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Changed Conditions.

In the short space of one month business conditions in British Columbia have undergone a complete change. A month ago everything was busy and nearly everything was booming, now nearly all native industries have closed down. Smelting, lumbering and logging are at a complete standstill, and mining has been reduced by at least two-thirds; and yet there is no ground for pessimistic outlook. The crisis has been precipitated by money stringency, but while this is the immediate cause, the fundamental reasons lie much deeper. The expansion of trade and commerce on this continent has been so enormous, production has increased at such a rate that it has outgrown its sinews, and there is not money enough to go round. The position of the Western world is precisely like that of a man who, having run a small business successfully, attempts to run a large business without a proportionate increase in his capital. This could go on for a little while by dint of trading on credit, and increasing obligations, but a day always comes when notes fall due, and when they can no longer be renewed. That day has come for the Western world, and in a sense it has gone into voluntary liquidation, and while necessary adjustments are being made, the works are shut down. Beyond this general principle which operates in all commercial communities, and at all

times, there have been other contributing features which if they have not produced, have precipitated the crisis. These may be classified as excessive wages, high cost of living, over speculation; and south of the line, loss of confidence in the financial institutions of the country. All these are temporary conditions which can be ameliorated. The principles of social economy are now so well understood, and so widely accepted that all classes of the community share in the profits, of good times, and suffer the losses of bad ones. Perhaps not in the most spontaneous manner, for unfortunately readjustments of values, whether in wages or material are more frequently arbitrary than automatic, but there are natural laws which determine and govern the adjustment. Those laws are now very evidently in operation, and before the period of prosperity which this continent has enjoyed for several years is renewed, there will have to be a general reduction of wages concurrently with a decrease in the price of necessities, and a careful handling of the financial situation looking to the restoration of confidence. Political economy is an exact science; it has solved many problems, and has thrown light on matters which greatly puzzled past generations, but it has made no appreciable advance in the direction of explaining, or anticipating good and bad times. The most astute financiers fail to see them coming, and it is only when they are upon us