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An event of considerable economic importance has occurred at the recent Canadian Fisheries Convention held in Vancouver week before last. The head fish warden of Oregon, Mr. Clanton, delivered an illustrated lecture on the subject of hatching and holding of salmon at the Bonneville hatchery in Oregon.

The business interests of Canada especially British Columbia, do not realize the great economic importance of the fishing industry. It is not generally known that the fisheries of British Columbia furnish nearly one-half the production of the Dominion and exceed the production of Nova Scotia, New Brunswick and Prince Edward Island combined. The fishing industry of British Columbia is also the fourth largest of the natural resource industry of the Province, being exceeded by agriculture, mining and lumbering.

The unfortunate condition of this great natural resource which is a heritage of the people of the Province and of the Dominion stands in danger of serious depletion if not extermination unless joint and co-operative action is taken by all interests involved, including the public as well.

Certain steps toward conservation and replenishment of fish in the salmon industry were taken many years ago by the establishment of hatcheries wherein the salmon eggs were taken from the salmon going upstream to propagate and die, and these salmon eggs hatched and liberated in the fry stage. We cannot pass an opinion as to the economic value of the hatchery. We presume that they have done something to help the run but serious question is raised every little while by some individual more or less capable to pass an opinion as to their real merit. The experiments of Mr. Clanton are in the nature of holding the fry in ponds provided so that the fry are raised to the fingerling stage, in which stage their enemies are proved much less formidable. In fact it is a generally accepted idea that in the fry stage where the fish are subject to all classes of danger from trout and other fish who feed on them that of the eggs hatched only one-half of one per cent return to the streams to propagate. The results of Mr. Clanton's investigations show that approximately 25 per cent of the fingerlings which go to the sea return as mature fish. If this be true, then by keeping the fish until the fingerling stage before releasing them for the sea, the efficiency of hatcheries would be increased fifty times. While mathematics playing with the imagination would produce some absurd results, it is yet within the realm of probability that by retaining the fry until the fingerling stage the entire run of the most valuable fisheries in the world could be built up to a stage where it equalled or exceeded the remarkable runs of the big year periods of previous years.

The recent sale of the Province of British Columbia securities at a net cost to the Province of $6\frac{1}{4}$ per cent calls renewed attention to a serious depreciation in the value of prime securities and gives rise to the inquiry as

just to what extent a further depreciation in the value of securities may be expected, or the obverse, as to just what heights interest rates may mount.

By reason of certain circumstances arising as a consequence of the war, security prices are topsy-turvy. Since last year, when the Province sold bonds at a price close to $5\frac{1}{2}$ per cent adverse influences have entered into the situation causing a serious depreciation in all prime securities. In line with the drop in prices, the Federal Reserve Banks in the United States were compelled to raise discount rates and the Bank of England and the Bank of France have both been compelled to raise their discount rates in consequence of both local and international credit conditions.

In line with the recent sale of Provincial bonds it is to be noted that the price of United States Liberty Bonds have also gone down to a $6\frac{1}{4}$ basis in one instance, and approximately 6 per cent basis in other issues with the exception of the first issue, which is tax exempt in the United States for all incomes. Recently the banner railway of the United States, the Pennsylvania, sold securities which were offered to investors on a 7 per cent basis. Twenty years ago this railroad sold securities on a $3\frac{1}{4}$ interest yield. The world-wide strain on credit, which is being felt wherever commerce and industry is carried on, is responsible for this depreciation. The artificial removal of barriers put up by the belligerents has been withdrawn and the ebb and flow of supply and demand and the economic course of events are allowed to follow their own directions.

The solution of the credit situation lies within itself; or the corrective is applied by the price which must be paid.

The answer to the problem of how far depreciation must go in securities lies in the prices which issuers of securities are willing to pay. In general the issuer of a security cannot pay in interest rate as much as he makes out of the proceeds to which they are to be used. When the cost of securing money shows a loss on the use of it then most institutions and governments will refuse to borrow. This is the natural corrective and it seems to us that this corrective will be more and more applied as the tendency continues.

When this condition arises expansion and development will lag and reaction with continued price recession will occur, thus relieving the strain on credit, permitting of accumulation of credit and capital with a gradual absorption of securities through investment. With the world condition such that production has not yet equalled consumption with the means of transportation still inadequate for the carrying on of trade with the necessity for the increase in production, and the capital therein involved, it does not appear that these factors of correctives will be applied either immediately or in drastic fashion. Yet on the other hand it would appear that these forces must soon exert themselves by sheer refusal of governments, municipalities, general commerce and industry to pay the prices except in most urgent instances and then only for temporary purposes. If during the remainder of the year the recession in commodity prices continues, there would be liberated a vast amount of credit for general business purposes and for investment which might cause a steady rise in the price of first-class securities. But it yet would appear that these influences would be much more delayed and would lag considerably after the credit situation had been eased. The element of unrest as to the future has a tendency to increase accumulation of credit and capital but it does not follow that this released credit and capital would be immediately employed in investment securities. We would therefore look for a decrease in the time rates for moneys particularly in a centre like New York, and a severe decrease in the call money rate there with perhaps a reaction in the government banks rates of the United States and Great Britain before we can expect any permanent trend toward advancement in prices of securities. In the meantime the necessitous borrower must pay the fiddler for his daring or his lack of foresight, and legitimate industry and development must wait.