

As an Easterner Sees British Columbia

Freight, Trade, Shipbuilding and Economic Problems—
Reprinted from the New York Annalist.

Vancouver—Standing on the bridge which passes over the tracks and freight yards of the Canadian Pacific Railway and leads to the docks of this city, one may look down and see long stretches of flat cars and box cars laden with freight that has come across the continent from Eastern Canada and the United States. Looking east along the splendid natural harbor of the Burrard Inlet, weather-beaten freighters may be seen lying against wharves which jut out one after another at right angles to the lines of railway track coming down from the mountains. Across the Inlet the town of North Vancouver slopes down to the water's edge, where the partly constructed hulls of three wooden boats stand out prominently in the new Wallace shipyards.

The entire scene, up and down the harbor, suggests a movement of outgoing traffic. And what one sees from this bridge expresses exactly the new point of view of Vancouver and the whole coastal district of British Columbia—an active desire for an export market on the other side of the Pacific.

The vast bulk of the freight which has been congested on the sidings of the terminal yards at Vancouver for weeks and months is consigned to Russia. Much of the supplies of war ordered from Canada and the United States in the days before the revolution in Russia came here for transshipment. That Russian trade has been broken for the time being, but it is hoped that the connection will soon be re-established.

Australia also has been drawing nearer to this part of Canada in its commercial relationships since the outbreak of war. Trade in lumber and pulp wood has increased as rapidly as the limited transportation facilities would permit. The Canada-Australian line of boats has extended its service in the past six months to accommodate this growing trade, and the wooden vessels under construction along the Pacific Coast at this moment are intended as lumber carriers between this port and Australia.

Shipbuilding indeed has become one of the most important industries on this coast within the last six months. At the present time, in the three principal yards of the Province, some \$20,000,000 worth of steel and wooden ships are now being constructed. These include eight vessels for the British Government, two for the Canadian Government, seven wooden ships for lumber carrying, and four steamers for Norway.

Some idea of the increased volume of business which has been marked at this port, despite the painful lack of ocean tonnage, may be gained from the record of shipping during the fiscal year ended March 31. Moving inward and outward to and from Vancouver during that twelve-month period there were 21,301 vessels of British, foreign, and Canadian register, and the total tonnage to their credit amounted to 11,735,984. It was the biggest year that the port of Vancouver ever experienced. In the fiscal year of 1916, the number of vessels was 18,594, and the tonnage, 9,942,197, while in 1915, which was the biggest previous year, the tonnage was 10,347,563.

Marvelously rich in its mineral deposits and its vast tracts of pine forests, in its coal areas and water power, British Columbia's chief problems are those of labor and transportation. Just now the handful of people who comprise the bulk of the Province's population down here on the Burrard Peninsula are feeling the benefit of war industry. The community is prosperous, but its members know that present conditions are artificial and only temporary. They are bending their minds now to a solution of those economic problems which block the way of continued development and prosperity in normal times. Their outlook today is seaward as well as toward the future markets of the Middle Western Prairies.

MERCHANTS BANK ANNUAL REPORT.

The Merchants Bank of Canada during the year ending April 30, 1917, established a record of progress which is exceptional even in these days of generally expanding bank business. In those twelve months the total assets of the Bank increased by 25 per cent., rising from \$96,361,363 to \$121,130,558—and this on top of substantial, though less spectacular, increases in every preceding year without any break as a result of the war.

This brilliant expansion was brought about by equally remarkable advances in all classes of deposits and in note circulation. The non-interest bearing deposits advanced about ten million dollars, from \$17,181,959 to \$27,101,587; the interest bearing deposits advanced about the same amount, from \$54,995,069 to \$65,000,484; and the note circulation took on an additional two million dollars; while a three-million-dollar growth in the balances due to correspondents abroad made up the total of 25 millions which roughly represents the addition to the funds of the public placed in charge of the Merchants Bank during the year.

Against these public liabilities, which now total about \$106,530,000, there are held liquid assets (consisting of cash, call loans, bank balances and high-grade securities) to the extent of \$52,041,624, an increase of eleven millions during the year; so that the proportion of liquid assets to liabilities is held in the form of actual cash—current coin, Dominion notes, and coin or Dominion notes deposited in the Central Gold Reserve.

On account of the very strong position in which the Bank found itself last year, it is evident that a large proportion of the new funds at its disposal was quite properly available for the purpose of assisting Canadian business activity. It is not, therefore, surprising to find that the current loans and discounts in Canada have increased during the year by nearly fourteen millions, from \$48,835,565 to \$62,737,958; but the figures show the extent of the service rendered by this bank in financing Canadian business operations, and also the increased confidence in the situation and outlook which is felt by its extremely careful and conservative management. Another token of the Bank's share in the increased commercial activity of the time is the item of cheques on other banks in process of return to their makers, which has risen from \$2,754,968 to \$5,674,828.

Among the liquid assets the chief change is the addition of six million dollars, presumably of British Treasury Bills, to the item of "Canadian municipal, and British, foreign and colonial public securities, other than Canadian." This item representing chiefly the aid accorded by the Bank to the financing of Imperial munition orders in Canada, now totals \$11,263,196.

Profits for the year much exceeded those of recent years, amounting to \$1,120,308.84, thus allowing for the payment of war taxes, Pension Fund contribution and several donations, the dividend of \$700,000, and an appropriation of \$100,000 for writing down bank premises, and still leaving nearly \$170,000,000 to add to the profit-and-loss balance. The whole report must be a source of great gratification to Mr. D. C. Macarow, the general manager, and to the board of directors.

AMALGAMATION OF STEAMSHIP LINES.

The Peninsular and Oriental Steam Navigation Company will acquire the Union Steamship Company of New Zealand on the basis of exchange of shares and cash for the shareholders of the latter company. The Union Company will operate as at present, but the service will now be complete from Vancouver to Britain. The Pacific Coast representative, Mr. J. C. Irons, 440 Seymour Street, Vancouver, has no announcement to make other than to say that the present Canadian-Australasian Royal Mail Line service and management will be maintained as at present.