

# Field Crop Value Given For Canada

OTTAWA (CP)—Canada's main field crops in 1951 were worth \$1,265,115,000 to farmers, said a preliminary estimate by the Dominion Bureau of Statistics issued here.

The figure is well below the revised 1950 mark of \$1,678,028,000 but the bureau cautioned that any comparison is unrealistic at this point.

While the lower 1951 value reflected drought losses, it does not fully take into account increases in grain prices. Net proceeds from the crops include payments remaining by the Canadian wheat board in 1950 and 1951, wheat, oats, and barley.

Saskatchewan was by far the hardest hit as the major grain producer. Estimated value of its main field crops was \$240,000,000 or less than half that in 1950.

**PRELIMINARY FIGURES**  
 Saskatchewan—\$196,164,000 (\$186,310,000); Saskatchewan—\$240,000,000 (\$258,232,000); Alberta—\$112,528,000 (\$127,693,000); British Columbia—\$31,747,000 (\$33,122,500); Ontario—\$243,605,000 (\$343,445,000) (\$309,171,000); Quebec—\$173,763,000 (\$179,315,000); New Brunswick—\$21,441,000 (\$27,421,000); Nova Scotia—\$14,216,000 (\$15,140,000); Prince Edward Island—\$19,375,000 (\$22,800,000); Newfoundland—not available.

The bureau gave a revised estimate for the 1950 crop, gross value on farms, of about \$1,700,000,000, against \$1,600,000,000 in 1950 and the record of \$2,350,000,000 in 1952.

## Soprano Wins Club's Award

NEW YORK (CP)—Eleanor Sarley, a lyric soprano from Montreal, has been named winner of the Canadian Women's Club of New York's 1952 scholarship.

The cash award of \$300 is made annually to a Canadian-born singer already studying voice in New York. Miss Sarley is studying opera here.

Miss Sarley's grandmother, Mrs. Della Langshaw, lives in Granby, Que.

## Bell Telephone Has Big Program

MONTREAL (CP)—The Bell Telephone Company of Canada will spend a record \$210,000,000 on construction of new facilities in 1952, President Thomas W. Eadie told the annual meeting here.

Last year \$192,000,000 was spent on construction. The company's previous record construction program was the \$208,000,000 spent in 1950.

Mr. Eadie said mechanization has played an important part in the higher return on invested capital achieved in the last two years by light control of operating expenses.

## Principal Named For New College

TORONTO (CP)—Dr. Frank E. W. Wetmore has been appointed principal of a new residential college at the University of Toronto, it was announced here.

Dr. Wetmore, a native of Saint John, N.B., is professor of chemistry and associate dean of the faculty of arts and sciences. He will continue teaching and research, but will give up his position of associate dean when the new appointment becomes effective July 1.

## Bathurst Co. Shows Profit

MONTREAL (CP)—Bathurst Power and Paper Co. Ltd. had net profit of \$1,979,270 or \$1.51 a share in 1951 compared with \$1,963,028 and \$1.33 in 1950.

Sales were \$39,234,387 compared with \$39,675,852.

The company's annual report said the increased profit was made despite continuing downward pressures on selling prices and upward pressure on wage rates and other expenses.

## LARGEST PRISON

The world is the Lubnaski Jail, Moscow, with room for 80,000 prisoners.

He has specialized in chemistry concerned with electrical energy and is chairman of the defence research board advisory committee of electrical power sources.

## CENTENARIAN TAKES POLICY

SHEBOYGAN, Wis. (AP)—Mrs. Alice Maud Hunt of Sheboygan has taken out a hospital and surgical policy. She is nearly 101 years old—and it is the first insurance policy she ever owned.

The policy was issued to the spry old lady here by an agency that said it was the first ever issued in Wisconsin to a person more than 100 years old.

Mrs. Hunt will be 101 on May 22. She says she seldom has been ill but thought she needed a policy so that her son-in-law and daughter, Dr. and Mrs. Willford Evans, would not have to pay in the event she was injured or ill.

## River Runoff Reported Low

OTTAWA (CP)—River runoff in February was below normal due to drought and cold weather in most regions east of Alberta. The water resources branch of the northern affairs department was announced in the Commons.

