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Trends in Provincial Trade and the Outlook

**Due to Variety of Conflicting Factors Business Is in Doubt
—Cautious Attitude Called for But Nothing Serious
Expected in This Period of Readjustment.**

At the beginning of the last quarter of the year the business outlook of British Columbia is confused by a wide variety of conflicting factors, which leaves the business interests in doubt as to any definite direction general business will take during the autumn and early winter. We have on the one hand a definite movement in the direction of reduced commodity prices, a growing tendency toward reduced public consumption of commodities, a seasonal suspension of development and exploitation, a strained credit situation and on the other hand, we have a bounteous harvest, much improved labor conditions and an outlook for increased industrial efficiency and a more sane attitude of industry and the consuming public toward the readjustment problems which are now in process of solution.

General business is still being carried on on a high level of activity and, so long as this continues, merchants and manufacturers will be well pleased. However, there is a tendency toward reduced production and turnover, and business men are in a quandry as to whether this is symptomatic of a trade depression or an incidental doldrum into which trade has temporarily steered. In our last issue we wrote of external influences operating on Provincial trade, pointing out some considerations of the exchange situation, the commodity price trend and the world-wide stringency in credit. In attempting to present some summary review of business conditions and the outlook, it will be necessary to bear these external factors in mind.

The year's result in agriculture in British Columbia, while too early to give estimates, is on the whole generally satisfactory with, however, a few unfortunate results which must be taken into consideration. It is undoubtedly true that agriculture is gradually extending itself in British Columbia and due to soldier settlement and other activities of this nature, a large number of new lands have been opened up for agricultural development. General results of these settlements have been encouraging and it holds forth much

promise for the future. But the Okanagan Valley suffered a severe loss in the fruit production and the prosperous Fraser Valley was adversely affected by reason of heavy rains during the past month. With these two exceptions, crops have been uniformly favorable, and the total output will perhaps exceed that of any previous year. The Province is coming steadily nearer the point of being self-sustaining as far as its food products are concerned. By this we mean that our growing export of agricultural products

is beginning to counter-balance our imports of foods which are grown in greater abundance and under better conditions elsewhere. The immediate importance of these agricultural developments has not materially advanced general business but in the longer future its beneficial influence will be felt throughout the Province.

The lumber industry is in a condition of uncertainty and doubt. The increase in freight rates has proved very unsettling for the trade, and practically no progress has been made in straightening out the entanglements caused by these freight rate advances. New orders coming in are very unsatisfactory and production is declining. Back of this unsatisfactory situation is a tremendous potential lumber demand. The agricultural production in the United States and Canada is this year on a tremendous scale, and favorable harvests have always been an important factor in lumber consumption. In addition, we have all over the continent a huge deficit in housing accommodation. This demand cannot be held back for any prolonged period and just as soon as the consuming

public have adjusted their ideas of price to the changed freight rate, a spirited movement may be anticipated. It may be possible for a larger lumber movement East during the late Fall and the general consensus of opinion is that next year will see an active and prosperous year. Notwithstanding the advance in freight rates, the railway situation is getting better, so far as delivery is concerned. Considerable progress is being made since the return of the railways of the United States to their owners and the movement of freight has been expedited.

While the logging business has been suffering to a smaller extent than the lumber industry, a considerable

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