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By Order-in-Council, the Minister of Finance has passed an embargo against the importation of securities either of Canada or outside of Canada to the Dominion. The object of this embargo is to effect favorably the adverse exchange situation as it concerns the United States. We believe that as an expedient it will have little effect in rectifying the present exchange situation and at the same time is wrong in principle and should at no time be imposed except as a war measure.

Specious expedients are always to be condemned, whether they are carried on by the individual or the state and any corrective that may be supplied by the government, and, we believe that any government activities at this time are ill-advised, should be fundamental. The only real way to wipe out the adverse exchange rate on Canada in the United States is for the reduction of our importation from the United States, and the increase of exportation to the United States. The government is to some degree warranted in stimulating a condition of affairs which will aid in bringing this about, otherwise it had best be left to the ordinary economic action of one people with another.

The cause for the government order lies in part in the large importation of Canadian municipal and provincial securities held in Great Britain, and some heavy purchases of Canadian mortgages held in France. The more serious depreciation of the pound sterling in New York as compared with the Canadian dollar in New York, renders the terms on which Canadian investors may purchase their own securities from British holders very attractive. If this is the desire of the Canadian investors they should be rather encouraged to take advantage of it so that the interest accruing from these investments may be paid to individuals in Canada rather than go to British holders, hence out of the country. By a gradual process we may be able, as we are certainly progressing in that direction, to extinguish, gradually, our financial indebtedness to Great Britain at a cost much less than the people of Canada expected to pay when the securities were issued. This activity is progressing along side of another activity which is the sale of Canadian securities to the United States, and while this financial balance will have to be made up in the course of time, it is necessarily delayed by reason of the long dated maturity of securities sold to the United States investors. When the great bulk of these securities mature then the trade balance existing between Canada and the United States will have grown if not to an actual export balance, to at least a point where the adverse balance of trade is not a serious factor.

The object of the Dominion government in enacting the embargo can be very easily circumvented so long as the power of the embargo is not extended to the actual transfer of funds. For instance, there is nothing to prevent the Canadian holder from purchasing a Dominion security in Great Britain and having same deposited for his account in New York and paying for same with a New York draft.

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 reliable and conservative, and that all statements will be as accurate as possible.

Other means may also be easily resorted to. The embargo is really the expression of a wish rather than a power in operation and effect.

Protection of Victory bond prices is also sought in the operation of the embargo. The government does not wish to see any serious depreciation in its security, as it will have to go before the people this autumn with another popular loan. But, outside of the assistance it gives the Bond Dealers Association in maintenance of price, Victory bonds must seek their own level of price as market conditions warrant. The absorbing power of the people of Canada is large and growing and their increasing wealth and prosperity must not be lost sight of.

A trade unionist incident of more than passing importance has occurred in Victoria which is worthy of some comment. The efforts of the good people of Victoria to establish, at least, a wooden shipbuilding industry in that city with the possibilities of ship operation to handle British Columbia exports and otherwise enter into deep-sea trade, has received a sharp rebuff from trade unionists officials in that connection.

Since the Cholberg shipyard and the Foundation Co. shipyard in Victoria completed their contracts, efforts have been made to secure other business which would keep these yards employed and keep together a large force of men growing in skill and usefulness in the wooden shipbuilding industry. The first efforts in this direction were along the lines of labor participating in the ownership and operation of either one or both yards. Victoria labor leaders opposed the financial co-operation of their membership employed in the shipyards and referred the matter to headquarters. The reply came back quite as unfavorable as the local officials had expressed themselves, stating that the labor unions would look with disfavor on any monetary interest which their members would take in a co-operative industry. In consequence the scheme fell through. The employees of the yard, while not averse to subscribing to shares, particularly as the terms were such that a small payment out of the weekly envelope could be made whereby the strain on the purse would not be appreciably felt. These members were at the same time unwilling, through fear of antagonizing their leaders or with loyalty to their union orders, to brave the displeasure of the leaders and participate in the ownership of the yard.

In consequence of this plan falling through, a new scheme was proposed which is bestirring Victoria similar to a Victory loan campaign, but the business interests of Victoria are only concerned and they must provide the entire amount of \$300,000 necessary to commence operations and secure the government aid provided for in the Orders-in-Council elsewhere commented on in this issue.

We believe that the action of the trade union officials is reactionary and not in line with progress. A member of