

## Fall Revival Of Canadian Trade Is Below Predictions

Retail Business Continues To Expand Gradually Everywhere.

While the fall revival of industrial activity has not reached the proportions anticipated, the continued rise in retail volume and the broadening of building operations are two powerful factors contributing to the support of business at its present high level. Another factor is provided by the phenomenal expansion of mining operations, as the biggest gold boom in the history of Canada is developing rapidly. While freight loadings were down for the week, the total still was in excess of last year's, and other broad-scale indices, such as output of electricity, steel production, building permits, gross earnings of railways, and bank clearings continued to give a good picture of sustained business activity. The index of physical volume of business now stands at 93.6, against 75.7 in the same period of 1933, representing a gain of 23.6 per cent. The unemployment statistics continue to reflect a healthier condition, vacant business and residential property is on the decrease, while paid admissions to motion picture houses are rising rapidly and the general demand for luxury items and the better grades of merchandise attest the confidence with which the public is facing the future, according to despatches to Dun and Bradstreet, Inc., from branch offices located in the chief commercial and industrial centres of the Dominion.

The recent touch of more seasonal temperatures, following the warm weather which has prevailed thus far this fall, enabled retail sales to expand, with the acceleration of demand particularly marked in both mens and women's wearing apparel, and shoes. The buying movement now is spreading at a more rapid rate to furniture, radios, hardware, and house furnishings, while the movement of yard goods, towels, curtains, and table linens is in constantly enlarging volume. Interior decorators have estimated on more work than during any fall in the last four years. Drugs, stationery, meats, canned goods, jewellery, and hardware are all moving more briskly than at this time a year ago. The tendency of shoppers to select the better qualities of merchandise is a source of encouragement, and retailers now are paying more attention to the maintenance of complete assortments.

Wholesale markets had one of the most active weeks thus far this fall, the orders from country districts specifying immediate shipment, indicating the bareness of inventories in most districts. Wholesale dry goods orders are running from 10 to 25 per cent. larger than a year ago, with future commitments in many instances nearly double those at that period. Shipments of groceries and foodstuffs are nearly 20 per cent. above the 1933 comparative figures, with prices advanced in nearly all departments. Farm implement houses report business better than expected two months ago, when drought losses were being counted, as cognizance

# FINANCIAL FACTS

THESE NOTES ARE SUPPLIED BY THE SAINT JOHN OFFICE OF JOHNSTON AND WARD, STOCK BROKERS

The Canadian Bank of Commerce, in its monthly letter, says that domestic rather than export demand is stimulating the autumn expansion in business in the Dominion. It is now quite apparent that the world industrial revival was checked during the past summer, but in this regard it must be noted that Canada's August exports of wheat rose sharply, nearly offsetting the decline in other commodities. Encouraging factors in the domestic scene include a moderate improvement in the position of agriculture and a continued good volume of new construction.

A heartening factor for the Dominion of Canada is the possibility of a reduction in taxation. Premier Bennett, speaking in London last week, pointed out that the steady progress that Canada has made in business recovery during the last eighteen months—reflected as it already is in expanding revenues—should eventually result in those reductions in taxes which everyone so desires and which the Canadian Government is striving to achieve by every means within its power.

As is to be expected, the various economic and financial indices that made their appearance in the week under review, which are for the most part for the latter part of the summer, usually a dull period in business, show irregularity.

was not taken then of the higher price levels which since have been reached. Collections on current accounts are making the most satisfactory showing thus far this year, and the reduction of long-standing indebtedness is proceeding at a rapid rate.

The pick-up in the iron and steel industry in September, following the dullness of August, is expected to be extended more strongly during the current month, as the increased demand from mining companies for machinery doubtless will offset the smaller takings by manufacturers of automobiles. Operations of the latter continue above last year's level, in spite of the recession which has been in progress for more than a month. While manufacturers of electrical appliances, refrigerators, and radios are maintaining nearly capacity schedules, furniture factories are only partially occupied. Textiles generally continue in good demand, but cotton mills are operating at not more than 75 per cent. of capacity. Producers of rayons and celanese are working nearly on full schedules, but woolen mills are not fully employed. Meat packers report increasing business, both export and domestic, while exports of newsprint for the twelve months ended August 31 totalled 2,234,918 tons, or an increase of 31.5 per cent. over the record of the year preceding.

