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## Business and Causes of Recent Trade Hesitancy

Congestion at Atlantic Seaboard, and Doubt Raised as to Ability to Stand the Economic Strain with the Steady Loss of Population.

The aspect of trade at the opening of spring presents throughout the Dominion a large number of favorable factors with some cross-currents which are retarding expansion. In British Columbia, in particular, the unfavorable factors more than counterbalance the favorable ones, although there are considerations in the situation for the spring and summer which should tend toward betterment in trade and result in expansion and possibly further development.

Taking stock of the situation and pointing out some of its salient features is not without its advantages, and is the object of what follows.

The relation of business to government during the period of this war are of necessity intimate. On one side is the placing of orders for war materials and equipments with business, and on the other side taxation of business for revenue. The budget of Sir Thomas White, calling for a taxation on profits of business amounting to 25% of earnings in excess of 7% on the capital investment of incorporated companies, and in excess of 10% on the capital investment of partnerships, or individually owned business, is expected to yield \$35,000,000, yet it is not likely to bear sufficiently heavy on business as to retard industry except in some exceptional cases of corporations.

The March letter of the Canadian Bank of Commerce gives the amount of orders placed by the British Government in Canada at \$303,000,000 at the close of 1915, and at the same date gives the amount as paid out on these orders at \$80,000,000. Ammunition is going out at the rate of \$30,000,000 per month and is being steadily increased. Further advances by the Dominion Government to the British Government, which is now arranged with the banks, will result in new orders being placed, to the amount of at least \$150,000,000.

These orders are apart from the orders necessitated by the equipping and handling of an army of a quarter of a million of men by the Dominion Government. The effects of these orders have stimulated business in all lines that enter into equipment and munition concerns, and have ramified through industry that has little connection there-

with. From both Imperial and Dominion orders, the munition factories of Canada have received enough business to keep them going to capacity; in fact, for several months they were unable to cope with the business offered.

But in addition to war orders, the bumper crops of the past year have brought domestic trade up to normal, and except for considerations of transportation of domestic goods across the Atlantic, would now be in a steadily expanding condition.

Mining throughout the Dominion, due to high prices, has been unusually active; and this is true of the iron and coal mines of Nova Scotia, as well as the metalliferous mines of Ontario and British Columbia. This activity seems certain of being maintained so long as the war lasts, and, in the opinion of some prominent mining men, for a considerable period after the war.

With the manufacturing industries throughout the Dominion in a very flourishing condition, the mining industry generally very active, and crops the largest in the history of Canada going at profitable prices to the farmer, why should the Dominion experience reaction and hesitancy such as has occurred since the turn of the year? The answer has generally been made that the congestion of commodities at the seaboard is largely responsible for this condition. It must be stated that this is really a serious situation. Just how it reacts on the British Columbia lumber manufacturer is seen in the case of the prairie farmer who has a wheat

crop to market. He cannot get cars to move his crop because the cars are in use on sidings or terminals, waiting to unload into an elevator already overcrowded with grain waiting for a ship to carry it away. The necessary ships are diverted to the movement of troops or handling war munitions and equipment. The railroads, being unable to move this grain rapidly, cannot use the cars for the return haul promptly to be filled up again at prairie points. The farmer is unable to pay off his debts to the bank or merchants, and therefore cannot contemplate making improvements to his plant in the way of buildings which require lumber, which would likely be placed among British Columbia mills. In a great number of ways which may be similarly traced out the congestion of freight at the seaboard is adversely affecting trade in the Dominion. The solution,

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