

Monetary Times

Trade Review and Insurance Chronicle
of Canada

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HIGH COST OF READING

Talking to a gathering of newspaper men some years ago Hon. George P. Graham expressed the opinion that what our newspapers needed was less paper and more pulp. In other words, there is extravagance in the use of news paper and insufficient concentration of news and comment. The size of our newspapers has for years been the subject of jibes, chiefly by the reader, too. For some reason, most publishers have continued to waste paper, spreading their print unnecessarily. The crisis in the chemical industry, due directly to the war, has already reduced considerably the size of English newspapers which by no means have been sinners in wasting paper as have always been the American journals.

The effects of the chemical shortage are now being felt here. The industries dependent on paper are competing with explosives factories for sulphuric acid which has advanced more than 300 per cent. in price. Much wood pulp is made with that chemical. After sulphite pulp has been produced it must be bleached. Bleaching agents are scarce and the news paper consequently is assuming a yellow color. In ordinary times, paper is tinted white, after bleaching, with German coal tar blue, and as Mr. James Collins, a chemical expert, recently reminded us, that blue "is rapidly becoming a memory in the market, and paper becomes more and more bilious in hue. Six months from now, if the shortage continues, people may be glad to have even bilious paper."

Prices of paper have advanced from 20 to 50 per cent. The mills will not contract for supplies very far ahead because while pulp is plentiful, it is useless without the proper materials for treating it; and the necessary chemicals are still rising in price. Bleaching materials have risen from 2c. a pound to 10c. and 15c. Casein, which formerly sold at 7c. is now 20c. a pound. If this situation develops, the financial and the daily newspaper may yet become a necessary luxury. The high cost of reading will be something which the present generation has not previously known.

OUR RAILROADS

In explaining, in the House at Ottawa, this week, the proposed loans of \$15,000,000 and \$8,000,000 respectively to the Canadian Northern and the Grand Trunk Pacific Railways, Sir Thomas White, finance minister, stated that this continual giving of aid was "intolerable" and that the time had arrived for a permanent solution of our railway problem. The staid, Conservative Montreal Gazette, writing of the same topic, says: "The promoters must be told that they must care for their own properties in their own way or see them pass to other control." Each political party blames the other for the present position, but the burden of blame may be placed upon the two political parties and upon the country as a whole which endorsed their enthusiastic railway programme. Were it not for the heavy task of financing Canada's share of the war, it is reasonably certain that the people of this country would refuse to make further loans to the railways. As it is, parliament will probably agree to the advances now proposed, the country supporting the measure only as a temporary expedient and postponing until the comparatively near future the permanent settlement of the railway question. The Dominion government is so entangled with the Grand Trunk Pacific and the Canadian Northern Railways through bond guarantees, cash advances, land grants and stock ownership that the way is paved, and partly paid, for the nationalization of these two roads.

The Canadian Pacific Railway is a difficult factor in the situation. It is a well-managed, public-spirited and remunerative road. With the nationalization of the other two transcontinentals, the Canadian Pacific Railway would have to compete with government-owned roads, a government commission fixing the rates for all three roads. Government-owned roads are not always as economical in meeting competition as a privately owned road has to be. Government roads spend the people's money and dividends are not insisted upon.

The commission appointed to solve the railway problem will have a big task. Whatever its recommendations, the country will have to make up its mind to spend a very large amount of money to carry them out. With this costly problem in view, can we afford to go ahead with such an undertaking as the Hudson Bay Railway or to consider seriously the construction of the Georgian Bay Canal? We are about to pay the price of excessive optimism of the past few years. Do we propose to repeat the expensive trick?

SHIPS AND SHIPPING

The British government is now administering the whole British mercantile marine, amounting to half the gross tonnage of the world. This statement was made by Earl Curzon in the House of Lords last week. Forty-three per cent. of the British tonnage, he added, is requisitioned for military and naval purposes, and 14 per cent. is occupied on behalf of the British government and its Allies in carrying foodstuffs and raw materials. This leaves 43 per cent. of the British tonnage to do its part in the world's carrying trade, for which trade ordinarily British ships contribute half of the gross tonnage. Even the 43 per cent. not requisitioned by the government is being operated by the British shipowners under state regulations.

These figures should mollify a little those who complain of high freight rates and short tonnage. British ships are carrying supplies of all kinds to the Allies on an