

GENERAL MANAGER'S SUPPLEMENTAL REPORT ON PROVINCIAL CONDITIONS.

ONTARIO

A year ago conditions in Ontario were the reverse of satisfactory. With business already severely restricted and further dislocated as a result of the war, with many factories closed and others running with reduced payrolls and shortened hours, and with collections slow, manufacturers, wholesalers and retailers looked for hard times. The former trade was dull, building at a standstill, and lower prices for real estate were deemed inevitable. The problem or the unemployed was an added concern for the approaching winter.

Presently, however, Government orders for the manufacture of war munitions increased rapidly, and many woolen mills, tanneries and machine shops were soon working to capacity. With prospects of a large crop and with increasing Government expenditure for war munitions, misgivings began to disappear. The farmers, the least affected, had placed under cultivation a larger acreage than ever before, and, as a result, a splendid crop, perhaps the best in the history of the Province, has been harvested. Prices have been good. Economy is still being practised in keeping with new conditions. Wholesalers and retailers report smaller turnovers, with collections slow.

The lumber trade has been quiet. Stocks are heavy for this time of year, and the local demand light. The American trade has been moderate, but a marked revival is promised. It is expected that the cut this season will be much reduced.

The mines are now active, though the total production is less than last year. The output of silver will doubtless increase in consequence of the rapid rise in price. The value of gold mined has increased by 50 per cent. The nickel and copper mines have been greatly stimulated by the demand created by the war.

Municipal expenditure has been in keeping with the general spirit of economy. No new railway construction of importance has been attempted nor any large power scheme undertaken.

The value of first-class city property and good farm lands is maintained, holders being unwilling to make sacrifices. Building in Toronto is reported to show progress, and the labor situation has greatly improved.

Confidence, which was lacking a year ago, now seems to be restored.

PROVINCE OF QUEBEC

With improved agricultural markets, and crops above the average, the rural sections of the Province are in a satisfactory condition.

The high freight rates and scarcity of tonnage for shipments to Great Britain, together with a limited demand, until recently, from the United States, have resulted in a somewhat unsatisfactory year for the lumber trade. Large stocks of lumber are being wintered, and forest operations for the coming season will, as a rule, be curtailed. Scarcity of tonnage for shipment of paper to England has increased the export of that important commodity to the United States, although the price of news print there has not maintained the level to which it rose during the early days of the war.

Wholesale and retail business is reasonably good, but the commercial agencies report failures above the average.

General manufacturing conditions, especially in Montreal, have steadily improved throughout the year. The Textile Companies report business as being quite good, and the manufacture of munitions of war has brought activity and profit to certain important industries.

There has been little movement in real estate. The high prices at which properties are still held in the chief centres are not an accurate guide to realizable values.

MARITIME PROVINCES

General conditions are reasonably satisfactory throughout our Maritime Provinces. The crops, excepting apples, have been bountiful, with good prices.

Fishermen have had a successful season, with a larger catch than last year and high prices.

Lumbermen, on the whole, have not had a good year. Last season's cut was above the average, but a dull American market, combined with scarcity of tonnage and high freight rates to England, caused a falling off in sales. Large stocks

of lumber are being carried into the winter, and in consequence the coming season's operations probably will be curtailed. Within the last few weeks, however, there has been a marked revival in the American demand.

The output of the coal mines will be greater than last year, due in large measure to the requirements of the steel plants, the business of which has been largely increased by war orders.

Wholesale and retail trade is reported as in a healthy condition.

NORTHWEST PROVINCES

The Northwest has recovered to a marked extent from the economic dislocation of a year ago.

The season's wheat and other cereal crops have exceeded all previous records in quantity and quality, and despite the enormous yield, prices have been uncommonly well maintained.

It would be difficult to exaggerate the importance of these results to the Prairie Provinces—and the Dominion at large.

Live stock, which was decreased somewhat last year when feed was scarce, is again being increased, and the prosperity of those engaged in mixed farming and in ranching is most encouraging.

Packing plants are finding business satisfactory. The combined capacity of the plants in the Northwest is about 15,000 hogs daily.

The flour mills in Manitoba, Saskatchewan and Alberta are busy, and are doing well. Their combined daily capacity is about 27,000 barrels.

With important exceptions, coal mining, which is largely confined to the Province of Alberta, has not been profitable during the past year.

Oil prospects have been disappointing.

Real estate is quiet—speculation has ceased.

Public and private expenditures in the Northwest have been comparatively small in the year.

The expenditures of the Provinces and the Municipalities were reduced to a minimum. There has been some expenditure by railways on new construction, principally in Southern and Northern Alberta, in both cases serving good arable lands. Work on the Hudson's Bay Railway has been continued.

A considerable amount has been spent by the Dominion Government in the erection of large interior storage elevators.

The large advances of the Dominion Government to farmers in certain districts, principally in the form of seed, were made very opportunely, and have been amply justified by the very large crop yield in those districts.

Business in many important lines is good, and should continue to improve as returns from grain yet to be marketed are received.

The general business outlook has been transformed by the large crop.

BRITISH COLUMBIA

Following the outbreak of war, British Columbia was seriously affected by the stoppage of expenditure on railway construction and extension, and in the outlay upon public works, also by the cessation of inflow of capital to develop the lumber, mining and other resources of the Province. Speculation in real estate had risen to a height where prices were quite beyond reasonable productive values. Business has now been forced by adversity to a sounder basis, and shows signs of recovery. There has been a very general tendency toward economy and retrenchment, with beneficial result.

During the past year mining of all classes has revived, bringing increased employment, and a growth of orders for equipment and supplies. The establishment of a refinery would be of great benefit to the country. In agriculture good crops are reported, and, although prices are disappointing, it is satisfactory that the Province is gradually getting into the position of feeding itself. The fruit crop is excellent, and is being marketed under better conditions than formerly and at better prices.

The salmon catch exceeded expectations for an off year, and demand and prices have been satisfactory. The halibut catch has been satisfactory also and marketed under favorable conditions. The lumber trade is in a better position than when under review a year ago, largely in consequence of improved demand from the Prairie Provinces, but still suffers through lack of shipping for the export trade, which trade could be greatly increased with adequate facilities.