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SOME NEW YEAR'S THOUGHTS

On December 17th last, there was held a Dominion election which left no doubt as to the will of the Canadian people. They gave their answer emphatically that they wanted the Union Government which would govern Canada in the interests of all the people. They wanted victory in this war and they indicated that they were willing to make larger and greater sacrifices toward aiding in that end.

There are two problems, or two phases of one problem, which face the Union Government and the people of Canada, and must be settled if Canada is to wage war most effectively and at the same time derive what economic benefits there may be possible out of this war. Canada is prevented from putting forth its best industrial effort because of labor conditions. We are everywhere told that labor is scarce and labor is inefficient. The trouble with labor conditions is due to neither of these elements. The trouble is lack of adjustment and lack of understanding.

In the waging of this war, which is almost as much economic as military, labor is the most important feature in its prosecution. Not only is labor the prime essential in the field of warfare but it is equally so in the manufacture of munitions and in keeping the wheels of industry turning. Capital is occupying a much inferior place today than labour. For the essential industry in the waging of war, the capital of the state is at hand to fill in the lack where private enterprise has not the necessary funds. The state is more and more absorbing the accumulated wealth of the individual and is constantly enlarging its functions in the treatment of the individual.

The overwhelming prominence of labour in the affairs of the world is manifest to labour but capital is not aware, does not act as though it were aware or acts in defiance of this knowledge. Capital has made and is perhaps making large profits out of war contracts or industries stimulated because of the state of war. Labour demands a share in those profits and is going to see that it gets a share of those profits. That it did not get the share to which it believed itself entitled was the cause of strikes and general labour inefficiency when not striking. That labour has had right on its side is shown in no uncertain manner by the invariable success that has attended their demands for increased wages or their strike to obtain same.

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.

Capital must understand labour if it is going to work in harmony with labour and is going to get a fair return for the wages paid. There must be complete adjustment. The right of labour to share in the profit of capital must be acknowledged and accepted as a principle of industry. Whatever conditions may obtain after the war, this must be the condition during the progress of the war. Either the state must take all but the agreed profit from the manufacturer by way of taxation, or labour must share in this excess of profit.

Allied with labour disturbances and at heart really a phase of it is the high cost of food products and necessities of life. While the old law of supply and demand is always appealed to as the cause for the rise in prices, the unscrupulousness, that which accentuated and aggravated the conditions of the rise in prices, was the rapaciousness and the cupidity of manufacturers and dealers in necessities of life. Great fortunes have been made and those fortunes have not been shared from either labour or the state.

Two reasons why labour has struck for higher wages are, one for the share in the profit and the other the diminishing value of the dollar. The problem therefore of the Union Government to solve that will have the most wide effect on the salutary conditions of Canada and at the same time give her increased efficiency in the waging of war, will be the readjustment of capital to labour on the one hand, and the adjustment of the price of necessary commodities in the trade of Canada. Whether this is to be established on the principle of the fixation of the prices of all essential commodities and the confiscation of all excess profits by taxation or not, is an open question; but we believe that this new Union Government can undertake the solution of this question, free from all party bias, and it can be put into effect with the sincere conscientious knowledge that it has been so legislated in the interests of all the people. The true and tremendous energy of Canada is being diverted from the development and extension of our great Canadian resources and the prosecution of war by the individual quest for the largest profit. Take from the industrial body all right and privilege to make a large profit, except in so far as the excess profit shall be taken by the state and the struggle between capital and labour will cease, and harmony between capital and labour with efficiency, will go hand in hand.