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BRITISH COLUMBIA

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## British Columbia and the Shipping Problem

**Desirability of Establishing the Industry—The Bounty for Lumber Carried Overseas and the Tonnage Bounty for Shipbuilding.**

The strategic position of British Columbia in the trade of the Pacific renders the creation of a merchant marine necessary for its development and permanent prosperity. The need for a merchant marine centred at its principal ports has long been felt; but only since the war started has it become a crying necessity. The best means to adopt to secure the establishment of a shipping industry is occupying the best brains of the Province. Hitherto the lack of inducement or the uncertainties of the trade militated against any attempt being made in the building of ships for deep-sea commerce. Most of the tonnage available for the carrying of our export lumber has been controlled by interests to the south of us, which have invariably discriminated against us, and the service available from European ports have not been such as to enable us to compete to the degree we should in the Pacific lumber export trade. What would render us able to get our share of this trade is to have ships built and owned and operated from the ports of British Columbia. While the question is somewhat broader than the export lumber problem at the present time, it nevertheless starts at this point, and will develop into other lines only in so far as the export lumber problem is solved.

The demand for lumber in Europe is unparalleled, and when peace is signed it is confidently expected that the demand will increase many fold. Notwithstanding the present prices of lumber, the charter markets are absorbing the difference, and the result to the mill operator is about the same as before the outbreak of war. The opportunity, therefore, for the creation of tonnage to handle this trade offers the best inducement to build ships that this generation will see.

The lumber legislation passed by the Legislature of 1914 makes the Provincial Government to some small extent partners with the timber holders and lumber operators of the Province. The keen interest of the Government in this problem is consequently to be expected and to its solution it is giving its earnest attention.

Since the securing of tonnage is the paramount question how best may it be obtained? At the outset of any discussion on a Government-aided industry it must be affirmed that paternalism in government is always to be frowned on and wherever given must be viewed as a temporary expedient or availed of only until such time as an industry so created will be able to stand on its own feet.

Since the solution of the shipping problem for the next few years will resolve itself into fostering the export lumber

industry of the Province it would seem that the Provincial Government could very easily bonus the exportation of British Columbia lumber carried in bottoms built at British Columbia shipyards. A bonus of say fifty cents per ton either by weight or space, amounting roughly to about seventy-five cents per thousand feet of lumber manufactured in British Columbia mills of British Columbia timber exported to British or foreign ports, would prove a very powerful stimulant to the lumber industry. This would appear at first sight to be more expensive to the Government than actually it would prove to be. The export of lumber for 1915 was something over fifty million feet. At seventy-five cents per thousand lumber carriers would have received from the Government thirty-seven thousand five hundred dollars. But with tonnage available in 1916 it would be not at all unreasonable to expect that the expropriation of lumber would attain one hundred and fifty million feet. This would cost the Government one hundred and twelve thousand five hundred dollars. But one hundred

million feet would have been manufactured that would not have been without this bounty from which the Government would have derived royalties of not less than fifty cents per thousand scaling fees, and other taxation, and at the same time would have produced logging and manufacturing costs of not less than eight dollars per thousand, and thus would induce an increment of taxation in other ways so that the Government by this bounty would not be actually out of pocket more than the bounty for the normal export. The activity and prosperity resulting would prove very advantageous to the people and the Government of the Province. If for reasons that cannot be foreseen the bounty should not stimulate the export trade the Government would

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