While some very high prices were obtained for these products in the American markets during the past year, the average selling prices as given at the inquiry show conservative profits. The cost of producing sulphite, according to Mr. E. H. Smith, treasurer of the Abitibi Power & Paper Company, was \$28.57 per ton in 1915, \$33.65 in 1916, and \$41.69 in 1917. According to Mr. A. H. Bowness, superintendent of the E. B. Eddy Co., paper mill, the cost was \$41.56 per ton in 1914, \$42.99 in 1915, \$43.33 in 1916. and \$52.57 this year. Mr. R. W. Loathwood, of the St. Maurice Paper Co., stated the present cost at \$44.01 per ton.

As to cost of producing groundwood pulp Mr. Loathwood gave the following figures: \$16.58 in 1914, \$16.80 in 1915, \$15.73 in 1016, and \$17.51 in 1917. According to Mr. P. B. Wilson, of the Spanish River Pulp and Paper Mills, the cost of groundwood at their mills was \$17.75 per ton in 1914, \$16.71 in 1915, \$15.81 in 1916, and \$18.40 in 1917. Last year a surplus of 5,600 tons had been sold in the American market at \$2237.

The cost data presented by different mills necessarily shows variation due to such conditions as cost of power, distance from wood supply, labor conditions and a dozen and one other important factors, so that in endeavoring to determine an average and equitable cost for Canadian mills the Commissioner appears to have tackled an impossible job. Ex-

cepting a few cases the mills have not secured abnormally high prices for their product in the American market, evidence being produced to show the average price received by one mill for newsprint during March and April last was \$54 and \$55 a ten, while the cost to-day was \$50.51 per ton.

PRICES RECEDING.

The mills also produced data showing that prices were falling under the normal influences of increasing supply. Admitting that very high prices were obtained last year on a few individual contracts for immediate deliveries, the mills showed that these conditions had largely been overcome. Newsprint production in Canada had increased some 700 tons per day during the past year, and the production of groundwood and sulphite pulp had also been greatly increased. In addition, costs were increasing steadily. Wages, raw materials, machinery, supplies, and practically all products entering into the manufacture of paper are advancing steadily in price, so much so in fact, that one witness gave as his opinion that the cost of producing newsprint would be \$70.20 per ton in December.

of go over the books of the leading paper concerns, and further bearings are suspended till this report is received. In the meantime, the mills are forced to sell paper in Canada below cost.

The Wool Situation

Adequate Supply in Sight for Canadian Mills By E. S. BATES.

In spite of the acute shortage in the world's supply of wool staple and the extreme measures taken by the British authorities to insure an adequate supply for military requirements, the British Government has granted permission for the export of 5,000,000 scoured wool from Australia to Canada. This amount, it is estimated, will guarantee an adequate stock for Canadian requirements for the bal ance of the year. The British Government controls the entire Australian and British wool production. Similar permits have been extended to France and the export of 16,000,000 pounds of scoured wool to the latter country from Australia.

These shipments will be distributed by the Department of Trade and Commerce through the Canadian Wool Commission. It is announced that the first shipment has been made, and deliveries will continue regularly as ocean freight space is available.

DOMESTIC WOOL SITUATION.

The market for domestic wools is very active. The Eastern clip is now practically all on the market. The prices ruling have been the highest ever recorded in this country. The quantity produced by the Co-operative Wool Growers' Association shows a large increase over previous years, and as these wools are well prepared, clean, and of good quality, this feature is most satisfactory. The co-operative wools were sold at central depots after being graded.

The average price received at the Quebec sales was 54 cents per pound. Medium combing brought 564c; low medium combing 554c; coarse combing 534c, and blacks and rejects 43c. Over 200,000 pounds were offered.

The Guelph sales of Ontario wools held two weeks ago brought still higher prices. Nearly 300,000 pounds were offered, of which abroximately 85,000 lbs. was medium combing, 65,000 lbs., low medium combing, and 95,000 lbs. coarse. The prices realized were as

| Grade: | Price |
|----------------------|-------|
| Fine Medium Combing | 67c |
| Fine Medium Clothing | 67c |
| Medium Combing | 66c |
| Low Medium Combing | 63c |
| Coarse | 57c |
| Lustre | 57c |
| Rejects | 50c |
| Gray and Black | 46c |
| Locks and Pieces | 34c |
| Tags | 26c |

The shrinkage test on these wools showed 48 per cent on fine medium combing, 40 per cent on fine medium clothing, 451/2 per cent on medium combing, 40 per cent on low medium combing, 38 per cent on coarse and 37 per cent on lustre wools.

Prices ruling in the open market : chases by mills and dealers from quoted on the following basis: Unw parse, 60c to 61c; v 71c to 72c. 75c: coarse.

