

## Business Conditions in Canada

### Greater Proportion of Canadian Industrial Plants Now Employed Than Ever Before.

At no time has a larger proportion of the industrial plant of the country been actively employed than to-day, and an increasing quantity of domestic raw materials is being utilized, says the monthly commercial letter of the Canadian Bank of Commerce. Textile, iron and steel, boot and shoe, packing and other industries are operating as fully as the supply of labor will permit. With prices at unusually high levels the value of the national output will be very much greater than in any previous year. The census taken in 1910 showed the value of the manufactures of Canada in that year, as being \$1,164,000,000, and as the output of many of the larger industries is about fifty per cent greater than that of any previous year, and prices in many cases are more than fifty per cent higher, the value of this year's product will be fully \$2,000,000,000. In some industries a diminution in the amount of night work appears to show that the apex of production has been reached, but excepting in some unimportant districts, the industrial plant of the entire country is operating under the pressure of accumulating orders.

The pulpwood, paper and lumbering industries are steadily increasing their output, owing to the increasing demand from the United States, where the shortage of paper is particularly pronounced because of labor troubles in Norway and the difficulty of obtaining tonnage. The imports from Norway are a considerable factor in the United States market and will be further curtailed, though consumption is increasing. On the Pacific Coast the lumbering business is active and prices are firmer. Rates for ocean shipments have declined and shippers are holding off for better terms. In Nova Scotia the lumber output, it is estimated, will be an average one; and, as purchasers are to supply tonnage for the larger operations, stocks will be disposed of by the end of the season. Ruling prices will return fair profits. In New Brunswick the lumber cut will be 65 per cent of the average.

The British Columbia legislature has authorized the Government to advance 55 per cent of the cost of constructing wooden vessels, in addition to granting a bonus of \$5 per ton upon certain conditions. Advantage has already been taken of this legislation.

Owing to the unfavorable weather in Ontario for seeding peas and planting out tomatoes, the canners anticipate a shortage of these vegetables, and prices have advanced very sharply. The prospects for a heavy yield of fruits of all kinds, not only in Ontario but elsewhere, are most promising.

#### Banking and Finance.

The British Columbia Government has brought down a bill providing for the issue of a loan of \$10,000,000, of which \$6,000,000 will be set aside to complete the Pacific and Great Eastern Railway as far as Fort George and the balance will be used for the general purposes of the province. The Agricultural Commission, appointed under the statute passed at the preceding session of the legislature has

been partially organized and will shortly commence operations. About nine hundred applications for loans are already awaiting consideration by that body.

The assets of the chartered banks at the close of April amounted to \$1,825,381,458, or \$119,544,743 more than at the close of the preceding month and \$261,277,905 more than at the close of April a year ago. The increase during the month is due to the financing of the Government's requirements but, aside from this important factor, there continues to be a steady increase in deposits by the public. The recent loan of \$75,000,000 obtained by the Canadian Government in New York accounts for the unusually large deposits abroad and the proceeds of necessity must be kept in liquid form. In August the sum of \$25,000,000 will be required for the retirement of the Government's one-year notes and a large part of the balance will probably find its way back to Canada to meet disbursements in June. The accumulating deposits which are not being absorbed by the demand for commercial loans, are being invested in municipal and British Government securities of which the banks at the end of April held \$93,052,570, or \$48,668,267 more than at the close of March last, and \$67,316,038 more than at the close of April a year ago. Normally the banks carry about \$23,000,000 of this class of securities, and the increase during the last few months, which became so exceptional during April, is partly due to the acquirement of British securities under the terms of the recent credit arrangement. At the end of April the balance due to the Imperial Government under this arrangement was \$24,035,500. A considerable improvement in the demand for commercial loans is evident, but the ratio of this class of loan to domestic deposits is lower than it has hitherto been, and conversely reserves are higher than at any previous period. The increase in deposits in Canada results from government and munition loans and is therefore of a temporary character.

At the end of May the domestic war loan was quoted at 99 and the recent Canadian loan in New York at 100½.

In the first four months of this year Canada purchased from abroad, chiefly from foreign countries, commodities valued at \$228,830,856 or \$91,868,764 more than in the corresponding period of the year previous. Of these purchases a very large proportion is unnecessary. Many articles are being made in the country that might well be dispensed with and the labor thus employed diverted to the making of those things which the armies need. Every dollar saved and placed at the disposal of the Government, and every sacrifice that releases labor in order that it be devoted to the production of imperatively necessary things, or to the performance of essential duties, brings nearer the end of the war. Only by greater economy and thrift, and by curtailing purchases of non-essentials from foreign countries can our credit, commercial and national, be conserved.

## The Possibilities of Russian Trade

Great interest is being taken at the present time in the possibility of developing a trade between Canada and Russia. According to the opinion of a prominent Russian business man who has been in Canada recently arranging connections with Canadian manufacturers, future prospects in this direction are very promising.

Russia, possessing a vast population of 180,000,000, and consequently with tremendous needs and demands, with boundless national resources practically untouched, will afford an extensive market of great stability after the war. The fact that Germany formerly controlled the Russian market gives an added incentive for pushing our trade into this new field. It is a very significant fact, as was widely remarked in German circles after the outbreak of hostilities, that while Germany went to war because of the need of new markets, she lost one of her colonies, referring to Russia, which was then Germany's largest customer. The bulk of the Russian imports passed through Germany, and two-thirds of them were of German origin. Every effort should now be put forth to keep this much prized market in the hands of the Allies after the close of the war.

