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Hopeful Features of the Outlook

Manufactory of Materials of War and Great Rise of Food Prices, Thereby Stimulating Agricultural Development to Bring About a Slow Recovery in Industry and Commerce.

We are all painfully aware of what war in its initial stages means. Financially there is hardly an individual in the entire Dominion who has not been to some extent adversely affected. The shoe has pinched, in some place, everyone. The war has been in existence now for nearly four months, and the events that have transpired can to some extent be viewed in perspective and some effort at a forecast can be made that can be borne out by the facts in hand. The situation presents some hopeful elements that point toward a considerable increase in activity in the ensuing months and a gradual return to normal conditions.

The outbreak of war was the signal for the utter breakdown of the international credit market, which had a reaction on domestic credit, and which was the immediate cause of a tremendous campaign of retrenchment. With this came a wild rise in the price of food products and a practical commandeering of all articles which had any connection with war and its supplies. So here were two conflicting elements, one calling for the cessation of ordinary activities and the other for feverish activity in lines that have a bearing on war supplies. With the gradual straightening out of the financial tangle which was the immediate result of war the activity along those lines which can be used for the manufacture and supplying of munitions of war in any form will gradually produce an influence on activity throughout all industry and commerce.

From an agricultural viewpoint this is manifest. On July 30 the wheat situation did not seem very pleasant to contemplate. In the United States a phenomenally large winter wheat crop, added to a fair spring crop, made the largest total in their history, something near 900,000,000 bushels, which would allow about 300,000,000 bushels for export. In Russia, while not growing a bumper crop, the indicated crop was of the same size with about the same exportable surplus. The price for wheat both for cash and on option was not very remunerative for farmers. In

Canada, on the other hand, our crop was a distinct disappointment, and in some sections, as southern Alberta and south-western Saskatchewan, was a practical failure. We faced, therefore, a very shortened yield, and because of large exportable surpluses elsewhere a high price could not be obtained.

On the outbreak of war the face of things had completely changed. Farmers received and are receiving the highest prices in their experience, and are actually obtaining more money for their crops than any year in the past two decades. The same is true for oats, barley and other grain products. Two effects will result. One is that the purchasing power of the farmers of the prairies has been greatly increased, and the second is that the high prices for all agricultural products will induce the greatest development in agriculture that the Dominion has yet witnessed. The Winnipeg Grain Exchange state that the wheat acreage alone will likely increase in the neighborhood of 25 per cent., and with only average conditions should produce a crop of about 250,000,000 bushels against an actual yield this year of about 150,000,000 bushels. High prices are also likely to obtain for some years after the conclusion of the war on account of the devastation of wheat areas and the lessened number of harvesters. The war has therefore placed Canada in the best position for the most extensive exploitation and development from an agricultural viewpoint.

Can we not therefore forecast not only a huge farming development but an actual increase in demand for farming supplies over what they were under normal conditions? Demand for all the things that go to make up the necessities of farmers ramifies through other industries and may easily start up a demand in other lines that have only an apparently remote connection to agriculture.

Every factory in the Dominion that can turn out goods that can be used by the British War Office is now working twenty-four hours a day, and will continue that work until the war is near ending. It is not very hard to see that if this activity in turning out war material continues for many months longer that activities that have a remote connection will be thereby stimulated.

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