

and that British Columbia yards must be bonused under the Dominion Government policy for the continuation of its business. Mr. Coughlan stated that it would be, perhaps, necessary only to bonus British Columbia yards for a few years, after which time it might be possible to enter into competition with world markets for the building of ships. In the course of time it is certain that wages in North America, both on the Atlantic and the Pacific Coast, both in Canada and the United States, will be on a parity by either the wages of the Atlantic Coast increasing to those obtaining on the Pacific Coast, or vice-versa. But the great industrial events now transpiring in Europe might create a condition whereby labor there would be compensated as much as it is compensated in North America, in which case British Columbia would, in the item of wages, be able to compete on exact parity with Europe and the United States. Mr. Coughlan inferred that other conditions operating against cheap materials, such as freight rates, might be overcome by the larger use of water haul from the steel centres to Vancouver. It is also barely possible that some steps may be made in the establishment of an iron and steel industry whereby if it cannot attain for a long period ahead to the rolling of ship plate, many subsidiary articles that go into a ship may be produced within the province.

Whatever the future had in store in regard to the permanent establishment of a shipbuilding industry the claims of the British Columbia yards for consideration by the Government for new business is worthy of most earnest attention because by government act British Columbia yards were denied the right to take contracts which would have kept the yards fully employed for at least two years ahead for French and Italian interests.

SHINGLE SHIPMENTS OF PROVINCE TO U. S.

American Consul-General George N. West, Vancouver, states that 124,160,740 shingles were shipped from British Columbia to the United States in January valued at \$591,767.

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ISSUE OF BRITISH COLUMBIA BONDS.

On another page of this issue will be found an advertisement calling for tenders for \$3,000,000, twenty-year sinking fund, 5½% gold bonds of the Province of British Columbia, due March 5th, 1939, interest payable half yearly, March 5th and September 5th, principal and interest payable in gold at the Canadian Bank of Commerce, Victoria, Toronto, Montreal and New York City. Tenders for this issue close on March 3rd at noon in Victoria.

The financial position of British Columbia, notwithstanding the war and the economic developments which preceded it, the immediate benefit of which the war precluded, from the balance sheet as at March 31st, 1918, shows capital assets of \$40,158,250, as against capital liabilities of \$23,336,261. These assets are made up of Dominion of Canada terms of union item of \$12,462,701, investments for sinking funds, \$4,209,284; dyking districts, \$571,650; Indian reserves acquired, \$1,288,785; railway subsidy lands repurchased, \$1,509,114; smelter works at Fairview, \$29,447; and buildings, roads, bridges, wharfs and fish hatcheries amounting to \$20,087,267.

The capital liabilities include \$23,071,936 of bonds and debentures outstanding and mortgage on British Columbia House, London, England, \$264,325. The balance of capital assets over capital liabilities is therefore \$16,821,989.

The province, however, is obligated on contingent liabilities by guarantee of securities to an amount of \$64,437,935. Of this amount \$40,157,530 is guaranteed for account of Canadian Northern Railways in British Columbia. Since this railway has been taken over by the Dominion Government the contingent liability on this account is practically nil and is likely to become so in law within a few years. Of the balance, \$20,160,000 is for Pacific Great Eastern Railway, which is now the property of the Crown; \$647,072 is for the Nakusp and Slocan Railway; \$2,433,333 for the Vancouver and Districts Joint Sewerage Board; \$40,000 for French Complex Ores Reduction Company; and \$1,000,000 for Agricultural Credits Commission. With the exception of the Pacific Great Eastern, which is now owned by the province, all of the contingent liabilities are secured.

The province is in possession of assets which have neither been tabulated nor appraised, but which are very large in value. Of good agricultural lands, both unalienated and since acquired or to be acquired from holders in default of payments, there are millions of acres. The unalienated stands of timber of merchantable quality would perhaps run from 75 billion to 150 billion board feet. Unalienated coal lands are known to be in vast amounts, but as yet have not been exploited nor appraised. There are also several other items of assets which would make a large total available if necessary as pledge against issue of securities.

With regard to income and expenditure, the province is beginning to make some headway. According to the last published reports of the Public Accounts, being for the year ending March 31st, 1918, which by the way coincides for the first full year of occupancy of the office of the Minister of Finance by the Hon. John Hart, the total revenue amounted to \$8,882,846, as against an expenditure of \$8,399,649, being a balance of receipts over expenditures of \$493,201. This expenditure includes \$226,084 chargeable to capital account. The improved condition for the fiscal year ending March 31st, 1918, may be judged in comparison with the previous year, when the net revenue was \$6,906,783, as against an expenditure of \$9,079,217, indicating a deficit of \$2,174,434.

A comprehensive statement of the financial position of the province may be gained from a survey of the Public Accounts quoted from above, but sufficient has been said to point out the salient features of the great strength of British Columbia bonds, which should receive a cordial reception from the bond houses of British Columbia, Eastern Canada, and the United States.