As the Germans are occupying the manufacturing districts of Russia, there is now an excellent market for all manufactured commodities. There is

more money now in the country than ever before, for the abolition of vodka has brought unusual prosperity and wages are high. Notwithstanding the fact that prices are higher than before the war, the peasants are able to buy goods that were formerly beyond their reach.

The chief difficulty in reaching the Russian market is the abnormal shipping situation. The port of Archangel is almost entirely used for munitions, and the only other port, Vladivostok, is similarly utilized to the extent of 80 per cent for army purposes, and the remaining 20 per cent for general merchandise. Thus the imported article is sold at its Russian destination at inflated prices. The heavy rate of duty imposed on goods coming into Russia also forms a formidable obstacle. These duties are mostly based on weight, so that for instance, the duty on a dozen knives with celluloid handles costing a dollar would be the same as a dozen knives of similar weight costing say twenty dollars.

The needs of a population of so extensive a country are naturally very varied. The requirements of certain parts are similar to that of Great Britain; the agricultural and dairy districts have markets not unlike Western Canada; while the southern parts require the same goods as the countries bordering on the Mediterranean. The main need of Russia has been and always will be agricultural

machinery, since 80 per cent of its population is employed directly in agriculture. The second line of importance to Russia no doubt will be machinery of every kind, but particularly for mining purposes, for oil fields, and for manufacturing plants.

In looking for business connections in Russia it is important that a first class house be selected, and once that is done the much talked of long credit system will practically vanish. The first class firms in Russia very seldom require credit, and if they do they are absolutely sound and worthy of the credit asked. It is more difficult to do a safe business with other than first class firms, and in such cases special precautions have to be taken. The only high grade firms in Russia to do business on the long credit system are the agricultural machinery dealers, and although they sell goods on long terms as they have to obtain local credit for their purchases these are safe accounts, since the Government, through their co-operative stores, are assisting farmers to buy for actual needs while placing their farms on a paying basis.

Unexampled commercial opportunities present themselves in Russia to-day, and all neutral countries are keenly aware of this fact. If Canada is to take her share in this foreign market a concerted effort will have to be put forth by all the manufacturers of this country.

### ELEVATOR CAPACITY AT HEAD OF LAKES.

Elevator storage capacity at Fort William and Port Arthur will take a jump of 4,880,000 bushels this year over the total capacity of 1915 if all plans materialize. Two brand new elevators will rear their rugged crests into the city skyline and two additions to present plants will be constructed this summer. All four will be completed and in readiness to receive the first of the 1916 grain crop.

The total storage capacity at the Canadian head of the lakes, when these new plants are in running order, will be 48,845,000 bushels, and about a million bushels more capacity than all the 65 or 70 elevators of Chicago, until recently the greatest grain port in the world.

When elevators now in course of construction or proposed are completed there will be 29 different plants in the two cities—21 in Fort William and eight in the sister city, Port Arthur. Buffalo, with its capacity, take a back seat when it comes to handling grain. Duluth and Superior, with its 36,000,000 bushel capacity plants, now take third place in the handling of the new plants which with their capacity, are as follows:

	Bushels
N. M. Patterson (addition to "O").....	130,000
Davidson and Smith (addition under construction) .....	1,000,000
Mutual elevator (under construction) ..	500,000
Saskatchewan co-operative elevator ..	3,250,000
Total for new plants .....	4,880,000
<b>Elevators at Fort William.</b>	
Canadian Pacific elevator "D" .....	7,350,000
Empire Elevator .....	1,750,000
Consolidated elevator .....	1,750,000
Ogilvie's elevator .....	2,000,000
Western terminal .....	2,070,000
Grain Growers' Grain company.....	2,500,000
Fort William Elevator company .....	1,750,000
Eastern Terminal Elevator company ....	2,235,000
Grand Trunk Pacific elevator .....	5,750,000
Mutual elevator (under construction) ...	500,000
<b>Hospital and cleaning elevators—</b>	
Black's elevator .....	150,000
Bole's elevator .....	15,000
Dwyer's elevator .....	250,000
Guy's elevator .....	35,000
Muirhead's elevator .....	35,000
N. M. Patterson "K" .....	80,000
N. M. Patterson "O" .....	100,000
N. M. Patterson (addition to "O") .....	130,000
Superior Grain company .....	100,000
Total .....	28,550,000
<b>Elevators at Port Arthur.</b>	
Canadian Northern elevators .....	9,500,000
Thunder Bay elevator .....	1,750,000
Canadian government elevator .....	3,250,000
Horn's elevator .....	750,000
Davidson and Smith's (addition under construction) ..	1,000,000
Saskatchewan Co-operative Grain (under construction) ..	3,250,000
<b>Hospital Elevators and cleaning plants—</b>	
Davidson and Smith (old plant) .....	750,000
National elevator .....	45,000
Total .....	20,295,000
<b>Grand Total .....</b>	<b>48,845,000</b>