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Outlook in British Columbia for 1916

The Trend of Increased Production in the Main Provincial Industries Should Tend to Make for Progress and Some Degree of Prosperity in the New Year.

The year 1915 opened with keen depression, doubt and pessimism the dominant notes in the business outlook. It closes with much of this doubt and pessimism swept away, and with a moderate recovery in business to the normal activities of commercial and industrial life. The question now being seriously asked by the business men of British Columbia is, "What has the future in store?" "What is the outlook for 1916?"

To attempt to point out some of the straws in the mind which might furnish clues as to the general directions which commerce and trade may take during the ensuing year, it will be necessary to take into consideration the present condition of affairs, and from them to seek to discern tendencies and general trends.

At the beginning of the year the two main industries of the Province, lumber and mining, were all but paralyzed; general wholesale and retail lines were experiencing deep depression; the credit situation was unsafe; agriculture was being carried on under adverse price conditions; fishing, which had experienced average results, nevertheless failed to be profitable on account of the difficulty in securing markets. This condition of affairs continued with more or less intensity until the late spring, when the price of metals began to rise on account of the war demands. Then the true situation in mining began to dawn on the mining interests of the Province. Mines and smelters, which had either been shut down or were working on short time, were brought into full operation; and with the steadily increasing prices of copper, lead and zinc, other producers and shippers were brought into operation. From that moment began the recovery in business, which, although hardly felt at first, gradually permeated into other lines and induced activity in still others. The placing of war orders among the machine shops and iron mills of the Province helped to keep alive drooping manufacturing, and with the placing of some considerable orders late in the summer, trade showed signs of picking up.

The lumber industry continued to lag. Export demand

put in an appearance, but the lack of cargo space seriously militated against business. It was not until the great crop on the Prairies was made that the industry began to take heart, and all during the fall fair orders from Prairie points came to the Interior and Coast mills.

The fishing industry likewise benefited. Markets were found in Great Britain for salmon, and quickly depleted stocks on hand at rising prices. All through the Interior recovery was felt by midsummer, and conditions showed a rapid tendency towards the normal. The sore spots in the Province were Vancouver, Victoria and New Westminster. In each of these centres, in varying degrees of intensity, business felt the serious loss of population, the extended realty position, and the results of the trade speculation. In staple lines, recovery was felt before the summer was over in these centres of trade depression.

The experience of the Prairies was also the experience of the Coast Province. Crops were uniformly favorable. Particularly was this true of the Fraser Valley, the Kamloops District, the Okanagan, and Courtenay on Vancouver Island; while in the more thickly settled portions of the Province gardening and dairying was carried on to a greater extent than ever before. The results of these harvests was that the Province imported \$9,000,000 less food products than the year before, although it must be confessed that the smaller population required less food to be imported.

During the autumn the favorable factors gathered force and the early winter had shown signs everywhere of considerable recovery. The year 1915,

like its immediate predecessors, 1914 and 1913, has been marked by readjustment: first, in regard to reaction from the speculation of the previous year, and, second, in regard to war conditions. Realty values everywhere have continued to decline throughout the year; and although there are many undoubted bargains on the market, the loss of population in the main centres will retard a recovery in prices. These centres must be built up by industry, and thus place them on a sane and sound financial basis. A city living off itself and borrowed capital is not going to make for permanence or stability.

The year 1916 opens with all the favorable factors operating with full sway; the lessened population and the

Victoria, B. C., December 22, 1915.

To the Editor,
British Columbia Financial Times,
Vancouver, B. C.

Dear Sir:—

In response to your request for a statement as to the business outlook for the new year, I may say that the trying year just past has effected a readjustment in conditions which augurs well for a complete recovery to the normal in business and which will assist materially in building up our commerce and industry on a sound and permanent basis. In some lines of financial operation we cannot, of course, hope for much improvement until the war is over; but the basic industries of the Province have made progress during the past year. Even the timber industry, which suffered severely and was much depressed, is showing signs of decided improvement. The Middle West market, as the result of good crops, is stimulating the mills of the Interior; and as soon as ocean bottoms can be secured for foreign export, the Coast mills will do a flourishing business. Mining, agriculture and fishing have been quite prosperous, particularly mining, which is enjoying almost a boom in production and prices.

1916 will prove a trying year in the history of the Empire, and it is incumbent on the business people of British Columbia to live strenuously, to labor long in their special lines, to use their utmost endeavor to increase production, and to economize and conserve their financial resources so that the Province and its people may prosper.

In this way will we be able to render important assistance to the Empire, and at the same time pave the way to meet and take advantage of the conditions that will arise on the conclusion of war.

Yours truly,

W. J. BOWSER,
Premier of British Columbia.