

British Columbia and Foreign Trade

H. R. MacMillan

CANADA'S farthest west and fastest-growing province is uniquely concerned with foreign trade. Vital though it is to eastern Canada that our country should have overseas markets, in the case of British Columbia economic life depends on exports.

It has been estimated that some 35 per cent of Canada's national income is attributable to foreign trade. In British Columbia's economy, the percentage is much higher.

The lumber industry in the Pacific Coast province, for instance, exports some 60 per cent of its output to the United States, the United Kingdom, and to other Commonwealth and foreign markets. The newsprint industry exports more than 80 per cent of its output.

British Columbia fisheries ship more than 60 per cent of their annual harvest abroad. In metal mining, practically the entire production of the province is sold outside of Canada. Even in the case of agriculture, some 32 per cent of the production in British Columbia is ordinarily exported beyond the boundaries of Canada.

British Columbia's development was based first on the fur trade and on gold mining, but nearly a century ago sailing

ships were carrying the straight, clear timbers of the province to faraway markets where they commanded a premium for their quality.

At various times since then, it has seemed against logic that British Columbia lumber could travel half way round the world, meet competitor products (produced by low-priced labour) in their own fields, and still retain its place in the market.

Enterprise, quality of the product, and efficiency of a highly mechanized heavy industry have usually managed to claim for British Columbia a substantial share of the market, except where governmental measures have been taken to deter the traffic.

Lumber continues to be the main pillar supporting the economy of the province. It accounts for more than 40 per cent of the British Columbia income dollar. As a province where comparatively little land is cultivable and where, in coastal regions, vast acreages of land are capable of yielding no other crop than timber, it is altogether probable that British Columbia will continue, for many years to come, to derive its income mainly from forests.

This estimate does not minimize the promise of other industries in the west which have a claim for consideration in assessing the future of the province. It does, however, assume that British Columbia will steadily move towards the establishment of a sound forest policy under which incentives will exist to provide for perpetual yield on a practical basis. Thought is being given to this subject, but as yet taxation policies and provisions regarding forest land tenure do not encourage practices which must be adopted if British Columbia is to safeguard itself from forest depletion without adequate provision for replenishment.

The fishing industry in British Columbia is primarily a salmon and halibut industry. In both of these divisions, scientific conservation promoted by international commissions has demonstrated the rewarding work of the fish biologist.

Canada's most valuable single species of fish is the Pacific Coast salmon. So much of the life of this fish is spent far from tidewater in the coast river systems that it can be said that the fisheries of British Columbia are directly related to a very large part of the surface area of the southern half of the province.

From the able Minister of Fisheries for Canada, the Honourable R. W. Mayhew, down through all ranks of governmental officers involved, there is a growing recognition of the fact that no major works on river courses in British Columbia should be undertaken without careful consideration first being given to the effect on the fisheries industry and thus on the scores of thousands who draw their livelihood from commercial fishing. In connection with a large-scale development of water-power related to the establishment of an aluminum industry in British Columbia, it is hoped that this prior consideration for fisheries will be given. The project is being planned for a site carefully selected so as to result in the minimum interference with salmon spawning grounds.

B RITISH COLUMBIA'S remarkable growth in population has been widely observed in Canada. The province to-day

has more than 1,100,000 citizens, of whom more than 500,000 live in greater Vancouver. The total has increased steadily year by year since the First World War, although it has yet to enjoy fully the anticipated great stimulus of trans-Pacific trade.

The world-wide trade slump of the early 'thirties, the Sino-Japanese war followed by civil war in China, the collapse of trade with Japan, and Australasian difficulties in finding dollars to finance purchases in Canada are some of the misfortunes met by Canada's trade across the Pacific.

At this time, when loss of Australian newsprint contracts by British Columbia mills has cut freight volume to the southern Commonwealth virtually in half, the province has more transportation handicaps than advantages in foreign trade. It is at the end of a long haul to and from the largest consuming markets of the world.

For the future, it is to be expected that the possession by British Columbia of substantial resources of raw materials sorely needed in the world must work for the industrial future of the province. Such a long-term prospect offers us no shelter from passing economic storms, nor does it protect us from mistakes of our own doing. However, one must believe that more orderly conditions will return to the world, that the United States and the United Kingdom with their growing populations will find in Canada not only a meeting place for trade but an area in which the economies of the two major English-speaking peoples of the world will tend to merge and re-create the uplifting force of the great trading triangle of the West.

British Columbia is perhaps the most trade-minded province of Canada. Its people are still pioneering and have demonstrated recently both their resourcefulness and their lack of faith in political formulae that would discourage enterprise by the adventurous. It will not be amiss if the rest of the country consults British Columbia's interests in foreign trade and promotes them, for in an accentuated degree this trade represents the problems and opportunities inherent in foreign trading by Canada in general.