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Present Conditions and Trends in Business

While the Future Was Never So Uncertain as at This Date, Present Conditions Are Reasonably Active and Sound and Portend Moderate Continued Expansion.

While actual sound productive activity was perhaps never at a higher rate than at present in British Columbia, yet the future has never appeared as uncertain as at this date. This appears to be the day of "Sufficient unto the day is the evil thereof," and for general business interests this attitude toward the future is likely to prove the best policy. The huge problems of war and peace, and the effects of both on business, is such that the business man must take full cognizance of the situation, and yet at the same time he has so little on which to base a judgment of future conditions that safety requires a day-to-day attitude as essential.

The basic interests of the Province, with the exception of the fishing industry, are in strong position and moderately active, with sound working conditions. The trouble common to all is labor, its scarcity, cost and lack of efficiency. No relief is in sight, and it is quite probable that labor conditions will continue to get worse. The cost and slow delivery of necessary supplies of material is another deterrent to increased industrial activity. These are some of the adverse circumstances that are preventing British Columbia from getting the full benefit of the war stimulus to manufacturing, trade, and production of war materials.

If it were not for labor troubles the mining industry would be producing seventy-five million of dollars annually instead of forty million, the present rate. All strikes are for the present at an end; but one cannot tell when another will occur which, like the strike in the Crow's Nest, may again paralyze the industry. Yet today there are more active shipping mines than ever before, and the old shippers have been steadily increasing their output. In the line of development the industry was never more flourishing, and a great deal of capital is awaiting the opportunity to take hold of promising prospects with a view to making a producing mine.

When we speak of the lumber industry, what is preventing a tremendously increased output is labor and lack of supplies. The loggers are complaining of these con-

ditions and the manufacturers are saying there aren't enough logs. Notwithstanding the complaints, the output is nearly at the height of its greatest production. A side line on the industry is the huge demand for spruce for aeroplane stock, and the demand is fairly certain to become a permanent condition. The wood pulp and paper industry is working at top notch and a large amount of money is being spent to increase this production. It will not fully become available for two years, at which time British Columbia should be a notable factor in the newsprint production of Canada.

The fishing industry is in doubt. The salmon canning outlook is very discouraging. The sockeye pack on the Fraser River is a hopeless failure. Although the big year of the four-year cycle, the pack is little over ten per cent. of the last big year, 1913. The fall pack may make up in some small way for the disaster, but the quality of fish is of lower grade than the sockeye, yet profitable in view of the high prices for food products. The halibut industry on the other hand continues to expand. Prince Rupert now has definitely displaced Seattle as the largest market on the Pacific Coast for this fish.

Agriculture in the Province is generally in a favorable condition. Crops will be more plentiful than the previous year, which in turn was the banner year in the Province. By slow but sure degrees agriculture in the Province is advancing, and it will not be so many years hence before British Columbia will be producing as much in food products as she consumes.

Of general jobbing and wholesale trade, the difficulty lies rather in the supply of goods from the manufacturer than in the demand. Business in this line is good and in sound condition. Payments are prompt and collections are excellent. The same conditions hold good for general retail trade. Bank managers confirm these conditions. All classes of trade are making money, not in large amounts, it is true, but still making moderate profits and constantly adding to the reserve account.

Despite all the adverse conditions in the larger sense of the world's affairs being completely out of joint, and in the particular sense, of the troubles of the locality or the industry or the individual business, British Columbia is advancing in production, the development of its large

The success of the recent loans at home and abroad should not be taken to mean that continued economy and saving are not of the very first importance. The high cost of the loan in New York, and the present inability of our cities and provinces to sell their securities on that market, mean that a greater share of the cost of the war will in future have to be met out of the savings of the people. It is therefore imperative that economy of the strictest kind be practised, so that the money thus saved may be set aside for investment in the war loans that are inevitable. The well known editor of "The Economist," Mr. Hartley Withers, financial adviser to the British Government, says:—

"Apart from borrowings abroad and realizing assets abroad, the savings of the people are the only sources out of which the war can and must be financed. If the people do not save enough voluntarily to supply in taxes and loans out of savings all that the Government needs, then the Government forces them to save more by getting money from the banks, which the banks manufacture for it. By this process money is multiplied, prices rise and compulsory saving is forced on the people—especially those least able to bear it—because their money, being depreciated, gives them less goods; and so they have to go without goods and curtail consumption. The idea that war can be paid for by financial legerdemain, involving no privation to anybody, is a delusion."—The Canadian Bank of Commerce August Commercial Letter.