

# 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. VI. VANCOUVER, B. C., JUNE 21, 1919 No. 12

We present on another page the salient features of the Finance Minister's budget speech particularly as they concern British Columbia readers, which is worthy of a thoughtful perusal by the business interests. We have omitted Sir Thomas' reference to the reduction in duty on agricultural implements and the agreement made with the railways for the reduction of rates on this class of commodities in order that Eastern Canadian manufacturers may not be placed at any disadvantage in the prairie market by reason of this reduction because it particularly concerns the prairies and not this coast province. Summing up the Finance Minister's excellent statement of the state of the nation, he shows the large war debt created with the large percentage of this debt held by the Canadian people. He shows the enforced heavy expenditures which must be made for demobilization which, he anticipates, will take \$300,000,000 this year, and the programme of wide governmental expenditure for public improvement initiated on the grounds of public necessity, but more particularly on the grounds of solving any unemployment problem that may arise due to adjustment to peace conditions. Sir Thomas points out the revenues he expects to get and the sources he expects to get them from.

The position he takes with regard to new taxation is founded on the fact that business conditions are of such a nature that heavy increased business taxation would tend to prevent a more prompt industrial revival and that it would be to the best interests of Canadian business not to increase any form of this class of taxation. On the other hand he proposes to increase revenue by way of increasing the rate of income tax, and considerably increasing the rate of taxation on large incomes.

It is, however, to the conclusion of the Finance Minister's remarks that we would earnestly call the attention of our readers. No one is in a better position to see the financial situation of Canada than the Finance Minister. No one must twist and turn more in the efforts to maintain the stability of government and to so adjust expenditure to income, nor to permit of burdens to be carried larger than the people can bear. Any finance minister is by reason of his position a pessimist. With the conditions resulting from the termination of the war the reason for this constitutional pessimism must be many times aggravated yet we find the budget speech brimful of hopeful solutions of present problems and firm faith that the people and government may be able to bear their financial and economic burdens.

When Sir Thomas points out the desirability of the Dominion Government reducing its expenditures to a minimum and withdrawing from industrial undertakings and restricting its credit for governmental purposes, only his

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.

remarks find an echo in the heart of every business man. The unnecessary expenditure of the government involves a large percentage of the total expenditure to be incurred and is for the purpose of absolutely solving any problem of unemployment that may arise within the new fiscal year. The Government would almost seem to propose that any healthy person willing to work may find work at a living wage.

The idea back of these proposed expenditures is that when industry is recovered or become adjusted to peace conditions the Government may withdraw from the employment of labor to the point that private industry absorbs labor. Theoretically this programme will cease when private industry has consumed all available supplies of labor. While it is to be hoped that this programme will work out in fact, there is reason for some doubt that it will occur as rapidly as the government anticipates. While the government is spending money, business will be very active, but when the government seeks to reduce its expenditures it cannot help but have a reaction in other lines. We may reasonably face a situation in degree if not in total similar to that when war orders ceased. Nevertheless, the government is wise in these proposed expenditures for public improvement in not permitting any aggravated condition of unemployment to exist while the Canadian army is being absorbed into the business life of the nation.

We sometimes think that taking the whole medicine in one swallow would work out the more economically. One thing, however, must be done and this is being done by the government, and that is that if a returning soldier, able and willing to work, cannot find employment in private industry, then he must be furnished with a position by the government until he is able to find work or engage in business or industry for himself. Another reason why government expenditure for purpose of solving unemployment should be reduced to a minimum at the earliest possible moment is for the reason that there is a widespread feeling in the rank and file of labor that men are profiteering who receive government contracts or orders. In this idea the average union workman is aided by his present labor leaders. The workman with the idea that men are making huge profit out of the sweat of his brow creates in his mind dissatisfaction, unrest and reduces his efficiency to a very marked extent. The average man in business wants to keep taxation as low as possible. By keeping government expenditure at a minimum consonant with the problems in hand we will be serving the best interests of the country and relieving labor's mind of inordinate profit from government expenditure. Sir Thomas calls for the co-operation of everybody in the solution of the grave problem facing us in this post-war period. The situation is critical and needs delicate and sympathetic handling. How we handle the present state of affairs will largely determine our future happiness and prosperity.