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The taking over of the Pacific Great Eastern Railway from the firm of Foley, Welch & Stewart and the release of this firm and its members from the covenant to complete the railway from Vancouver to Prince George, marks the end of a very trying situation brought about by the railway policy of the late Sir Richard McBride. It is true that the financial obligations of the province are in no wise lessened by the Government taking over the road. There will remain a fixed charge upon the people of British Columbia, the amount of approximately \$1,000,000 per year to be paid out of revenue and from which the Government for several years to come cannot derive any profit over and above operating expenses and maintenance of way and equipment. If this railroad is to be made self-supporting at an early date it must complete that part of the railway from Squamish to Whitecliff, a very heavy piece of construction. Also it must make provision for entering the city of Vancouver, either by bridge over Second Narrows or temporarily by ferry. Furthermore, the mileage from Clinton to Prince George must be laid to rail, which will involve considerable expenditure for bridges and rails which, under present conditions are not only very difficult to obtain, but also are very costly. Economy of operation and the opportunity for the haul of through traffic through the completion of the road are necessary before the province will begin to see daylight on its expenditure.

It is a difficult matter, however, to see that this expenditure is at this time warranted. It must not be forgotten that we are at war and that the energies of the country should be devoted to the prosecution of war rather than diverted from that purpose to the completion of a public improvement of admittedly great value. With labor drawing twice as much in wages as under pre-war conditions and inefficient at that, with materials advanced in line with the cost of labor and a large proportion of these materials if we are able to obtain them necessarily drawn away from the manufacture of steel for munitions of war, it is highly desirable that the fullest consideration should be given these matters before the province embarks on the expensive undertaking to finish this road.

It would seem at present the part of wisdom to make use of these materials which are on hand to extend the railway as far as the available rails on the ground will permit and to maintain the road in good operating conditions and to seek to operate it on the least possible expenditure of money. For the period of the war, therefore, we consider this sound policy. After its conclusion, however, and the return of stable conditions no time should be lost in completing this railway from the city of Vancouver to Prince George to enable it to handle transcontinental freight, and the rapid extension as soon as the financial situation will permit from Prince George to the Peace

River country. The strategic importance of the Pacific Great Eastern Railway to the province of British Columbia, and especially to the city of Vancouver, is great, but the importance of using the energies and finances of the country to the prosecution of war is greater.

Full sympathy must be accorded any municipal body in the province of British Columbia which seeks to make its ends meet. While full blame for the present condition of civic affairs must be attached to past administrations, which only in its last analysis was the interpretation of the popular will, certainly very little blame can now be charged to municipal councils now sitting on civic affairs. The desire of the Vancouver municipal council to make its income equal its enforced expenditure is worthy of the fullest support which the people of Vancouver can give to it. Although there is something to be said in favor of increasing operating costs of the city in view of the large increases in salaries and materials, nevertheless, civic expenditure could be still further curtailed by the further paring of expenditure and by devising further economies in the management of the city.

The present city council has confessed that it has reached the limit of taxation under the present system of single tax and that if further revenues are to be procured some other form of taxation must be devised, hence the proposal of a business tax.

We think, however, that the city council has not run the gamut of revenue under the present system of taxation. In the first place we believe that proceedings could be instituted by that body to collect arrears of taxes with the last resort to a tax sale. There are a large number of holders of property whose taxes are in arrears who are well able under the present prosperous conditions to pay up all arrears and current taxes against their properties. If the city council could bring about a selective treatment of cases whereby each delinquent shall be subject to an investigation by a proper qualified city authority, and if such a person shall be found able to pay taxes and does not do so, tax sale proceedings should be instituted against such holders. The instance of a clever treatment of delinquency of taxes is found in the city of Toronto whereby by persistent effort arrears of taxation even in these troubled times have been reduced to a position wherein they are less than under normal pre-war conditions.

Furthermore, the limit of taxation under the present single tax system has not yet been reached. Moderate advances could yet be made, unpleasant though they may be to the holders. It must be said in defence of any municipal council that if it went to the people with such a programme no matter how praiseworthy or capable or efficient the individual members of the council may be they would most certainly be defeated. It must also be said that if increased taxation were levied under the present system of single tax considerable property would perhaps fall into the hands of the city. This, by the way, is not so serious a problem as municipal councils generally view it. Under the growing conditions of Vancouver property coming into the possession of the city would in a short time repay a profit to the city and in many cases could be immediately leased out for revenue producing purposes for almost as much as a tax now assessed against it.

But the principle of single tax is yet to be shown to be found wanting. If properly administered the single tax principle says to the holder: "If you do not use your property you are not entitled to hold it." We cannot conceive of any sounder economic doctrine being proclaimed. It vouchsafes to the community in the future the right to expand and develop free from the incubus of the old system. In view of this we are quite anxious to see the present system maintained and intensified, and we think that the present difficulties will appear small in the sight of the benefits that will accrue to the community if we persist in maintaining the present system.