

## British Newspapers and the Paper Shortage

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The excited condition of the pulp trade opens the way for a cursory review of events that have taken place among the biggest users of pulp since the war began. The printing industry as a whole has declined, for although military and voluntary organization has led to a considerable transfer of orders, there has been a falling-off in general industry in advertising and in political and social work, and the increase in prices which printers have been obliged to charge to cover the higher cost of production has prevented a good many people from placing orders.

The remarkable feature among big users of paper, however, is the general stability of the newspaper trade. For a few days after the outbreak of war in 1914, the newspaper world was in panic. London journals were seriously contemplating cutting down to four pages. But as time went on, and supplies were maintained, these fears subsided, and we still have a journal like the "Times" occasionally giving its readers forty pages for a penny, even eighteen months after the beginning of hostilities.

It is not the supply of raw material that has prejudiced newspapers; it is the vast change in the commercial conditions. In normal times very nearly half of the journals published in the United Kingdom depend upon subsidies, or upon some subsidiary industry, such as general printing, or upon the prosperity of a sister journal, as in those cases where a morning and an evening paper are issued from the same office, one at a profit and one at a loss. The number of journals that actually stand firmly upon their own feet is surprisingly small. From among the others some have disappeared during the war. There was the "Daily Citizen," the new Labor organ, that had not had time to become established; and only a few days ago, there was the "Manchester Courier," a journal that has had a chequered history and fought against heavy odds, and has now ceased publication as a daily paper. It is calculated that altogether between four and five hundred journals have dropped out of existence during the war. Most of these were obscure weekly papers. Altogether they do not count for a very great deal in the pulp market, for their circulations were small.

Strange as it may seem, the war has not added much to the aggregate circulation of British newspapers. In the second half of 1914 there was an increase probably of twenty to thirty per cent on the normal figure. Some journals increased much more than that, but I am now speaking of the aggregate. Gradually there has been a decline, and again, although some journals have maintained a high rate of increase, I should say that on the whole fewer newspapers are bought in these islands than before the war.

### Newspaper Revenue.

Another curious thing to be quoted is that on the advertisement side, which is the principal source

of revenue for all except a few largely-circulated four-page evening journals, the war reveals both credit and debit entries. For the first twelve months a great deal of money was spent by Government departments on advertising, first for recruits, then for the war loan. There has been a fair amount of advertising by the voluntary war organizations, although, in this direction, the press has been marvelously generous, and has given vast publicity without payment. I know of one or two cases where the total advertisement revenue of a newspaper has actually increased during the war; but here again we are falling upon bad times, and there is no prospect of anything like a rise until the war is over. And, of course, it is only too evident that the aggregate expenditure on advertising has seriously declined. A reduction in revenue, coupled with even a slight rise in the cost of production, would account for the disappearance of many journals that were subsisting on a slender margin, or were supported by subsidies which the conditions of war made impossible.

At present an attempt is being made to persuade newspaper proprietors to increase their charges for copies. It is suggested that a penny should be charged for halfpenny papers, and three-halfpence for penny papers, and it is even proposed that a new coin representing three-halfpence shall be minted. If this scheme is carried out, while it will undoubtedly benefit newspaper proprietors, it will lead to a large reduction in the consumption of paper. It is not suggested that the sizes of papers should be increased with the price; the extra charge is to meet existing and expected deficits. But it is quite certain that fewer people will buy newspapers if the price is increased. A large proportion of purchasers buy two or more papers a day, and even in the case of country weeklies many people buy both rival journals. They will not do so if prices go up. I do not think, however, that the movement for higher prices will be very widely successful. Newspaper conditions in a small country like England, where the distances between centres of population are so short, are very different from conditions almost anywhere else. London morning papers actually compete at breakfast tables in the north of England with papers printed locally. Manchester and Liverpool could supply each other with newspapers; the Nottingham printing presses could over-run Derby; Sheffield newspapers could invade Nottingham or Leeds; and so on. It would be a matter of extreme difficulty to arrange a working plan that would be fair to all. It may be tried with success in districts, but it is hardly likely to be tried at all throughout the country.

So long as the war is continued in the present deadlock way the tendency will be for newspaper sales to decline. This conclusion, coupled with continued stagnation in the general printing industry, indicates the course which the pulp trade will now be facing.

in towns, villages and rural districts, doing business for the farmers in small business concerns. In our cities and larger places, our chartered or national banks, as far as I am aware, fill the bill perfectly. The methods of doing a banking business in cities cannot be applied in the rural districts with any degree of success. The average farmer has no rating in Dunn's or Brandstreet's, and the banker must make it his business to get close to his customers and to study their needs. He must be thoroughly familiar with the financial condition of the people, and be ready to deal with each individual case upon its merit. He should also be in a position to deal with the case at once, without referring to any party thousands of miles away. This is not possible in our present banking system in rural districts. The manager of a branch of a chartered bank is working under instructions from head office. He is not given a free hand, and indeed it could not be otherwise. A great bank, like a railway company, for instance, must issue orders from headquarters that apply equally over the whole system, and their rules must be lived up to. Consequently, the manager of one of these rural banks becomes an agent only."