### WORK FOR ORPHANS

The Protestant Orphans' Ladies Club has resumed its activities for another year. Reports of the last year were received at the annual meeting held recently when it was shown that \$904.01 was raised. The membership of the club is about eighteen.

Officers were elected as follows: Honorary president, Mrs. H. Usher Miller; vice-president, Mrs. H. A. Stephenson; secretary, Mrs. Kenneth F. Gault; treasurer, Mrs. C. H. Wiley; telephone committee, Mrs. F. D. Rivers; Mrs. H. A. Stephenson and Mrs. C. A. Munro; auditors, Mrs. F. W. McAlary and Mrs. F. D. Rivers.

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### CAR LOADINGS

For the week ending September 29, total car loadings in Canada amounted to 50,547 cars, a decrease of 1,063 as compared with the previous week and a decrease of 682 as compared with the same period of 1933. This makes the first break in car-loading increases, as compared with the previous year, in the last fifty-two weeks.

### RAILWAY EARNINGS

Gross traffic receipts of the Canadian Pacific Railway for the week ending September 30 amounted to \$3,431,000, a decrease of \$173,000 when compared with the same period of last year. Gross revenues of the Canadian National for the same period at \$4,472,997 showed an increase of \$42,169.

### BANK CLEARINGS

The major centres of Canada reported good increase in their bank clearing for the week ending October 4. The gain in Montreal amounted to \$17.6 millions; in Toronto to \$11.6 millions and in Winnipeg to \$3.3 millions.

### WHOLESALE PRICE INDEX

A fractional decrease was shown in the index number of wholesale prices for the week ending September 28 when it stood at 71.8 as compared with 71.9 the previous week.

### BUILDING INDUSTRY

Contract awarded for the Dominion of Canada during September, as compiled by McLean Building Reports, Ltd., amounted to \$12.4 millions as compared with \$8.3 millions in September, 1933, an increase of 49 per cent. For the year to date the increase amounts to 54 per cent.

### ECONOMIC INDEX

Economic conditions in Canada as measured by the index maintained by the Dominion Bureau of Statistics suffered a reaction in the latter part of September after reaching a peak for the year in the week ended September 8.

### RETAIL SALES

An increase of more than three per cent. was shown in the retail sales index for August as compared with the previous month. The index is made on the base of 1929 equals 100.

### U. S. STEEL PRODUCTION

A potential steel demand is being built up in the U. S. which may give the market a substantial support later. Iron Age stated, reporting the national ingot rate in the United States had increased from 23½ to 24 per cent. of capacity.

## Premier Hits From the Shoulder In Reply to Mr. Fendersen

(Continued from Page 1)

Mr. Fendersen did not mention the fact that his lumber firm is an American company, which bought out Mr. Fendersen's interests a few years ago," continued the premier. "He also failed to mention in his interview with the paper that the company which controls his company, known as John Fendersen and Co., Inc., has its head office in the Province of Quebec and not in New Brunswick. He also failed to mention that the American company that controls his company has three holdings in Quebec to one in New Brunswick. Is it not natural therefore that the company will operate more extensively in Quebec than in New Brunswick?"

"Mr. Fendersen also did not disclose the fact as to whether or not his company was able to make a profit in New Brunswick when the stumpage rate was down to \$1. He did not mention whether or not his company was able to make a successful operation when the stumpage rate was \$2. Neither did he mention the fact that he had come to me as Minister of Lands and Mines after the stumpage rate delegation had been answered and asked that his company be given a special stumpage rate, which request I decisively refused, informing him that lumber operators of New Brunswick would be treated all on the same basis.

