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The services of this journal are offered through an inquiry column, which is open to subscribers and the public generally without charge, for detailed information or opinion as to financial or industrial affairs or institutions throughout the Province of British Columbia. Wherever possible the replies to these inquiries will be made through this column. Where inquiries are not of general interest, they will be handled by letter. We think that we can assure our readers that the opinions expressed will be sane and conservative, and that all statements will be as accurate as possible.

The announcement that the British treasury would raise the interest rate on Canadian advances from four and one-half per cent. to five per cent. on account of the fact that the British Government had turned borrower in the United States market is the precursor of a domestic loan. This is clearly foreshadowed by the remarks of the Hon. W. T. White, Minister of Finance, at a dinner of the Board of Trade, Toronto, held two weeks ago. His speech and some evidently inspired statements which were put forth in the public press were for the purpose of sounding public opinion on the proposition of a domestic loan. The replies that have appeared certainly are of the tenor that if the opportunity were offered the public would enthusiastically subscribe for a large internal loan.

It will be remembered that the Finance Minister was invited to be present at the time of the negotiations with the New York bankers for the joint Anglo-French loan, and he had interviews with the commissioners on the subject of British-Canadian finance. Just what was the upshot of these meetings has not been disclosed, but it seems evident that the British commissioners hinted that perhaps Canada could help to relieve the British financial strain by taking over the floating debt of the Dominion held by the British treasury.

Shortly after the outbreak of war it will be recalled that the British Government advanced the various Dominions of the Empire sums to help in mobilizing and equipping the Dominions' contingents. In the case of Canada the amount was £2,000,000 per month, which on the first of October last made a total of British advances of $120,000,000. It is this amount evidently that Canada has been asked to repay with the proceeds of a domestic loan. It will not, however, involve the shipment of coin, but will be paid off with the shipment of goods and munitions of war. If this large amount in bonds can be floated in Canada the proceeds of the sale will amount to an additional credit in the New York exchange market to the account of Britain and thus help directly in the maintenance of large shipments from Canada to the Allies, and stimulate domestic trade.

It is not yet assured beyond doubt that Canada will be able to finance this huge sum and relieve the British treasury of the £2,000,000 per month drain, but that Canada could do more in financing herself and assisting in international trade is undoubted. In the effort to do this some twists to the present governmental fiscal system may have to be resorted to.

In this connection we presented to our readers in our issue of August 7th a scheme for popularizing a domestic loan, which has been criticized both adversely and favourably, and still by others condemning us for the modesty of our proposals. In a word, the scheme was this: That the Dominion Government issue bonds in as small a denomination as $50 and with the purchase of each bond give the privilege of a loan to the face value of the bond at an advance in interest rate of say one per cent. The holder of the bond could on demand receive of the nearest Government agent a loan in the form of Dominion notes, entering into a contract with the Government in the usual commercial form for the repayment of the loan with the specified interest on the due date set in the instrument; on payment of which loan he would receive back his bond or bonds which had been used as security. This would have the effect of swelling the amount of currency in circulation whenever the commercial need required it, and would retire the currency when the need no longer existed. This feature would place the loan within the reach of the average business man, if he knew that when subscribing for the loan he would be able at his need to borrow against it to the face value of his purchase, and thus swell the amount that would be taken to a very large extent. The appeal to the investing public would not be less because of this loaning privilege, and this loaning privilege would enable everyone who had $50 to his or her credit in a bank or stocking to participate in a domestic loan of this character.

This scheme would undoubtedly prove the entering wedge for a currency expansion. But if we are to share the financial burden of the Empire in prosecuting this war, some expedient of affording means to do so should not be shirked, because in our category of sound finance the present fiscal system proves inadequate to the emergency.