### Conditions in Minnesota.

Mr. A. Beaudreau, the member for Thunder Creek, in seconding Mr. Larson's motion, pointed to conditions across the line in the State of Minnesota. The National Bank, he said, was established in almost every little village, and did more to foster the agricultural industry than anything else. "In Northern Minnesota, with some 18,000,000 acres of land," Mr. Beaudreau said, "they are settling much faster than we because of the assistance given by the banking interests. I think it is the duty of this Province to devise some means by which our agricultural population can get the assistance they need to develop the country. In the south five people can combine and start a bank. The lowest amount of stock they can put out is \$25,000 in a town of 3,000, with a graduating scale for other places. There are hundreds of young farmers in the south who are ready to come to our great northwest if some inducement is given them."

The chief fault of the Canadian banking system, in the mind of the western farmer, lies in the remoteness of the real centres of authority in eastern Canada. As Mr. Larson described him the average rural branch bank manager is only an agent. In the Province of Saskatchewan there are some 440 branch banks to do the business that is really negotiated for some dozen head offices two thousand miles distant. And it is also a fact that scarcely one member of the directorates of the chartered banks of Canada live west of the Great Lakes.

Needless to say, this element of remoteness of which the westerner complains is only aggravated when, after proving his worth and the worth of his land by producing such a crop as was harvested last year, the farmer is denied the smallest measure of accommodation at the office of a chartered bank. Here is a case in point: A man who has been farming and ranching in a certain district in the west for years was anxious last autumn to secure an advance from his bank, amounting to upward of \$30,000. He wanted to meet maturing obligations. His record was very good, and, in addition, he had stored in elevators and warehouses sufficient wheat to secure with absolute safety the amount named. The branch bank with which he did business refused to accommodate him; and he only succeeded in getting the money he needed through the assistance of the grain growers organization in his Province. Speaking of his experience later, that farmer said that he wondered, while begging for financial assistance, how many manufacturers seeking money to enable them to produce shells or other war munitions would have been subjected to similar treatment.

### Suggested Remedies.

Judging from the widespread extent of the discussion of the financial problem in the west at the present time, the past few months probably have been characterized by more than one incident similar to that cited in the preceding paragraphs. The remedy, if there is one, seems to lie in the hands of the Federal Government which sooner or later will be obliged to consider the question of rural banks as a phase of the larger question of settling and developing western Canada. Two years ago the Saskatchewan Government passed an act providing the machinery for obtaining cheaper money for farmers upon long-term loans on lands. This co-operative scheme was checked, however, by the hard times which preceded the war. When money becomes more plentiful again and interest rates have found lower levels the Saskatchewan act doubtless will go into effect unless by that time the Dominion Government has established a Federal system of rural banks.

## The Rural Credits Question

The Western Movement for Cheaper Money for the Farmer.

(NORMAN LAMBERT in the Toronto Globe).

Rural banks and the question of financial assistance to farmers have been subjects of much discussion of late in western Canada. The United Farmers of Alberta considered them as topics of outstanding importance at their convention in Calgary last month. And in Saskatchewan the Legislature, which is now in session, has been giving a considerable portion of its time to these issues. On February 14, 15 and 16 the Saskatchewan Grain Growers' Association will hold its annual convention in Saskatoon, and there also the matter of adequate financial accommodation to farmers will be examined.

### Problems of Long Standing.

In the west these uprisings of public opinion against the Canadian banking system are not new. They have been occurring from time to time for the past ten years, and, as in the cases of the tariff and the railways, these periodical outbursts are simply an indication of a condition which happens to be affecting the agricultural business of the country a little more acutely than usual. The feeling of dissatisfaction with regard to the banks, the railways and the tariff is always present, but it is only when the small smouldering fires flare up occasionally that

eastern people become aware of the troubles and trials of their western brethren.

In the Saskatchewan Legislature the other day Mr. Larson, the Liberal member for Milestone, introduced a resolution urging the Parliament of Canada to undertake, with as little delay as possible, "the establishment of a system of Federal rural banks that will adequately meet the necessary current financial requirements of all classes of agriculturists on reasonably satisfactory terms. Mr. Larson is a farmer, and his speech in "the House" on this question may be taken as the expression of the vast majority of western Canadians on the subject of Canadian banks. He said in part:—

"While I have the highest respect for our banking system as a whole, still I feel, and there is a growing feeling among the farming classes, that the large chartered banks do not fill the wants in the rural districts. Its rules are too iron clad. The institution is not local enough. You do not come into touch with the real head of the concern. In other words, the institution is not a part of the business interests of that particular community. The remarks I am going to make concerning banks apply to the banks