

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.

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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. IV.

VANCOUVER, B.C., MAY 19, 1917

No. 10

It is with regret that we learn that with the passing of the proposed "Land Settlement Bill," the "Agricultural Credit Act" will be abolished by the Provincial Government.

The "Agricultural Credit Act," while a new departure for North American practice, is the result of the accumulated experience of many decades of operation in Australia and New Zealand and in Europe, and possessed the desirable and valuable features of all similar acts in force elsewhere. It went into operation last year and made loans to farmers with the proceeds of a one million dollar sale of bonds, all of which has practically been loaned out. Mistakes in putting this Act into operation have undoubtedly been made, particularly in the making of some loans that were ill-advised or were used simply to replace existing loans held by private mortgage interests. But these were simply incidental and had nothing to do with the principle of the bill.

The Land Settlement Bill proposes to do a lot of things with the intending settler, a part of which is loaning him money for the purpose of giving him a start toward becoming a successful agriculturist. It is just here where the principle of the bill is ill-advised. Paternalistic legislation of this character should be far removed from the loaning of money, where security and moral risk are the determining factors.

It is expedient and justifiable to aid a settler with money or goods or chattels for the successful settlement of the land, and losses incurred, which are certain to result, should be charged up against the cost of getting the land developed. But with the loans of the Agricultural Credit Commission there is not a single reason why a penny should be lost to the Province on the basis of these loans, except an occasional delay in the way of interest arising from a poor agricultural yield for a year. In the case where money is loaned to an unenterprising and unsuitable farmer, recourse is made to foreclosure on a developed property, thus making way for a farmer who can succeed.

The two functions of land settlement and farm loans should be kept as distinct as legislative enactment can make it. In bringing both under the same head and management, there is grave danger that the Province will be subject to losses that would not be involved were both kept independent.

The city fathers of Vancouver lost their appeal to the Legislature to use sinking fund monies for the purpose of reducing taxation. The plan of issuing securities for the relief of taxation and selling these securities to the sinking fund was denied by the Legislature, although it granted the right to issue securities for relief of taxation. The action of

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 Legislature was notable in enforcing the principle that sinking fund money was not the property of the city but the property of the holders of the city's securities, and its control and investment is to be safeguarded against unwarranted and specious demands.

We hope the day is not far distant when municipalities will be required by law to issue serial debentures, thus obviating the necessity for the creation of sinking funds and eliminating all the municipal evils and temptation that surround the control and investment of sinking fund monies.

The city of Vancouver has applied to the Provincial Legislature for power to acquire water-power sites, to erect electrical development plants, and to sell electricity for light and power in the city of Vancouver. This the Legislature has granted.

This action we regard as a very grave undertaking for the Provincial Government and the city. The British Columbia Electric Railway Company has invested many millions of dollars, on the understanding that the city had not the right to enter into competition with it for the sale of electricity. That right was not denied to any corporation seeking entrance to the city to sell electricity in competition with the British Columbia Electric, and the company would naturally have to face that competition. But for the City Council to enter into that competition looks like breaking faith with the company and its large list of shareholders and debenture-holders.

A city has two rights against a public utilities corporation. One is the right of taxation and the other is the power of regulation.

The power of taxation is very elastic and at the same time can be made very stringent. Large revenues can be derived from public utilities privately owned and operated. The power of taxation is an effective instrument for the handling of these classes of corporations; but apart from a reasonable tax on earnings, which is fair, the better method is regulation. First give a corporation an exclusive charter and then regulate it. This is the modern method and the fair method to the people. There should be regulations as to price and service. If under these conditions the private ownership and operation of public utilities does not work, then it is time to consider the proposition of municipal ownership and operation. A city has the right, or may obtain the right from any right thinking Legislature, to purchase existing utilities on a proper basis of valuation. In fact, a city can compel the sale to itself of a public utility without the express or implied agreement of a corporation to sell. The whip hand of all these matters is always held by the right of a municipality or government, so that a corporation is dependent for its prosperity in the ultimate analysis on public favor, which is obtained by public service.

But for a municipality to enter into competition with a public utility corporation, without using every effort to buy it out, is a rank injustice to those operating it and those individuals who have in good faith invested their capital.