

INTRODUCTION

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ought properly to be provided without delay out of the general resources of the Province from taxation and placed in a fund in the hands of trustees independent of the Government for the security of the holders of the Telephone debentures and stock; otherwise these securities must in effect be depreciated by about ten per cent., taking into account the losses of the past alone and taking no account of the losses of the future. The politician accustomed to vague rhetorical generalities is used to denouncing all serious criticism; but the investor is not always easily deluded and one day the Province of Manitoba will find in a restricted money market and an abnormal rate of interest the consequences of the failure of its executive Government to transact its business in a businesslike way.

Among the financial reactions of the war must undoubtedly be the increase of the public debt of Europe, the great increase of the fund holding classes, and the urgent necessity for State economy. This economy can only be effected if the State relinquishes all but its necessary and obvious functions and refrains from increasing its total obligations. Only by such means can normal social conditions be re-established. Unless on the American continent a similar restrictive policy as regards State action be adopted, America will find itself burdened by overwhelming public obligations with all the social reactions to which these obligations give rise.