

# SURVEY OF THE WEEK

## Newsprint in 1921.

Canadian producers will sell their newsprint paper for the first three months of 1921 at 6½ cents per pound, or at the rate of \$130 per ton, at the various mills. This rate does not represent any increase over the price set on October 1, although since then a number of mills have been supplying newsprint on contract at well under that figure. The 6½ cent price set last week, however, will now apply generally and be uniform in the Canadian pulp and paper industry. The demand for Canadian paper on export markets is claimed to be heavier than it was a year ago. The year, 1920, has been an excellent one for newsprint producers, but the outlook indicates an even more prosperous period in 1921.

## C. P. R. Makes Gain in October.

The net earnings of the Canadian Pacific Railway for the month of October increased by \$2,353,040 over the corresponding period in 1919. This is the first gain reported since last May, and it reduces the preceding decrease in net to \$1,543,000. The gross earnings for the month showed a new high level at \$24,800,632, reflecting in some degree, no doubt, the heavier grain movements, and increased freight rates. The net profits also stand out as a record at \$7,700,822. The gross for the ten months too, is a record at \$172,238,035, but the net for that period falls behind many other years owing to the high ratio of operating expenses to earnings. The net result for October, however, was a new high for any similar period, exceeding of October, 1915, hitherto the most prosperous month by well over \$1,000,000.

## Holiday Buying Won't Stay Decline.

Through the liquidation of commodities and stocks now being conducted, sore spots are coming to the surface, and it is safe to assume that more will be uncovered or will at least need very careful nursing before the movement will have spent itself, say Spencer Trask & Co., in their monthly market letter. It is beyond question, however, that the situation is measurably better for this purging, and it is our judgment that more than one commodity and more than one stock has already had its major decline and is unlikely to participate, at least to any considerable degree, in any further protracted fall in prices. By this we do not mean to imply that commodities generally have reached their lowest level, particularly insofar as retail prices are concerned. It is true that during the past month the public has been able to buy certain commodities at lower prices, but it would seem as if in many cases retailers were still hoping that the holiday trade would create enough demand to stimulate buying and thereby stay the declining tendency of prices. We are very much inclined to doubt if the holiday purchasing will accomplish this end, and if your judgment in this respect is correct, then we shall probably not see commodity prices, either wholesale or retail, at their lowest before next Spring. By that time, however, we fully expect that a revival will take place and that the then condition of the money market will be a contributing factor. Already the enforced liquidation of the last few weeks in commodities and stocks is producing a certain relaxation in rates.

## British Capital in B. C.

A recent issue of the British Columbia Gazette carried the notice of the formation of the Coast Range Steel, Limited, with an authorized capitalization of \$15,000,000. The promoters claim that within the next few years, \$50,000,000 will be spent in the

establishment of a great steel industry on the lower mainland of British Columbia. Three years ago the Government of British Columbia offered a bounty of \$3 a ton on pig iron produced in that province from native ore. After investigating the standing of the interests behind the Coast Range Company which will be backed by British capital, the British Columbia Government sanctioned an agreement between the Minister of Mines and the company.

## Limited Wholesale Buying.

The wholesale trade situation in Montreal continues to be unsettled, says Bradstreet's weekly report. While the buying in all lines is very limited, some merchants are optimistic, feeling that in the course of a few months there will be a renewal of buying activity. In the wholesale dry goods, cotton prices show a reduction of 15 to 25 per cent. Manufacturers of cotton and woollen goods in England are still holding for high prices, but they are not succeeding in making many sales in this country. The grain prices were weaker this week, wheat prices showing a decline of 10 to 15 cents per bushel. The opinion prevails that prices will have to go to a lower level in order to interest buying by the British Government, although some sales have been reported. Considerable competition in ocean freight on grain cargoes is noticeable, prices of which have dropped very materially during the past week or two.

