

PULP WOOD EMBARGO UNDESIRABLE

Says Manufacturer—Tariff is Reasonably Satisfactory— Situation in Newsprint Industry

Last year, prices of newsprint were again increased and Canadian newspaper publishers hinted quite freely that it appeared to them that the newsprint manufacturers had conferred with a view to refusing to accept orders for delivery after January 1st, 1917, thus creating a big demand at rising prices at that time when all buyers would be in the market.

Could Not Agree.

At a conference of newspaper publishers and newsprint paper manufacturers, held at Ottawa, in October, the manufacturers adhered to the price of three cents a pound quoted as a minimum. The paper manufacturers quoted figures showing increased cost of labor and raw materials. It was not claimed that the increased cost of production to-day was sufficient to account for the proposed increase of 60 per cent. in the price of newsprint paper, but the manufacturers endeavored to justify so large an increase on the ground of the uncertainty as to certain further increases in cost of production, coupled with a desire to take advantage of the present strength of the paper market of the world.

The publishers conceded that some increase might be necessary, but took the position that the proposed minimum price of three cents a pound was prohibitive. For some time past efforts had been made to meet the present conditions and other increases in cost of production by advancing subscription and advertising rates, and by the elimination of paper waste and other reductions in paper consumption.

Further increases in advertising and subscription rates would be necessary, but it would be impossible to make so large and immediate increases as would be necessary to meet an increase of 60 per cent. in the cost of paper.

As the publishers and the paper manufacturers were unable to reach an agreement, the request of the former for an investigation by the government stands.

Increase in Business.

Discussing the situation with *The Monetary Times*, Mr. F. J. Campbell, general manager of the Canada Paper Company, Windsor Mills, Quebec, said: "The growth of the demand for paper in the home market is due partly to a great increase in business after a period of stagnation, and partly and substantially to the fact that importation which was formerly heavy has almost entirely ceased.

"No man can judge the future in such a time as the present, but it would appear that the manufacturers are assured of a good home market for some time to come.

"The export trade has not been developing, quite the contrary; it was decided that the home market must first be taken care of, and therefore, orders for export have been cancelled and their solicitation discontinued so far as other papers than newsprint are concerned.

"The shortage of chemicals is certainly affecting the manufacturing cost. Canada is progressing in this line notably in the production of bleach.

"Competition from the United States no longer exists. A number of United States buyers have offered tempting offers to Canadian mills without any acceptances so far as I know.

"The tariff as it stands is reasonably satisfactory, although the policy of the government in charging duty on the present value of commodities contracted for when prices were low, is irksome.

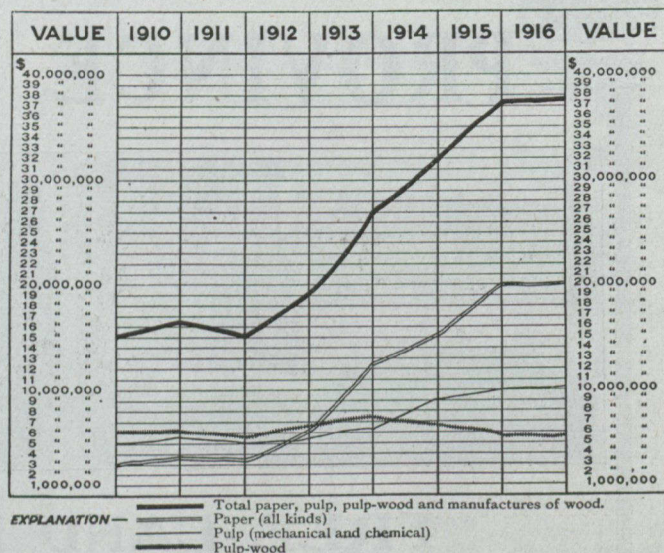
"There has been some discussion in the press as to a further embargo on pulpwood; in view of the open market we have for paper in the United States this would not appear to be a desirable step. Crown lands pulpwood is already embargoed and matters might well be left where they are.

"The advancing cost of paper is world wide and the shortage is world wide, so that increasing prices are entirely logical."

During the 12 months ended March last, the amount of printing paper exported was 463,204 tons, or at the rate of 1,544 tons per day, as compared with a tonnage of 292,579, or 975 tons per day in the corresponding period ended March, 1914. In the export of and demand for wrapping paper there are also similar developments, and these, even before the outbreak of war, attained considerable proportions as shown

in the accompanying diagram compiled by the Canadian Bank of Commerce:—

Canada's Paper Exports.



The new mills proposed and in course of construction, and extensions to existing ones, if carried out as intended, will add a capacity of 840 tons of newsprint per day before the end of 1918.

Production of Newsprint.

The following is a summary of the August report of the Newsprint Manufacturers' Association, showing the average monthly production and the stocks on hand at the end of each month:—

	United States.		Canada		Canada and U.S.A.*
	Production.	Stocks on hand.	Production.	Stocks on hand.	
	Tons.	Tons.	Tons.	Tons.	Tons.
January	88,522	54,255	41,817	29,831	84,086
February	82,566	55,616	41,833	30,485	86,101
March	91,110	51,523	45,396	28,979	80,502
April	87,860	44,232	41,572	23,766	67,998
May	96,224	46,188	47,048	22,824	69,012
June	94,361	44,310	45,790	20,767	65,077
July	86,321	40,961	43,856	21,136	63,097
August, 1916	92,978	40,461	43,559	21,235	61,696
Total, 8 mos.	719,942	350,871	72,196
August, 1915	83,966	67,014	34,815	32,778	80,490
Total, 1915	1,001,662	54,592*	428,856	25,898	99,792

*Average monthly stocks on hand.

United States Interests Here.

An interesting sidelight on the newsprint situation was thrown by a letter recently written by the editor and publisher of *The National Republican*, a paper printed in Muncie, Ind., and addressed to the American Newspapers Publishers' Association. In discussing the paper situation this publisher said:—

"When the movement for free trade in paper was fostered by your organization under the Taft administration I wrote your president, Mr. Ridder, that I considered it unwise and unpatriotic for United States newspapers to ask for privileges in the matter of tariff discrimination and that the ultimate effect of it would be to destroy the United States print paper industry, submit United States newspapers to the exactions of foreign combinations, and ultimately would increase the price of paper.

"This has happened. The growth of the United States print paper industry was arrested, the price of paper was never lowered, except, perhaps, to some important newspapers by the Canadian manufacturers, anxious for this legislation, the building of United States paper mills was stopped, millions of dollars of United States money have gone to build up Canadian industry at the expense of United States industry. Canada reciprocated by forbidding the exportation of pulpwood from crown lands."