

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. VI. VANCOUVER, B.C., DECEMBER 6, 1919 No. 23

The remarkable success of the Victory Loan campaign when tentative figures show that \$673,000,000 of bonds have been subscribed for by the people of Canada, calls for a survey of the situation and careful consideration of just what should be done with this large amount of money by the Government.

One feature of the loan is worthy of mention. Some doubt was expressed as to the taxable feature retarding subscriptions. This has in no wise affected the campaign and we venture the opinion that had all the loans issued by the Dominion Government since the outbreak of war been taxable they would have received the same hearty response as was witnessed in all of the campaigns. By perhaps a pardonable lack of faith in the ability and the willingness of the people of Canada to support the country in its war effort, the Government will be denied income tax on bonds issued totalling approximately one and one-half billion of dollars.

By the subscription of \$673,000,000 the Government will have to raise, by taxation or other methods, over \$37,000,000 per annum by way of interest on this 1919 loan. This does not take into consideration the creation of a sinking fund to retire the bonds at maturity nor any other expedient for the reduction of outstanding debt. With this added taxation which must be met in some form and must be borne by the people of Canada, the people will require a reckoning as to the methods and objects of spending this money.

We think that in regard to the re-establishment of soldiers on the land or in business, as well as increases of pensions for those disabled and the necessary allowances that should be made for the dependents of those killed at the front, the people of Canada will view the matter with a large measure of liberality and be quite glad to see that in these particulars their funds are used in a thorough-going and reasonable way. But the people of Canada will view with some concern the expenditure of the proceeds of this loan for purposes other than those having in mind an increase of production and needed public improvements such as railway extensions, harbor improvements and other means which look to the economic benefit of the people of Canada, and not see that this vast sum is spent in purposes which have only a temporary benefit and of uneconomic importance in the upbuilding of the Dominion.

Considerable opposition is now arising over the granting of credits for the exportation of Canadian products.

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.

We think that there is considerable basis and reason for this opposition and that so far as neutrals are concerned considerable caution should be exercised. The particular interest which is paramount and which is a general use for Government credit would be in aiding Great Britain and other parts of the Empire by extending credits where feasible and without straining our credit for the exportation of Canadian manufactures and products. With this in mind we think that the Government should use every effort to direct export trade into private hands at an early date, and while this has been their effort for several months further steps should be taken to free this important matter from Government control, leaving it absolutely to private initiative except in the cases where crises arise, and people must be fed and clothed without regard to any particular financial and economic consideration involved.

The Government could with a great deal of justification seek to aid and develop the internal trade of the Dominion. Canada is capable of a very wide expansion in its manufactures, particularly for trade that arises within its own borders. While the export trade is highly desirable the results of the export trade could be as rapidly attained by the increase of domestic production of manufactured article, and the consequent reduction of imported articles. This should be done not by the resort to legislative expedient by raising tariffs, any increase of which would result in the keen dissatisfaction of consumers in Canada, but rather by the businesslike method of seeking to reduce cost, increasing efficiency and devising improved methods of treatment and handling goods.

We think that the expenditures of the proceeds of this Victory Loan will be watched more closely by the business public of Canada than was the case during the war period, and that any expenditure that does not reach first the adjustment of the returned soldier to citizenship with adequate looking after those disabled and dependents of the fallen, and in the second place does not have a direct applicability toward the service of the people of Canada by way of increasing production and needed facilities for the carrying on of industry, commerce and transportation, will be condemned.

The new Finance Minister, Sir Henry Drayton, must view his position as somewhat that of a trustee for the people of Canada. He must stand between political machinations looking to the spending of money in particular districts without adequate need, and all those other schemes of public expenditure which arise out of the fertile imaginations of members of Parliament and other Government functionaries, looking to maintain themselves in public life by currying specious public favor.