bathroom, and all other purposes) and the electric driving of vacuum cleaners, machines for washing dishes and for washing clothes, serving machines, and plate and boot polishing machines.

An elaborate freight and passenger air service is being planned in Alberta by the Edmonton Air Craft Company. Beginning with two machines capable of carrying four passengers and 1,000 pounds of freight, they propose making two trips daily between Calgary and Edmonton and between Edmonton and Peace River. The first journey will be accomplished in two hours and the latter in three hours.

A farmers' coal company has been formed at Lampman, Sask., with a capital of \$500. The first company of its kind in the west. Practically all the stock has been taken up by the farmers in the district. A shaft has been sunk 174 feet and a seam of coal 11 feet thick has been found. The coal is semi-bituminous and the mine exceptionally well equipped. A seam of brick clay also found and will be developed.

Practically every foot of land in British Columbia between Sumas Mountain and the mouth of the Fraser River has been placed under oil lease, according to G. McGee, the Dominion government agent. Some of the leases extend down to the shore and overlap the oyster leases, bringing about complications. There are already three rigs operating in the field.

### DIVIDEND NOTICES.

#### The Steel Company of Canada, Limited

##### ORDINARY DIVIDEND NO. 13.

Notice is hereby given that a dividend of one and three-quarters per cent on the issued and fully paid Ordinary Shares of the Company has been declared for the quarter ending March 31st, 1920.

##### PREFERENCE DIVIDEND NO. 35.

Notice is also given that a dividend of one and three-quarters per cent on the issued and fully paid Preference Shares of the Company has been declared for the quarter ending March 31st, 1920.

The above dividends are payable May 1st, 1920 to Shareholders of record at close of business, April 10th, 1920.

By order of the board.

H. H. CHAMP,

Treasurer.

Hamilton, Ontario, March 30th, 1920.

#### HOLLINGER CONSOLIDATED GOLD MINES, LIMITED.

(No personal liability.)

A dividend of 1 per cent on the paid up capital stock of the Company has been declared payable 21st April 1920, on which date cheques will be mailed to shareholders of record at the close of business on the 10th day of April, 1920.

DATED 1st. April 1920.

D. A. DUNLAP,

Treasurer.