## Big Drop in Live Hogs.

Hogs on the hoof have returned to what is practically their 1913 price in the Chicago market. Pork and pork products, at wholesale, are on their way toward that same level, the monthly report of the Institute of American Meat Packers indicates and have reached the scale prevailing in April, 1917, when the United States entered the war. Beef also is on the downward path, the wholesale price of carcass beef having dropped seventeen per cent, since September 1, according to the Institute's figures. The biggest drop recorded, however, is in live hogs. The packing house figures show pork on the hoof brought eight cents a pound in November, 1913. During the war the farmer was virtually guaranteed a minimum average of 17½ cents. In July, 1919, the price reached 23 cents a pound. Today hogs are back around 10½ cents.

## U. S. Banks and Farmers' Credit.

Little progress towards any specific remedy for the situation facing farmers in the United States, due to falling prices, has been made by the Congressional joint committee studying the agricultural question. With reference to suggestions that have been made for extending additional credit to farmers to tide them over the reconstruction period, Secretary of the Treasury Houston testified that he believed the country was in for a period of price recessions, and that nothing more fatal could happen than that the nation should embark on an unsound fiscal policy in banking in seeking relief for the growers. Governor Harding, of the Federal Reserve Board, declared that the farmers need have no fear that the banks would not do their part in carrying over loans on staple crops, provided the farmers made a fair statement of their conditions to the bankers.

## Famous Players Make Good Showing.

The first annual statement of the Famous Players' Canadian Corporation, for the twelve monthly period, ended August 28, which will be sent to the shareholders soon, will, it is understood, show net profits of over \$250,000. The balance sheet section of the statement will reveal net liquid assets of over \$2,500,000, this satisfactory showing being due mostly to the fact that the motion-picture business is largely a non-inventory one. The program of expansion is well under way, theatres being scheduled to open in seven leading Canadian cities during the first six months of next year.

## New Sales Tax Rulings.

Several new rulings of considerable importance have been made by the Inland Revenue Tax Department, regarding sales tax, which will have considerable effect in split amounts. Where the amount of the sales tax, computed on the total value of any sales, amounts to a figure containing a fraction of a cent, and this fraction is less than half a cent, such fraction shall be disregarded, and where the fraction is a half cent or more, it shall be treated as a whole cent. Under another order, jams, jellies and marmalade are exempted from sales tax as from November 26th last.

## Government Loans to Co-operatives.

In an act passed by the Ontario Legislature last year provision was made for loans by the Government to co-operative associations within the Province for the purpose of cleaning, storing and marketing grain, grass and clover seeds, and potatoes. The Co-operation and Markets Branch, under Mr. Mr. F. C. Hart as director, is charged with taking care of this service on behalf of the department. An association may borrow as high as \$3,000, which must not exceed 50 per cent. of the appraised value of the property on which the loan is made. The loan is made without interest for two years, after which the rate of interest is 6 per cent., with provision for repayment within ten years in all. The purpose of the loan is to encourage the production and use of improved seed. Loans may be utilized not only for seed cleaning plants and potato warehouses, but also for cleaning and grading machinery. The Co-operation and Markets Branch is prepared to make recommendations with respect to the plants that should be constructed and equipped for the purposes to be served by this provision.

## PRINCIPAL CONTENTS

### EDITORIAL.

British Columbia Elections.. . . . .	10
Two American Incidents . . . . .	10
Victory Bonds . . . . .	10
The Montreal Police . . . . .	11
The Self-Determinators . . . . .	11
McGill's Success . . . . .	11

### SPECIAL.

St. John's, Quebec . . . . .	1-2
Canadian Coalfields all Sufficient . . . . .	6
The Metal Trades' Trend . . . . .	8
Unemployment Insurance . . . . .	9

### GENERAL.

Survey of the week . . . . .	3
A Difficult Year for Bankers . . . . .	5
Canada at Chicago Fair . . . . .	7
Insurance . . . . .	12
Mining . . . . .	13
Banking . . . . .	14-15
The Bookshelf . . . . .	18