Runoff was below normal in Quebec, the Prairies and Ontario. The only exceptions were the James Bay region, Cape Breton Island and northern New Brunswick, where runoff was above normal or excessive.

## ELMSDALE

Mr. Charles Y. Dunn has undergone surgery in Prince County Hospital.

Mrs. Charles Y. Dunn, Louis and James Dunn motored to Summerside on Wednesday.

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## TARIFF AGREEMENT IS SIGNED

Herman Walker, right, vice-chairman of the United States delegation, signs agreement at Geneva for lower tariffs with the six-nation European Economic Community. John N. Evans, U.S. delegation chairman, is at left. The six nations are West Germany, France, Italy, Belgium, Netherlands, and Luxembourg.

## Theatre Project Said Abandoned

LONDON (AP)—The Royal Shakespeare Theatre has withdrawn from a proposed national theatre project which would have linked it with the Old Vic Theatre and Sadler's Wells Opera Company.

The board of governors said here it had decided the merger "would be a difficult artistic enterprise, in that the needs and the traditions of the separate bodies are so different."

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## NIKITA SEEN AT GERMAN FESTIVAL

Soviet Premier Nikita Khrushchev is depicted attempting to put the world on a rack on his flight in the carnival at Mainz, West Germany. This was one of the many floats in the "Crazy Days" section of the parade which criticized local as well as world politics. (AP Wirephoto)

## Price-Earnings Ratios Said Not Always What They Seem

By FORBES RHUDE, Canadian Press Business Editor

Price-earnings ratios of common stocks are not always what they seem.

This is pointed out by S. C. Robell in his investment letter in the March issue of Canadian Business, publication of the Canadian Chamber of Commerce.

A price-earnings ratio expresses the number of times annual earnings at which a stock is selling. Thus, if a stock is selling at \$30 a share and its profit in the year is \$3 a share, its price-earnings ratio is 10 to one.

The 10-to-one ratio has been long regarded as a sort of base to which markets periodically return. In recent years, however, prices have outstripped the earnings factor. On the Toronto Stock Exchange, for instance, their average price-earnings ratio of 20 industrial index stocks is 19 to one, with some running much higher.

Market analysts see some justification for this trend, but it worries them, and they urge investors to pay more attention to the ratio.

However, Mr. Robell indicates, the average person may find difficulty in making an assessment because in some cases a company's position is better than its earnings in a given fiscal year may indicate, and in other cases it may not be as good.

**CASE IN POINT**

Bankers are a case in point and Mr. Robell says of them: "Chartered banks are allowed to set aside a reserve of five per cent of their general loans as a protection against possible loss. The loss ratio over any period of time, however, has been a mere fraction of one per cent. Therefore, if actual losses in a representative year are deducted, instead of the allowable five-per-cent reserve, earnings would usually be 30 per cent or so above those actually earned."

An opposite situation occurs when part of a company's profit arises from non-recurring sources, such as tax credits

arising out of past operations or profit on sale of an investment. In such cases the company's current earnings power is less than the profit indicates. A number of more complicated factors are also outlined by Mr. Robell.

Investment house market analysts are aware of these situations and they presumably account for part of the variation in the price-earnings ratios of various stocks, though many other considerations enter into the picture.

**BANK STOCKS NOTABLE**

Strength of bank stocks, for instance, has been notable. Canadian Imperial Bank of Commerce, one of the Toronto exchange's industrial index stocks, sells at around 25 times earnings; while one of the stocks whose current earnings contain a non-recurring item, is selling at around 12 times earnings.

Mr. Robell makes some calculations of the time it should take for a three-per-cent return on a common stock to rise to five per cent.

Taking a theoretical stock earning \$5, selling at \$100 and paying a dividend of \$3 to yield three per cent, and assuming a growth in earnings of five per cent annually, a current purchaser might expect to receive five per cent on his purchase in about 11 years.

At the same time, however, if the price of the stock rose in line with its increased earnings, the purchaser's present \$100 stock theoretically would be worth \$166 by the time the five per cent return was reached.

**MOVE EAST GERMANS**

BERLIN (Reuters)—The forcible evacuation of East Germans living near the West Berlin border continued Tuesday. At dawn East German police with watch-dogs woke the inhabitants of several houses near the British sector district of Stakken and took them away in trucks. The evacuees were barely allowed time to collect a few personal belongings.

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