PACIFIC SECTION

OPTIMISM ON THE PACIFIC COAST.

Federal Government and the Lumber Industry—Flotation of the Bank of Vancouver—Trade with Mexico.

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The lumber industry of British Columbia gets more cuffs than ha-pence. The latest move to embarrass on the part of the Federal Government is to enforce the clause in the Dominion timber regulations that so much per year must be cut off each Federal limit. At a public meeting, held here on Thursday, a strong resolution was passed asking the Government to delay action. The meeting was attended not only by lumbermen but by business people, who are feeling the effect of the continued depression in the lumber industry.

A worse time could not have been selected for the enforcement of this regulation. For six months nearly all of the mills in British Columbia have been shut down, and inactivity will probably be the rule until another good crop is harvested on the prairie. At present, all mill yards are stocked, and one of the largest plants in Vancouver, that of the Pacific Coast Lumber Mills, shut down again simply because there was nothing doing. Moreover, there would be logs enough on hand to last six months if all mills were cutting. The Provincial Government has considered the situation so serious that it has lifted the embargo on the export of logs, so that ruination would not be complete. To stimulate demand, the millmen reduced the price of lumber from $3 to $2 per thousand, despite the fact that much of the product cut was obtained when logs and labor were very high. Even this has failed to bring business. And yet, the Government says more mills must be erected.

Only Cause Unhealthy Conditions.

The general trend of timber legislation in civilized countries is to conserve rather than hasten the utilization of timber resources. Now, in addition to the many causes of overproduction, comes Government compulsion. When the investigation was held to see what was the cause of high prices for the retail product on the prairie, it was found the mills were not to blame. Since the reduction in price the retailers had made no corresponding decrease. No matter what the price of lumber was on the coast, the price to the consumer east of the mountains was as much as the retailer could extort, even in the days when the surplus product of Washington mills was dumped in at slaughter prices. If it is the intention to have a greater lumber supply for the benefit of the farmers, it is doubtful if the desired effect will be attained. Even that will not create demand, and will only cause unhealthy conditions in the industry and hasten the waste of timber.

The event of the week in local financial circles was the opening on Monday of the subscription books of the new Bank of Vancouver. Already over one-half of the capital required under the Bank Act has been subscribed. Alexander L. Dewar, the moving spirit in the new institution, is exceedingly gratified. It is confidently expected that within a few months the balance will be taken up. The new bank will then make its deposit with the treasurer board, and call a meeting of shareholders for the election of a permanent board of directors. The policy will be very conservative, the intention being to lay the foundations of a strong institution. To this end, the first effort will be towards creating a strong reserve fund. The provisional board of directors is: T. W. Paterson, Victoria; J. A. Mitchell, Victoria; F. W. Jones, Victoria; W. H. Malkin, R. P. McLennan and H. T. Ceperley, Vancouver; J. A. Harvey, Cranbrook. Branches will be established in the principal cities of British Columbia as soon as organization is completed. The bank will issue its own bills, the design to be characteristic of British Columbia, representing its forests, fisheries, mines and agriculture, and on the back of all will be a reproduction of the Parliament Buildings at Victoria. The heads of the King and Queen will be on the backs of the larger bills.

Since the best of the mining ground in the Canadian Yukon has passed into the hands of the big operators, not so much has been heard of what is going, but from reports which have been received from time to time, it is evident that dredging will be conducted there on a very large scale. Up to the present, the dredging operations have been principally for testing, but now that it is known just what dredges will do, a number of companies are putting them in. The Guggenheims are the biggest operators, but other companies have demonstrated that they can make a success of this kind of mining, which is the most remunerative when successful.

The optimism which prevails among merchants and business men of all classes on the coast is encouraging. Trade is better now than at this time last year despite lower bank clearings. Last Saturday night, Mr. J. W. Stewart, of the railway contracting firm of Messrs. Foley, Welch & Stewart, who will build the Grand Trunk Pacific east from Prince Rupert, was in the city on his way north. He stated that his firm had determined to buy everything in the nature of supplies in Vancouver and Victoria. Nothing will be ordered from the East, as the prices here are as favorable as those given by Eastern merchants. This should create an activity almost as great as in the days of the rush to the North.

Mr. John Houston, the intrepid newspaperman who ventured into Prince Rupert several months ago and remained there, publishing a paper regularly every week since, writes that until the townsite lots are sold next fall there will be little doing there. He advises people to keep away for the present unless they have something definite in view. He is sanguine as to the ultimate prosperity of the terminus, and believes that it will rapidly become one of the great towns on the Pacific Coast.

Boats to Prince Rupert.

The enterprising citizens league of Nanaimo, the coal mining town on Vancouver Island, has a committee looking up sites which might be available to Eastern concerns in search of Western locations.

A company has been formed to mine coal in the northern end of Vancouver by John Arbuthnot, late mayor of Winnipeg. Mr. Arbuthnot's first interests were in the lumber industry, when he and associates purchased the Nanaimo Lumber Company's plant, naming it the Red Fir Lumber Company. In the coal concern is also Luther D. Wishard, of New York. The capital is placed at $3,000,000. Coal lands are also held near Nanaimo, and the operations promise to be extensive. S. H. Reynolds, formerly assistant city engineer of Winnipeg, is manager. Others interested are: J. M. Savage and Ephraim Hodgson, of Victoria; and J. C. McGavin, of Winnipeg.

Another active enterprise in the same section of the province is that of the Nootka Marble Quarries. This will develop marble deposits on the west coast of the island, a large gang of men having been already started at work.

Fine Field for Investment.

Since the establishment of the line of steamers between British Columbia and Mexico, the possibility of investments in the latter country have been apparent. Among the first to find these out are Victoria and Vancouver men, who have secured control of about 400,000 acres on the shores of Lake Cayuga. Cocoanuts, pineapples and bananas will be grown thereon for the markets of the Coast. As Mexican fruit is first-class the venture is expected to be a profitable one. Onions for the late winter and early spring trade will also be

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