

EXCHANGE SITUATION IN RELATION TO CANADIAN TRADE

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difficult and may ultimately result in a severe collapse in commodity prices and stagnation.

To a similar extent, although less in degree, the United States faces the same situation in Canada as she does in Europe. Every percent of discount of the Canadian dollar in New York means that it is that much more difficult for Canada to buy goods from the United States and that much easier for Canada to sell goods to the United States.

The rate of exchange as between Canada and the United States cannot be solved without time and great effort. We may answer the problem temporarily by the sale of Canadian securities in the United States, the proceeds of which would go to liquidate the accounts of Canadian merchants in the United States. But it must be ultimately solved by the increased sale of Canadian goods to the United States with decreased purchase of American goods in Canada. Before, perhaps, the efforts of American finance and commerce may be fully cognizant of the serious situation, a serious drop may occur which may have a temporary unsettling effect and cause serious loss to both Canadian and American merchants. After the damage has been done then perhaps American finance will see the necessity in its own interests and that of its merchants of bringing the problem to a reasonable solution. So long as the exchange rate remained at a small premium not much damage is done, but when it reaches such a large percentage as it has already and may easily exceed, there may result between the two countries a serious impasse, which will not admit of any imports while greatly stimulating our exportable surplus.

British Columbia is, in some ways, in a favorable condition and in other ways in an unfavorable condition, with regard to this adverse exchange rate. On the one hand, we have our lumber demand, which is very large and insistent,

but due to difficulty in securing transportation we have not been able to ship as much lumber to the United States as we could furnish, and in consequence the advantage which our lumber manufacturers have been able to take of the exchange situation has not been as great as during the mid-summer and early autumn. Our large pack of salmon can not be marketed in the United States because the demand is not sufficiently large, as a result of which we are not able to take advantage of the large salmon pack at the high prices at present obtaining, which creates exchange very fast. Our exportation of minerals is not as large as in 1918, and in consequence does not help out the situation in the Province as much as it could. On the other hand, we import a large amount of food products from the United States, and a large amount of manufactured goods, household goods and other necessities, and it is in meeting of these obligations that most of our merchants are facing a serious disadvantage. In this day of extravagance it is difficult to persuade the average man or woman not to purchase luxuries, because the exchange rate has made an advance of 10% in their prices. We think that while some adverse exchange rate will be operative for perhaps several years, we must face the situation that the condition of exchange may become much more serious before any attempt will be initiated in its permanent solution. In the meanwhile, making provision for such a contingency, it is wise to point out that we must restrict our purchases of articles of luxury wherever they may be imported from, especially from the United States.

COUGHLANS LAUNCH "CANADIAN IMPORTER"

J. Coughlan & Sons launched last week the "Canadian Importer," one of the 8,100 standard steel freighters for the Canadian Government merchant marine. The vessel was christened by Mrs. R. C. Cooper, wife of Lieut.-Col. Cooper, member of Parliament for Vancouver South.

PROVINCE OF BRITISH COLUMBIA

Capital Assets exceed Capital Liabilities by \$16,821,989.

Current Liabilities exceed Current Assets by \$3,062,984.

For the year ending March 31st, 1918, net revenue of \$8,882,846 exceeded net expenditure of \$8,399,649 by an amount of \$493,201.

THE PROVINCE HAS UNPLEDGED ASSETS OF

Agricultural Lands Suitable for Settlement.....	50,000,000 Acres.
Timber Lands of Saw Material.....	349,568,000,000 Board Feet.
Coal Lands.....	83,828,523,000 Tons.

PRODUCTION FOR YEAR ENDING DECEMBER 31ST, 1918.

		Inc. Over 1917.
Agricultural	\$49,543,008	31.55%
Mining	\$41,083,093	11.00%
Lumbering	\$54,162,523	12.00%
Fishing	\$21,518,495	40.50%
General Manufacturing and Other Industrial, Approximately	\$50,000,000	37.50%

The Minister of Finance will be pleased to answer any enquiries of a financial nature, and where the enquiry does not directly concern his department he will be pleased to see that it is referred to the proper department and receives prompt attention.

JOHN HART,

Parliament Buildings, Victoria, B.C.

Minister of Finance for the Province of British Columbia.