"I do not think the opinion expressed by Mr. Fendersen is the general opinion of lumber operators in this province, who met with the government a few weeks ago, suggesting reduction in the stumpage rate on Crown lands. I made to the lumber operators on behalf of the government the statement that if the price paid for New Brunswick lumber (F.A.S. New Brunswick ports) on the English market next spring didn't come back to what it was last spring, or in other words, if the English price was not such as to allow the lumberman a return on his lumber operation, then we would rebate payments on stumpage \$1 per thousand feet. This would mean a stumpage rate equal to that of last year.

"In checking up with the Department of Lands and Mines on Mr. Fendersen's cut, I find that his operation off Crown lands in the season of 1931-32 was 800,000 feet, and in the season of 1932-33 was only 280,000 feet of long lumber and 1,000,000 feet of pulpwood, or in all 1,280,000 feet when the rate of stumpage was down to \$1 to help the unemployment situation. In the season of 1933-34 when the rate was \$2 Mr. Fendersen cut 6,500,000 feet. So if the English market prices do not show a betterment over present prices he would have a rebate which would place him on the same basis as last year.

"I note the following rather adroit statement by Mr. Fendersen in his interview, which reads: 'Mr. Fendersen would not confirm a report that his company had planned a ten million-foot lumber cut in New Brunswick this season but had cut it down to two million, deciding to cut the other eight million feet in Quebec on account of the stumpage rate advantage there.' He did not mention that the major part of the season's work would be in Quebec. Mr. Fendersen, no doubt, knew that the bulk of his com-

pany's work would be done in Quebec as the American company, which owns his business, has three-quarters of its lumber on tracts held in Quebec. He also failed to mention that he has written to the Crown Land Department, since the meeting between the lumbermen and my government, stating he will cut at least two and one-half million feet this season and might cut considerably more in New Brunswick. Therefore he will cut in any case in the season of 1934-35 more than he did in either the seasons of 1932 and 1933.

"Mr. Fendersen says: 'The small operator, in these days, finds it difficult to get bank credit, and certainly no bank is going to lend him money in the hope that he will be able to get a rebate and pay it back in the spring.' Such a statement from Mr. Fendersen, who happens at the present time to be president of the New Brunswick Lumbermen's Association, might be most injurious to small operators, and I do not know on what authority he speaks for the banks, for I have already informed the banks what the government's decision was in regard to stumpage rates.

"I am glad to note Mr. Fendersen's interview and manner of handling same, is given as an individual and not as president of the lumbermen's association. I believe that the lumber operators of this province are well aware of all the work and energy I have thrown into the effort to increase the lumber business of this province since I became Minister of Lands and Mines. As to whether I have been to some extent successful or not, I would like to point out to the people of New Brunswick who are not interested in lumber, the cut of pulpwood last season was three times that of the previous year from the Crown lands, and the cut of long lumber nearly double.

"Mr. Fendersen does not mention the fact that in Ontario the stumpage rate while lower than in New Brunswick bears a bonus rate per thousand, which is a minimum of \$3 per thousand, so that a dollar stumpage and bonus would put the minimum stumpage rate of Ontario at \$4. This bonus rate, according to value of timber on the stand goes as high as \$5 and \$6 per thousand."

### THE BRITISH WAY

(Cleveland Plain Dealer)

"Let them get it off their chest," is the rule which the English adopted long ago for all groups which feel they have a grievance or a God-given call to save humanity in general and the British nation in particular. At Hyde Park they are permitted to get it off their chest ad lib. They may belittle the king, curse the House of Lords, denounce parliamentary leaders and, figuratively speaking, even thumb their nose at the Archbishop of Canterbury. There are bobbies standing by to see that traffic is not blocked. With that the law is satisfied. In this devotion to free speech may be seen one of the reasons for the durable character of British democracy. They get it off their chest. Traffic is not disturbed and the always unarmed British bobbies simply sigh and call it part of the day's work.

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