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Business Review and Outlook in British Columbia

Sound Position of Trade and Industry, With Activity of Mining and Lumbering Basis for Reasonable Progress in the New Year.

The high pressure of business in 1916 in Eastern Canada favorably affected business in British Columbia. The industrial East most naturally was stimulated by war orders. There the chief problem of the year was to equip and extend plants for the manufacture of munitions. In British Columbia we are not favorably located for their manufacture, and consequently our business could not respond and expand with the demand. Industrially Canada has expanded during the year and is still expanding, but agriculturally the year cannot be compared with 1915. High prices have actually increased the value of crops, but high prices only are a mixed benefit.

The year in Canada looks to be one of moderate general progress over 1916. The output of munitions will be greatly exceeded, and the demand on our food supplies will be greater than ever, hence the urgent need for increased agricultural development. Labor troubles are likely to be accentuated with the progress of the year.

At the opening of the year British Columbia business faces a prospect of steadily improving conditions and increasing activity. Events that may happen may retard the improvement or may accentuate it, but from what can be foreseen future events cannot very well stop the improving tendencies which throughout the past six months have given general business momentum. This is the general consensus of banking and commercial opinion in the Province.

In commercial lines business is thoroughly sound, and has moderately expanded over a year ago. The credit situation is excellent, collections are prompt, notes and drafts are met promptly, and the credit man and the bank manager have had a much more comfortable time in 1916 than for the past three years. Difficulties are met with in replacing old lines or getting substitutes, and with high prices and with an inadequate labor supply, yet despite these handicaps business is advancing.

Mining in the Province has had a remarkable year, which is only natural in view of the high prices of metals. Detailed figures of the mineral output are not yet available,

and the best guesses would likely prove wide of the mark, but it is certain that the output will exceed \$40,000,000 in value. The ex-Minister of Mines gave an intimation some three months ago that the output in value may approximate \$50,000,000. When it is taken into consideration that the banner output—1913—did not exceed \$31,000,000, and was slightly less than \$30,000,000 in 1915, the increase is significant. Nor can the whole story be told in increased price

of the product. The amount of tonnage handled by the smelters in the Province, and shipped outside, and the actual product in metallic yield has increased. This is the difficulty in giving an estimate at this early date of the mineral output. The mining industry has had to face two conditions that have operated against a maximum output. The first was labor troubles. Twice during the year we were threatened with strikes which would have had serious consequences. Early in the summer the Trail smelter was in danger of closing down on account of labor troubles, and in the late Autumn the Eastern British Columbia coal mines along with those of Western Alberta were threatened with a complete tie-up in labor and the operators had not composed their differences. Nor was this all. Coal mines in the Province are operating on a shortage of about one thousand miners, and they are not to be obtained. While most pronounced in the mining of coal, the shortage of labor extends to metalliferous mining as well, and many hundreds of miners could find employment in the

Parliament Buildings,
Victoria,
January 4th, 1917.

The Editor,
British Columbia Financial Times,
Vancouver, B. C.

I think the New Year holds great promise for activity and general business prosperity in British Columbia. While 1916 has been a favorable one in mining, lumbering and agriculture, and a reasonably active one in fishing, I fully anticipate that it will be surpassed by the present year. Much of that which has impeded progress consequent on the outbreak of war has been surmounted, and this year we stand ready to avail ourselves of the opportunities that exist as never before.

Permit me to urge upon the business interests of British Columbia the supreme necessity to produce—to produce something—to do as much of sound business as possible. During these stern times, and apart from the effect on the individual, it is the patriotic duty of each to labor strenuously, in his trade or vocation to create wealth and prosperity for its beneficial effect on the state in the waging of war. This is no time for the slacker in business, as it is not the time for the slacker in the army. The difference is only in matter of degree.

Along with production, the supreme necessity, as it is exemplified in our mining industry, reasonable attention should be paid to development of resources, so that on conclusion of war, and with it the cessation of war's demands, we may be in a position to meet the situation, together with its keener competition for markets that will likely obtain when peace returns.

Production and development are the clarion calls to businessmen, and I do not know my fellow citizens of British Columbia if I believe that they will not respond to these calls with every possible energy.

Let me in conclusion urge rigid economy in business and private expenditure in order that the proceeds of savings may be used to buy war bonds, so that the prosperity that shall be ours this year may be placed completely at the service of the state.

RALPH SMITH,
Minister of Finance.

mines of the Province if they were to be had. The second condition was a shortage of coke. The Crow's Nest district produces most of the coke of the Province—the coast district only but little—and its capacity was severely taxed to keep up with existing contracts. The Trail smelter was not much troubled, nor was the Grand Forks smelter, but the B. C. Copper smelter at Greenwood was handicapped throughout the year by lack of coke for metallurgical purposes. Before the smelter capacity of the Province can be increased to any extent, an adequate supply of coke has got to be insured.

The Tyee smelter at Ladysmith on Vancouver Island has been purchased from its British owners, and preparations are now under way for an early re-opening,