

# Comments on Current Commerce

By E. S. BATES

**STANDARD CIVILIAN CLOTHES.**—An outcome of the need for drastic measures in the effort to conserve the wool supplies of the Empire for military purposes, the British Army Council proposes to further regulate consumption of wool by setting standard styles for civilian clothing, and prohibiting the manufacture or sale in the United Kingdom of other than these standard cloths for civilian wear. The purpose of such a measure is obvious, but it is hardly probable that war necessities will be so critical as to require such an extreme regulation. In fact, we cannot see how such a measure could be carried out successfully, especially in view of the difficulties encountered in carrying out less extreme regulations which have already been put into effect to conserve stocks of other necessities. The Army Council now controls the wool supply of the United Kingdom, as well as that of Australia and New Zealand, through the governments of those Dominions, and through this control is able to absolutely regulate the textile trade as to the nature of goods manufactured. Moreover, the existing stocks of civilian clothing, even at the minimum amount necessary to the demands of the people of Great Britain, are estimated to be sufficient for one year, and these, added to the clothes already in existence, would have to be commandeered before any general scheme of standard clothing could be put into effect. This is necessary in order that contrasts would not be too striking. The Army Council have already ordered that only certain quantities of cloth other than that required for military and export trade can be manufactured, and their control of the wool stocks is so absolute that it would be folly for any manufacturer to disregard these orders. In this way, there is little fear of surplus stocks of civilian clothing being made up. In fact, the trade is now demanding that it be given more consideration.

**POTASH FROM KELP.**—Prior to the war this continent was practically dependent on Germany for its supply of potash fertilizer. The annual importations amount to several millions of tons. During the last two years prices have advanced from \$40 to over \$450 a ton, owing to the inability to secure the German product and the comparatively small American production. It has long been known that the seaweed or kelp off the Californian coast is rich with potash. In fact, the agricultural interests on the Pacific coast have been using this kelp as fertilizer by simply spreading on the ground and allowing it to rot. This method has also been followed along the Atlantic coast, but it has been found impracticable to transport the kelp inland on account of its bulk and the consequent high freight rate. It is now proposed to gather this kelp off Santa Barbara, Cal., and have it refined. The United States Government have built a huge scow fitted with an ingenious device for cutting and gathering the kelp. This scow is capable of landing about 200 tons of kelp per day. The yield of potash fertilizer from 200 tons of kelp gathered in that region is about 5 tons, and although this is a somewhat insignificant amount, the success of the venture is sure to lead to the construction of many such scows and the placing of the business on a commercial scale. The agricultural interests are looking for the experiments to solve their difficulties arising from the shortage and high cost of potash.

**PROFITS TAX AN UNDUE BURDEN.**—The tax on excess profits introduced by the Minister of Finance a few weeks ago has provoked much criticism from our business interests. The purpose of the tax, to raise revenue out of the abnormal prosperity of business, is taken at first glance as equitable, but it must be conceded that the raising of revenue by methods detrimental to the industrial development of the country is not in the best interests of the country. Sufficient evidence is at hand to prove that the heavy burden imposed by the tax is not only retarding expansion of existing businesses, but has been the cause in a number of cases of foreign concerns deferring the establishment of branch plants in this country. Considering this, and the material increase in manufacturing costs during the last six months or year, together with freight congestion, difficulties in securing raw materials, and the necessity for our industries to maintain strong liquid reserves, it appears that the Finance Minister is killing the proverbial goose that lays the golden egg. Much

better it would be for Canada to follow the example of all other progressive countries in instituting a permanent means of revenue raising through the income tax. Such a tax levied with due regard to small incomes would return a larger revenue to the exchequer than is possible through the Business Profits Tax, and would have little retarding influence on business expansion. We cannot afford at this time to handicap Canadian business in competition with foreign countries. The huge war orders placed in Canada and resulting profits are held as a legitimate prey for the tax collector, but the burden of taxation, as enforced by the present measure, scarcely touches those industries most concerned with war orders. The real burden falls on the small concerns located in small towns, and others, prospering on regular business, and at the same time strengthening their ability to meet after-the-war competition. This year industrial concerns are facing a critical situation in the labor field, the raw material market, transportation, and other items that go to make up the cost of production. An indication of conditions last year was given recently in the annual report of a large cotton company engaged almost entirely on domestic business. During the year ended March 31st last, wage increases amounted to 21 per cent over the previous year. The cost of supplies advanced 18 per cent, chemicals 103 per cent, coal 42 per cent, and raw materials nearly 60 per cent. Conditions this year are worse, and the case is indicative of industries generally. This year's profits will be very much smaller than those of last year. Our industrial concerns are in no such strong condition as those in England, so that the principle of profits taxation as applied in the United Kingdom is totally unsuited to Canada. The Finance Minister has taken the easiest way out, not the best from the economic standpoint. We are behind other progressive countries in our system of taxation. The income tax is the only equitable taxation for Canada at the present time, and as a permanent source of revenue.

