

BRITISH COLUMBIA FINANCIAL TIMES

A Journal of Finance, Commerce, Insurance, Real Estate,
Timber and Mining

Published on the first and third Saturdays of each month at
Vancouver, B. C., Suite 421-422, Pacific Building, 744 Hastings St. W.
Telephone Seymour 4057

BRADFORD W. HEYER, Editor and Publisher.

Address all communications to British Columbia Financial Times
Advertising Rates on application.

Admitted to the Mails as Second Class Matter

Annual Subscription: Canada, \$2.00; Great Britain, 8 shillings;
United States and other countries, \$2.50; single copies, 10 cents.

VOL. 5 VANCOUVER, B. C., OCTOBER 5, 1918 No. 19

With any discussion of the problems of reconstruction any solution of questions that will arise on the conclusion of war, we do not think that any emphasis has as yet been laid upon the important question of domestic trade.

A great deal of the discussion that has arisen on after-war conditions has been on the subject of world export trade and the readjustments of international trade that will be necessary in consequence of German defeat. We speak of the large markets that will open in Russia for Canadian goods and in South America, in France, in Britain and elsewhere. An Export Association has been formed which is doing great preliminary work and is at present engaged in actual forwarding of Canadian goods, but we do not know of any organization which contemplates a more effectual replacement of goods imported into Canada from other countries by Canadian manufacturers. This, to our mind, was the great pre-war question, today remains the domestic war question, and will be a great after-war question.

Since the adjustment of Canada to war conditions Canadian industry has advanced remarkably and the production of manufactures and their export has worked a marvelous change in our international trade situation, but it is the war that has done this. Our factories have been busy on war orders and they owe their great activity to war conditions. But on the signing of peace war orders cease and the great problem of industry in Canada is to so replace war orders with domestic requirements that these factories may be kept fully employed to a maximum output. While Canada is shipping these manufactures for war account overseas we at the same time are importing from the United States vastly greater manufactures in value than we ever have hitherto. While the export trade is very valuable, its desirability becomes very much reduced when viewed in the light of heavy imports of manufactured goods for our domestic trade.

We think that the prime effort should be directed not to international markets but to domestic markets. The great experience which Canadian factories have gained in quantity production should be invaluable in the manufacture of goods which we so largely import from the United States, but the question of prices which is now secondary will after war be the prime consideration, and this will call for the highest ingenuity and for industrial efficiency of a high order.

In pre-war days we have developed our manufacturing industries through the tariff. The Canadian manufacturer has completely expressed his inability to compete with British, European or American competition and he has gone to the Government for the erection of a tariff barrier to help him establish an industry and keep it going. We have even

The services of this journal are offered through an inquiry column, which is open to subscribers and the public generally without charge, for detailed information or opinion as to financial or industrial affairs or institutions throughout the Province of British Columbia. Wherever possible the replies to these inquiries will be made through this column. Where inquiries are not of general interest, they will be handled by letter. We think that we can assure our readers that the opinions expressed will be reliable and conservative, and that all statements will be as accurate as possible.

imposed tariffs on British manufactures. No matter what the success in the gaining of experience and the consequent reduction in costs have been, the price of the Canadian article to the Canadian consumer is the price of the British or American article plus the tariff and such has been the experience that the Canadian manufacturer appears to be indifferent whether the Canadian or the foreign article is purchased. Domestic competition has not operated to the benefit of Canadian industry or consumers. Whatever the fiscal policy in the future may be the Canadian manufacturer cannot always depend upon a beneficent Government to give him the profit which is indirectly taken from the people of the country.

We think that the supreme need of Canadian business interests is to see that all articles which can be manufactured in Canada for Canadian consumption shall be undertaken and that in the future when we have fulfilled domestic requirements, we can look with more safety and with better economic results to foreign markets for our surplus products. The effort should be directed towards the line of least resistance. By this we mean to say that industry should be directed toward making use of the natural products and resources of Canada and the manufacturing of the raw product into articles that go into domestic consumption. The paper industry of Canada is an apt illustration of this point. We have the forest resources and we have erected paper mills which now not only supply all domestic requirements for newsprint, book papers, writing papers, cardboard, etc., but these Canadian paper products are entering actively into competition in the international market with the products of other countries. As an illustration to the contrary however and with peculiar emphasis on the British Columbia situation is the lumber industry. We speak of the small trade which we do with Australia in the British Columbia market and we speak of the huge demand for lumber which will come to British Columbia after the war for reconstruction in France and building operations in Britain. Of this huge demand for British Columbia lumber for France and Britain it cannot with certainty be stated but the British Columbia lumber situation above all things requires that the tributary market on the prairies for its products should by efficiency in operation and by skill in handling be left entirely to British Columbia lumber mills to such an extent that American production cannot assume large proportions in that market. This was not the situation when large building operations were under way on the prairies during the late boom. In the same way the products of our mines, agriculture, etc., should be manufactured within Canada for domestic consumption to the exclusion of the imported article.

If we properly make use of the natural advantages in the manufacture of the raw products produced in Canada, we will be taking a long step forward in the direction of economic independence, which is the chief goal of every country. This we consider to be a more important immediate question than seeking foreign or international markets for domestic manufactures.