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Imminence of Peace and Business Prospects

Signing of peace will release international trade—European demand controlling price level—Huge potential demand for Canada's exportable surplus—Observations on provincial conditions.

The progress that the Peace Conference is making is beginning to clarify the world of business. The extreme doubt and uncertainty which has controlled the business affairs from the signing of the armistice to date is just beginning to give way as the terms of peace are becoming foreshadowed and the outlines of the new order are being sensed by business interests. Part of the uncertainty is due to doubt as to what form the terms of peace will take and part is due to the waiting attitude that must be held until the war is legally over. With the approach of the day when the treaties of peace will be signed by all belligerents the programmes for reconstruction and rehabilitation by the various governments are taking shape although of necessity they cannot be put in action immediately.

The Canadian situation is much less apprehensive than is that of the European countries and the problems become much more simplified by reason of its distance from the war zone and the youth of the country. In fact, it would appear that the business situation in Canada is superior to that of the United States because it is much less of an industrial country and its population has not been so intimately affected by industrial changes due to war conditions as obtain south of the international boundary line. The labor dislocation, however, has been serious, and until war work completely ceases and the returned soldiers have all been absorbed into civil life, the situation is delicate. The problems of return to peace need delicate handling.

With a view to absorbing the unemployed the Government will embark on a large scheme of public improvement based upon public needs and that will favorably effect our economic development. In addition, the large railway interests and industrial concerns are preparing for extensions and development which will absorb in total a vast amount of labor. In view of both private and public programmes for development it would seem that unemployment, when

the programmes get under way, will be of very small dimensions, in fact, probably below normal pre-war conditions.

In addition to the plans for land settlement the Dominion Government has engaged in a wide publicity campaign for stimulating immigration, and at this early date the efforts of the immigration department are beginning to bear fruit with a steady movement of experienced agriculturists from the United States to the prairies. What affect this policy will have in Great Britain is not as yet indicated, because of the war conditions there existing to a much larger extent than in Canada.

The trade position of Canada is assuming distinct outlines. Europe is on rations and is short of the necessities of life and all of those materials that go into reconstruction and rehabilitation. For all commodities produced in Canada there is a potential demand for our exportable surplus. After the signing of peace and the establishment of international trade on a peace basis, Canada will undoubtedly have a market for all her commodities that can be spared. Difficulties such as lack of tonnage and financial arrangements should be expected to be encountered, but that the insistence of the demand will overcome these difficulties is very probable.

The domestic situation is dependent more on confidence in existing conditions than in anything inherently wrong in the situation. In connection with prices it would seem that the European demand is controlling the domestic conditions absolutely, and as far as the cost of food products goes we must be reconciled to high prices so long as Europe is in such dire

need. If this view be correct, and barring disaster to agricultural production, it would seem that the general present level of food prices would be maintained until the spring of 1920 and perhaps extend to the autumn of that year. While present high level of food prices is stimulated by food profiteering taking advantage of the European situation to maintain or advance domestic prices. It is likely that were this profiteering to cease entirely prices would not depreciate very considerably. Food profiteering is perhaps the most serious feature of the present industrial unrest, and we think that all those engaged in handling of food products would be subserving their own and the public

IMMINENCE OF PEACE AND BUSINESS
PROSPECTS

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