**WHOLE WHEAT FLOUR.**—The Senate has taken up discussion of the question of compulsory manufacture of whole wheat or percentage flour. This method is beginning to find much favor with the Canadian public, as one outstanding means of reducing the cost of living. The average consumption of bread in this country is the highest of any country in the world. Bread made from wheat flour constitutes a big proportion of the daily diet of the average Canadian citizen. Prices have advanced abnormally during the last few months, due we are told, to the shortage of wheat for milling purposes. While the manufacture of whole wheat flour on a large scale can scarcely be recommended on account of its inferior keeping qualities, the manufacture of 76 per cent flour can be recommended. A bushel of wheat would yield 76 per cent more flour than white flour now on the market. What this would mean to the Canadian consumer is obvious. The 75 per cent flour has been tested and it is shown that it contains more gluten and phosphates and produces more palatable bread than the white flour. The bread is slightly darker in color but otherwise superior. Seventy-six per cent flour can be manufactured by existing milling machinery, and while the production of offal would not be so large as at present, if the exportation of offal was prohibited the supply would still be adequate for Canadian needs. This question deserves earnest consideration.

## AN INDUSTRIAL UPLIFT DUE.

I learn that practically all banking interests and market leaders are as one in the view that the nation is on the eve of an industrial uplift which will exceed the most optimistic anticipations. The war has released billions of money. It has generated a demand for billions of dollars worth of goods. It has established America's supremacy financially. The year's exports of \$6,000,000,000, plus the coming year's supply purchases of \$10,000,000,000 by the allied governments, plus the billion of gold imported the past two years—these stupendous total spell such expansion financially and commercially as the world has never known.—Adams, in Boston News Bureau.

## NEWSPRINT OUTPUT FOR APRIL.

Production of newsprint in Canadian mills during the month of April was 257 tons per day greater than in April, 1916. Shipments during the month exceeded those of April, 1916, by almost 6,400 tons, yet the productive capacity of Canadian mills was only 100 tons per day greater than a year ago.

In the United States, production fell off though the demand increased. Daily average production decreased about 20 tons as compared with March, and stocks on hand decreased about 6,000 tons for the month. In April, last year, 32 mills produced 3,517 tons per day, against the maximum output of 3,000 tons. In April last, 25 mills produced 3,231 tons a day, against a maximum of 3,326 tons. The decrease in the mills reporting, was due to changing, or contemplating changing, of newsprint mills to other grades of paper, the maximum tonnage reduced by this change being 565 tons per day, while production decreased 236 tons per day.

## FOOD PRICES UP 98 PER CENT IN BRITAIN.

Average Increase During the Past Year Was 29 Per Cent.

The statistics of the course of retail prices of food given in the British Board of Trade "Labor Gazette" show that on May 1 prices as compared with July, 1914, had increased by 98 per cent. If eggs were omitted from the dietary, margarine substituted for butter and the consumption of sugar and fish reduced to one-half of that prevailing before the war, the general percentage since July, 1914, instead of being 98, would be 65.

From March 31 to May 1 retail prices of the principal articles of food showed an average increase of between 1 and 2 per cent. The most marked increases during the period were in the prices of potatoes averaging (11 per cent, or 1-6d per pound), margarine (5 per cent, or 1-4d per pound) and tea (4 per cent, or over 1d per pound). The only net decrease recorded was in the price of butter, which declined by nearly 4 per cent, or 1d per pound, on the average.

As compared with a year ago retail prices showed an average increase of 29 per cent. The prices of potatoes advanced about 65 per cent over the twelve months and those of cheese and eggs nearly 50 per cent. With the other articles included in the returns the increases ranged from about 20 to 30 per cent, except tea and granulated sugar, for which the advances were 13 per cent and 8 per cent, respectively.

The prices recorded for butchers' meat at May 1 showed increases over those for July, 1914, ranging from 74 per cent for British legs of mutton to 162 for frozen breasts of mutton, the rise in average prices ranging from 6½d to 7½d per pound, according to cut. The prices of sugar, fish, potatoes and cheese were considerably more than twice as high as in July, 1914, and those of flour and bread were at roughly double the pre-war level. Advances of about 70 to 80 per cent since July, 1914, were recorded for bacon, butter, eggs and tea and of about 60 and 55 per cent, respectively, for milk and margarine.

## TOBACCO ASH VALUABLE.

It appears that smokers are throwing away annually about eight thousand tons of valuable material, the same being the ashes of the tobacco that they consume.

The ash left on burning tobacco is considerable and, as a matter of fact, the mineral matter of the tobacco leaf frequently amounts to as much as a fifth part of its weight. Thus a ton of tobacco leaf would yield four hundredweights of ash, which represent valuable mineral constituents withdrawn from the soil which have to be replaced by abundant manuring.

It has been calculated that a ton of tobacco with-draws more than a hundredweight of mineral constituents per acre of land. This would appear to be an astounding waste of material, which must be of enormous value to the soil, considering that 75 per cent consists of calcium and potassium salts and 15 per cent of magnesium and sodium salts, including nearly 5 per cent of the essential constituent to all plants—phosphoric acid.—Washington Star.