

Dominion Mortgage and Investments Association

Financial Conditions Reviewed by President—Municipal Finance Recommendations—Essential Part Which Capital Plays in Economic Development.

LOANING institutions in Canada were well represented at the annual convention of the Dominion Mortgage and Investments Association, which was held in Toronto, on March 28th. Routine business was transacted in the morning. This was followed by several addresses, and in the evening by a banquet at the King Edward Hotel.

The following officers were elected for the year 1919-20: Hon. president, A. D. Langmuir; president, E. M. Saunders; first vice-president, A. E. Holt; second vice-president, W. E. Long; executive committee—life insurance section, J. K. Macdonald, J. F. Weston, J. B. McKechnie, Charles Ruby; trust company section, J. C. Breckenridge, S. C. Macdonald, A. D. Langmuir, J. K. Pickett; loan company section, Joseph Campbell, Hume Cronyn, A. B. Fisher, Alfred Whitman; provincial associations' representatives—John Paton, Mortgage Loans Association of Manitoba; W. E. Mason, Land Mortgage Companies' Association of Saskatchewan; W. T. Creighton, Mortgage Loans' Association of Alberta; G. L. Smellie, Mortgage and Trust Companies' Association of British Columbia.

President's Address

Mr. Hume Cronyn, the president, referred in his address to the support given by financial institutions to the war loans. He said: "In our attempt to ascertain as definitely as possible the actual contributions made through the agency of loan, trust and insurance companies, returns were secured from 76 organizations showing total subscriptions to war loans of \$134,680,653. This figure does not represent the total subscribed by all companies of a class similar to those forming the membership of this association. There are three or four hundred such companies throughout the Dominion, while we have had returns from only 76, but through these, as I have indicated, subscriptions were obtained aggregating an amount of which we may well be proud."

The details are set out in the following summary:—

Class of No. Re- Company porting	Subscribed Prior to 1917	In 1917	In 1918	Total
Loan and				
Savings 24	\$ 3,714,300	\$10,686,456	\$11,318,630	\$ 25,719,386
Insurance 37	22,636,217	32,192,950	39,291,250	94,120,417
Trust 15	3,095,500	5,588,500	6,156,850	14,840,850
76	\$29,446,017	\$48,467,906	\$56,766,730	\$134,680,653

He also dealt at some length with seed grain loans, and while he admitted that there was some justification for this lavish distribution of funds, he questioned the fairness of a measure which, under the guise of benevolent paternalism, deprived a large body of investors of their undoubted rights. Recent changes, however, indicated a better recognition of constitutional rights. He also expressed the hope that the moratoria in force in many of the provinces would be allowed to lapse. With reference to the farm loans associations in the province of Manitoba and Saskatchewan, he hoped that the changed conditions of the financial markets would enable these provinces to reduce the annual deficit which hitherto had faced them on this account. There was good reason to believe that the flow of money from the United Kingdom would, to some extent, be resumed.

Mr. Cronyn also said that he felt sure that as long as the association retained the services of Mr. John Appleton, the secretary-treasurer, it would grow in service and strength.

The report of the executive committee was read by Mr. Appleton. It reviewed the activities of the association during the year, mentioning especially the Dominion conference held in December regarding fire prevention and the changes in the criminal code suggested there. An advisory council had been formed to co-operate with the insurance depart-

ment, the association being represented on it by Mr. Holt. The report also went at length into the subjects of seed grain loans and taxation of corporations. The association now has a membership of 37, compared with 32 a year ago, and represents assets under administration of \$750,993,140, compared with \$687,468,344 a year ago.

Mr. E. A. Saunders read the report of the committee on municipal finance, which expressed the opinion that municipal financing is not yet on a sufficiently sound basis. It recommended that financial institutions exercise more control over municipal borrowings. Provincial governments should supervise municipal finance and are already taking steps in this direction. Mr. Saunders, however, expressed an optimistic opinion regarding the future.

Addresses were given by F. C. L. Jones on "Instalment Mortgages"; by George H. Muirhead on "Land Transfers"; and by S. W. Woods, K.C., on "City Mortgages in Alberta."

In the evening, Dr. Adam Shortt spoke on the subject of capital and showed how society had progressed through the use of capital and how dependent it was upon it at the present time. He was followed by Mr. Kenneth J. Dunstan, president of the Toronto Board of Trade, Mr. Kingman Nott Robins, secretary of the Associated Mortgage Investors of the United States, and by Mr. J. H. Gundy, of the Bond Dealers' Association of Canada, who were present representing their respective organizations, and pledged their support in maintaining the financial prosperity of Canada.

The Functions of Capital

"Although the great war may be practically over," said Dr. Shortt, "yet we shall not escape from its far-reaching influences for a good many years. It has dislocated many popular conceptions of life in more spheres than one. In no sphere, perhaps, so radically as in the economic region, so fundamental to all others. Ideas that have been taken for granted for decades must now be closely inquired into. Some conceptions presenting an apparently solid front, backed by much substance, are found to have nearly lost their content, while others, little regarded hitherto, are found to have become pivotal factors. This has produced a tendency to question all standard conceptions and especially those which seem to bar the way to more favorable economic conditions for numerous elements in the state. Many new theories are advanced, the object of which is not so much to clarify existing conditions as to prove to those not very critical of arguments, provided they harmonize with their desires, that what is desirable is what ought to be, and what ought to be is what can be, and what can be should be immediately realized. For instance, it is desirable that the general body of the people may have more income, therefore, the people ought to have more income. Resolved, accordingly, that the people demand more income from the various sources whence it now comes. Carried unanimously and steps considered to enforce this conclusion. So far as income means money, there is no insuperable difficulty here. So long as the suspension of specie payment continues, all that is necessary is to still further increase the inflation of credit and the necessary money may be forthcoming. In reality, however, it is not more money that is wanted but more of the things which money can buy. The real question, therefore, is: What is necessary to increase the quantity of goods in proportion to the amount demanded by unanimous popular resolution? Incidentally to this is the further question: Where is the capital to come from to provide the factories, machinery, raw materials, etc., and who will furnish the extra labor required for the increased production? These are problems which are not very cogently grappled with among the new theories which are current, and which constitute important factors in popular propaganda. "It was pointed out that the problem of increasing the incomes of the general body of the citizens, however desirable