

BRITISH COLUMBIA FINANCIAL TIMES

A Journal of Finance, Commerce, Insurance, Real Estate,
Timber and Mining

Published on the first and third Saturdays of each month at
Vancouver, B. C., Suite 421-422, Pacific Building, 744 Hastings St. W.
Telephone Seymour 4057

BRADFORD W. HEYER, Editor and Publisher.

Address all communications to British Columbia Financial Times
Advertising Rates on application.

Admitted to the Mails as Second Class Matter.

Annual Subscription: Canada, \$2.00; Great Britain, 8 shillings;
United States and other countries, \$2.50; single copies, 10 cents.

VOL. 5 VANCOUVER, B. C., MARCH 16, 1918 No. 6

As we go to press there seems nothing that will stop South Vancouver defaulting on \$160,000 of debentures which mature on March 15th. If this proves true and a receiver of the city has to be appointed the charge for this condition must be laid to incompetence and mismanagement on the part of the City Council and almost criminal negligence on the part of the ratepayers of South Vancouver. If by some remarkable legerdemain the funds can be furnished to pay off these maturing debentures it would be only a temporary stalling of the situation, for on May 15th the city will have to liquidate \$640,000 of maturing debentures.

The suggested solution of the South Vancouver problem takes three lines. The first is that the province of British Columbia guarantee the obligations of South Vancouver. This is acceptable to the debenture holder. This solution we regard as too heavy a tax upon the over-strained credit of the province of British Columbia and furnishes a precedent which is very difficult to avoid in the case of another municipality getting into financial difficulties in the future. We think this highly inadvisable, and we cannot see why the province of British Columbia should put its back under a load of debt created by the follies of the council and people of South Vancouver.

The second solution suggested is that the city of South Vancouver be incorporated into the city of Vancouver and the city of Vancouver assume all financial obligation for the city of South Vancouver. This, we imagine, in view of the heavy taxes, both present and prospective, which the people of Vancouver must bear to bring them out of their civic troubles will not appeal very strongly to either the council or the ratepayers of Vancouver.

The third suggested solution is that the South Vancouver situation take its regular course; and this, while we deeply regret the necessity, seems the best course to pursue. It will necessitate the appointment of a receiver for the city of South Vancouver and the problem of civic administration, together with finance, must be left in his hands. It is a pity that a city bearing the name of Vancouver as part of its name should bring to Vancouver the odium that would attach to a city which defaulted in its financial obligations, and that a city should be driven to such straits. Nevertheless we are of the opinion at this juncture, if such be the turn of events, it would be the most economical and efficient method of administering the city's affairs. If a responsible and capable receiver were appointed we think that he could make arrangements with the debenture holders for the staving off of interest until such time as the city will have grown strong enough through increase in population and industry to bear the burdens that have been created.

It has been suggested that the municipal council of Vancouver take over the management of South Vancouver during this enforced period. The suggestion has much merit. The municipal council of Vancouver, when not be-

holden to the electorate of South Vancouver, and thus would be relieved of all political consideration, leaving for consideration only the immediate and pressing problems of South Vancouver and the working out of a financial plan for the re-establishment of the community. If the municipal council of Vancouver are not asked to act in this capacity the situation could be worked out by the appointment of a receiver by the Provincial Government. Both would adequately fill the bill, and we are of the opinion that not so very many years will pass before the receiver would be discharged and the city re-established in its solvency.

About a year ago the problem of South Vancouver received the consideration of the Provincial Government on the request of the then existing council of South Vancouver. A plan was instituted by the municipal department looking to a comprehensive treatment of South Vancouver's financial affairs. The province was prepared to extend aid on condition that the management of the city would be turned over to the province. The municipal council of South Vancouver, still hugging the delusion that something bright would turn up to defeat the inevitable, refused the proposal of the Provincial Government. The people of South Vancouver seemed to have endorsed the decision of the council. Under such conditions the Provincial Government could do nothing. A year later again these appeals for help are heard in Victoria, but the day is past when judicial help could be applied except at a very heavy cost. The council and the people of South Vancouver must bear the disaster which falls upon them, bringing with it the odium that must attach to every other municipality in the province.

The steel and iron committee from the province of British Columbia, headed by the Mayors of Vancouver and Victoria, will before many weeks wend its way to Ottawa on the quest for financial support for the establishment of an iron and steel industry within the province. This is a very important committee and is charged with grave responsibilities. Great care should be taken in the personnel of this committee, getting our most responsible and constructive business men to go, and in the second place having very definite ideas as to what they want and the exact proposal for Dominion aid.

We hope that in this connection the committee will not seek to have placed either a direct embargo on the exportation of British Columbia iron ore or an indirect embargo imposed by an export tax. We consider this both short-sighted and very ill-advised, and will have a strong tendency to defer favourable action.

The method of assistance requested of the Dominion Government may perhaps take two forms. One is that the Ottawa authorities be requested to grant a bonus of so much per ton on the manufacture of pig iron and so much per ton on the manufacture of steel billets. A second proposal would perhaps take the form of a direct grant of either credit or capital to responsible parties for the erection of blast and open-hearth furnaces.

As a preliminary to the request of the committee taking either of these forms or still other forms the committee should request that the Dominion Government appoint an investigating committee of prominent metallurgists, geologists and practical steel men to investigate thoroughly the entire field of steel making, its raw products, conditions of manufacture and markets.

It is essential that this committee when it goes to Ottawa should have its mind made up unanimously as to the exact method of solution, and press for that solution. Only by a committee carrying the confidence of the people of British Columbia and the Dominion Government and by presenting a definite, reasonable and comprehensive scheme of governmental assistance can anything definite be gotten from the Dominion Government.