NEWSPRINT PAPER CONSUMPTION FAR EXCEEDS PRODUCTION IN U. S.

Consumption of newsprint paper in the United States has increased 21 per cent. in the last five years, during which period domestic production of the commodity has shown a gain of only 5 per cent., according to a survey of the newsprint paper situation published in the May Commerce Monthly, the magazine of the National Bank of Commerce in New York. Although the present acute newspaper shortage is partly due to greatly increased use of paper in newspaper advertising, this lack of a normal increase in production is one of the principal causes of the stringency, the bank says.

In 1909, it is pointed out, the United States produced all the newsprint paper it used, but by 1919 it had become dependent on foreign sources for a third of its supply. Between 1899 and 1904 production increased 60 per cent. But between 1904 and 1919 the increase amounted only to 45 per cent.

"Canada's recent development as a newsprint producer has been much more marked than our own," the article states. "While only one plant has been constructed in the United States since 1909, Canada has increased her pulp mills 57 per cent. in that time. Her production in 1917 was 689,847 short tons, as compared with 1,359,012 tons in the United States. Canada uses between 10 and 15 per cent. of her own production and exports the rest almost entirely to the United States. Most of our foreign supply comes from Canada, but small amounts are also imported from Norway and Sweden."

Although imports of newsprint paper increased 98 per cent. in the last five years, this country's exports during the same period increased 81 per cent. Argentina led the countries of the world in purchasing newsprint from the United States. During 1919 this country exported nearly a sixth as much newsprint as it imported.

Fire Premium Increase in 1919 Indicates Larger Losses in the Future

Fire insurance is a business that makes the best of balance sheets a mere guess.

When this year was quite young and the enormous business in fire insurance for 1919 was being tabulated. The Insurance Field pointed out that the largely increased premium receipts would have the unfortunate effect of making it appear that the insurance companies had made enormous profits when as a matter of fact the result was wholly indeterminable. The increased values that brought forth last year's big premium increase would seem to take their place in the fortunes of new business upon which the losses require three years to become normal. The increase in liability reserve was also very great.

Now comes Commissioner Mansfield of Connecticut, a most experienced observer who comments upon the tabulated results from the same standpoint. He says:

The decrease in the percentage of losses incurred to premiums earned is the outstanding feature of the tables. This is due in large measure to the increased volume of premiums received on account of enhanced property values. It should not be taken as an indication of what may be experienced in the future as the same factor producing the premium increase naturally indicates larger losses in the future. The underwriting gain is nominal rather than real.