CANADA'S FLAX PRODUCTION

Irish Linen Problem To-day Affords Opportunity to Dominion

(From a Belfast Correspondent.)

In Belfast at present the wages paid by the big linen mills, and also by the collateral shipbuilding industry, are so enormous that the trade in fur coats has never known such a boom. Nevertheless, though presently in the height of prosperity from the aspect of the worker, it is doubtful if ever the Irish linen business was so involved in a more tangled skein of doubts and troubles than just now. The Irish harvest is so far above the average as to give 26,000 tons of flax possibly as the production. But when you reckon that this is marketed at something approaching $1,100 per ton it makes the raw, rough and undressed fiber value for 25 cents per pound, and in its further stage as flax yarn worth four times that figure. But the big linen trade of the world is not by any means entirely dependent on Irish-grown flax even if it is very largely based on Irish manufactured linens. The foreign supply of flax to hand is up to that of last year so far, both in quality and quantity, but with Russia's disastrous defection from the ranks of the allies no more can be expected from this quarter now, nor when the ice breaks in spring again.

Severe Restrictions Imposed.

Nor can any seed for sowing be anticipated either, from Russia. To supply the average trade demands for linen this total supply of flax at present accumulated in Ireland would be altogether insufficient for the world. So the situation is made even worse now that the government as an extra special customer insists that its order—and only the initial order to boot—for fifty millions of fine aeroplane linen must be first fulfilled. It may be deduced then that Canada, the United States, South America and Australia must perforce go without linen, or accept cotton instead.

Already the British government has put severe restrictions on the supply of Irish flax to spinners. They are now allowed only one-half of their usual consumption, and in some cases have to struggle through without any. Export of linen yarns had been forbidden entirely, and it may be only a matter of weeks before the production of linen not intended for government purposes is entirely interdicted.

Even Unions Uncertain.

The introduction of substitutes is at all times hazardous to the right development of any industry. To-day margarine has largely replaced butter, and when peace times return it is probable that millions, who some years ago were insistent on butter, will not display so persistent a preference. Yet the Belfast linen manufacturers had hopes that by offering their customers unions—flax and cotton mixture cloths—with all the finish and smartness that made the Irish turned out linens world famous, they could retain their patronage. It now would seem, however, that with the rigorous control of flax such may be debarred from being so used to constitute the wefts so necessary for these union fabrics. As a matter of fact, this impending fear has already sent up the prices of unions 15 per cent. within a few weeks.

Many of the linen looms are unsuitable for cotton weaving, and in this branch of the textile producing Belfast manufacturers willingly admit that neither in their looms, their workers' adaptability, their own financial finesse, nor in their methods of marketing, could they hope to compete in any degree of profitable success with Lancashire producers. Yet withal no avenue is open to their energies save in fancy cottons, voiles and other goods suitable for blouses, cotton damasks, etc.

Outlook is Threatening.

No prospect of any change for the better is apparent. Indeed, there is full probability that the situation will grow much worse before it dawns better. Already hanging over the linen industry, like a black cloud, is the impending fear that such supply of flax seed as will be forthcoming for next spring's sowing will be not alone insufficient but of too poor and unpromising quality as to lend any great hopes of any successful home grown crop.

Moreover, even should the 1918 Irish crop be at all equal to last season's, the greater supply from Russia—on which the Irish linen manufacture was altogether dependent for four-sixths of its raw material—will be subverted to Germany. And this would give our Hun enemy an advantage which years could not overtake in the world's markets. The Russian debacle came too late in the year to have procured Russian seed and to have arranged for flax supplies to be forthcoming elsewhere during next year. It is the verification once again of what disastrous consequences may follow the fallacy of keeping one's eggs in one basket only.

Can Canada Help?

Withal the situation is accepted philosophically by the half-million of people who are associated with the great linen industry which that little corner of north-east Ireland has for a couple of generations past made the hub of the world's supply. The same policy is not to give way to despair, but to find the best way out. The silver lining in the black cloud is that linen may soon provide Canada's opportunity to supply not alone a goodly portion of the flax fibre for next autumn's linen manufacture, but also to provide much of the seed. If this should prove to be so Canada and Ireland will have forged a bond of commerce and intimacy which is certain to be indissoluble.

NATIONAL LIFE INSURANCE COMPANY

A good statement was presented by the directors of the National Life Insurance Company, Toronto, at the annual meeting last week. The volume of business in force at the end of the year was $22,686,816. This compares with a total of over $23,000,000 a year ago. The decrease in the amount is accounted for, the company explains, by writing lapsed policies off the books, thus giving the company a volume of business in force which, it is thought, will be comparatively little affected by lapsation. The premium income last year was $777,854. The cash interest income amounts to $181,393, showing an increase over 1916 of $20,254. This is more than sufficient to meet the death claims occurring in 1917, which were $166,596 net, the gross being $193,286. This difference was made by payment of policies reinsured with other companies.

The company has included in the liabilities all war claims of which notice has been received, notwithstanding the fact that the war claims are not a claim until receipt of official certificate from the military department at Ottawa. Apart from the proper reserve, the company has provided for and charged as a liability the sum of $86,844 as extra reserves. Heretofore the National Life did not charge as a liability commissions in process of adjustment with agents. This year there has been included as a liability under this heading the sum of $7,538.

There was also charged as a liability all taxes payable in 1918, amounting to $8,781, also interest on policy loans paid in advance, amounting to $10,944. After all of these deductions the surplus to policyholders was $350,014. The increase in assets for the year was $435,477.

According to the government blue book for 1916, the total cash income of the company, including reinsurance premiums of $40,188, was $703,723. For the year 1917 it was $942,427, which is an increase in income of $238,703. The average rate of interest on investments is 5.44 per cent. No interest or principal is overdue or in arrears on any of the invested funds of the company. This record has been maintained for over eighteen years—a very satisfactory record. The amount of new assurance received for 1917 was $5,000,000, and the amount for which policies were issued was $4,336,237. The gain in assurance in force for the year was $1,448,669. The total amount paid out for war claims since the beginning of the war is $93,726.

Mr. Albert J. Ralston is first vice-president and managing director of the company, and Mr. F. Sparling is secretary. Mr. Elias Rogers heads an active directorate. The company has also an excellent field force.

Two orders were issued by the board of grain supervisors at Winnipeg on January 11th, one fixing the price of No. 3 Ontario winter wheat at $2.19 per bushel, basis in store Montreal, to be effective as from January 10th until August 31st, and the other that the Canadian Northern Railway unload all cars of wheat shipped east from points on designated subdivisions into the government elevators at Saskatoon for account of the Wheat Export Company.