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In finance during this war period we can only apprehend some of the remarkable events that are transpiring before our eyes; we have little to base an opinion on in regard to future courses. There appears to be some clarification of view and many of our best minds are not looking for the immediate tremendous upheaval of financial conditions on the dawn of peace that was so widely believed at an earlier stage in the progress of the war.

It had been quite widely held, for instance, that the price of money would be very high after peace was declared. An eminent French economist, M. Leroy-Boileau, holds on the contrary that interest rates may have a tendency to fall. He asserts that in the case of France, which is typical, the huge emission of notes cannot be readily withdrawn from circulation. The people of France will be too poor after the war to subscribe for large amounts of French Government bonds, which naturally would be paid for with bank notes, thus converting a non-interest bearing obligation into an interest bearing one and involving increased taxation, which is unthinkable, to pay the interest of those obligations. The conclusion he reaches is that the present large outstanding note issues will stay in circulation for a considerable period after the war, or until the people of France have made up for the wastage of war. The amount of notes in circulation, he concludes, will have a tendency to keep credit conditions easy, and consequently interest rates will tend to maintain a normal level, which instead of being a burden to commerce, may tend to stimulate it. What the effect will be of this theory on international finance or the gold market he does not venture an opinion.

The case of Britain is different only in degree except that international finance has a larger bearing on her problems than in the case of France. The position of Italy is identical with that of France, while too little is known of Russian finance and economic position to affirm anything. It may possibly be that the present conditions of finance may be maintained for a considerable period after the war and that its ill effects which in the long run must make itself felt may be sufficiently drawn out to make them not as seriously burdensome as we are generally led to believe.

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 effect on Canada from a financial view-point will more closely resemble the experience of the United States than that of the European belligerents.

While admitting that the After War problem of Canada is a very large problem, it is still an exceedingly less complex one than the European belligerents will have to face. Of course the immediate After War problem will be the assimilation of the combatants into the industrial body. Much thought is being given to the subject and some really sound, ingenious, and comprehensive plans have been put forth.

How well and expeditiously this problem is solved will determine to considerable degree the rate of recovery from the ravages of war. Following, or at the same time as some comprehensive scheme of soldier assimilation is being put into operation, a sound and equally comprehensive scheme of immigration must be entered into. The manpower loss in this generation at least can be made up only in this way.

The financial problems involving the large war debt need be handled only as an incident to our industrial and natural resources development. For instance, if we can increase our population we can more widely distribute our burden of taxation. Similarly if we can increase our industrial development and bring our great natural resources into the marts of trade we create more taxable assets and thereby reduce the pro-rata tax. The problem of government and people is to stimulate commerce and industry, to increase production, to develop the resources. Under our present statutes the problems of social justice, equality of opportunity and all those questions that hinge on social relations, using the word social in its wider acceptance, can remain dormant for a decade while we devote our minds and bodies toward the building up of the Dominion from an economic view-point.

Fortunately the position of Canada holds out the fullest promise if our business interests will devote the energy the situation calls for. The financial assistance is available in adequate amounts in the markets of the United States, which have an ever increasing faith in our ability to repay those loans. We have also the basis for an industrial development which needs only business acumen, energy and thrift to expand to tremendous limits within the next two decades. We have the agricultural basis to make Canada a world granary. We have the mineral resources to supply industry with its raw product.