The Western clip is now coming on the market. the United States. Permission has been given for A few sample shipments of Alberta wools are now on view in Toronto, where sales will be held early in August. It is expected that several hundred thousand pounds of range wool produced by members of the co-operative wool associations will be sold at that time. In Manitoba arrangements are being made for the collection, grading and sale of the wool produced in that province at a central depot in Winnipeg. In addition, buyers are now in the West purchasing what clips are offering outside these sources.

> Although the home mills have tendered regularly at the saies already held, the competition of American dealers and consequent high prices offered has practically excluded them from securing the clips. The prices paid at the Ontario and Quebec sales are totally out of line with those ruling in the English markets. The wools are admirably suited for combing purposes and as the United States mills are shut off from their normal supplies of these wools from England and New Zealand, they are eager purchasers of the Canadian product. The result is that the prices paid for Eastern domestic wools during the past month have been 10 cents and over above prices ruling on the English markets at which Canadian mills can purchase English and Australasian wools and land them here. Of courte, the difficulty in securing shipment of foreign wools has had a big influence on the market here.

It is entirely wrong that Canada should permit the export of domestic wools at this time, while England is making every effort to conserve a supply for herself and the Allied cause. Foreign wools must be imported to take the place of the domestic wool being exported, and such a situation cannot be in the best interests of the Empire. The Australian and New Zealand wool production was taken over by present time is to get water-borne coal distributed the Governments on an entirely satisfactory basis to the producers, but the prices paid were not to be compared with those now ruling for the Canadian these can be built up, it is going to throw a very clip, set by competition of American mills. The Canadian mills long ago expressed their readiness to co-operate with the Federal authorities in taking Drayton, Chief Railway Commissioner, to undertake over the domestic production on a reasonable price to control the coal transportation problem. Through basis. The suggestion brought a great howl from the farmers, with the above result.

CONSUMPTION OF WHEAT, BEEF AND BACON TO BE REDUCED.

Hon. W. J. Hanna, food controller, issued the following statement on Wednesday, July 11:

The consumption of wheat, beef and bacon in the Dominion must be reduced by at least one-third to meet the needs of the Allied armies and people. Every man, woman and child in Canada is under a direct war obligation to assist in that reduction. The consumption of flour in England and France is being reduced to between three and four pounds per person per week. Canada and the United States must reduce their normal consumption of wheat by 160 million bushels this year to meet the added requirements for export. Russia has been enduring four meatless days a week. Households in England are under voluntary obligation to limit their consumption of meat to two and a half pounds per per-

The Allies look to Canada to relieve their food shortage. Both the producer and the consumer must assist to give that relief, the producer by producing The Commissioner recently appointed an accountant and conserving to the utmost of his capacity, and the consumer by substituting perishable, and conserving storable foods for export. By such joint action the soldiers of Canada, the Empire and the Allies will be strengthened in the struggle for victory.

> Economy in the use of foodstuffs, particularly of wheat, bacon and beef, is imperative. Waste in the hotels, restaurants, clubs and homes of the $\operatorname{Dominio}\mathbf{n}$

> The committee on the control of food consumption, consisting of Mr. Justice Rose, chairman; Miss Mary U. Watson, Mr. George Wright, and Mr. W. A. Cooper, has been in session for two days. Within a very short time it will have proposals to submit for the consideration of various classes of consumers. Meetings will then be held at various centres to discuss the proposals with the various elements and interested affected.

(Signed) W. J. HANNA, Food Controller.

COAL EXPERT APPOINTED.

To Assist in Securing Adequate Supply of American Coal.

The necessity for Canadian coal consumers to make all possible effort to lay in their fuel supply at the earliest possible moment is emphasized by Mr. C. A. Magrath, Fuel Controller, in a statement issued last week. He also urged the strictest economy in the use of coal, and the substitution of wood and coke wherever possible.

The services of Mr. H. P. McCue, of Pittsburg, have been secured to facilitate the filling of contracts and the prompt forwarding of shipments to Canada. Mr. McCue, who is one of the foremost authorities on coal and transportation in the United States, is opening an office in Pittsburgh, and the intention is that he shall keep in touch with the coal production committee at Washington and generally supervise and expedite all coal exports to Canada.

Mr. Magrath reports that the authorities at Washington have undertaken to give him every possible support in his task. Central Canada is one of the most important markets for the coal fields of the United States, especially those south of the Great Lakes. The coal operators there will wish to retain the Canadian market after the war, and this factor will doubtless cause them to look after their Canadian customers almost as effectively as they have in the past. Mr. Magrath points out that the coal situation in the United States is just about as critical as it is in Canada. The speeding up of industry there is taxing the coal mines, as well as the transportation facilities, to the very utmost

The greatest concern of the Fuel Controller at the in Canada. At the present moment, deliveries are distinctly below those for former years, and unless heavy load on the railways later on. Mr. Magrath also announced that he has arranged with Sir Henry team work of this sort, he anticipates that Canada's fuel difficulties will be successfully solved.