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MANITOBA'S FOLLY.

The new moratorium legislation which is now awaiting consideration by the legislature of the province of Manitoba is one of the most unsatisfactory pieces of law-making dealing with financial questions which have been seen in the Dominion for a very long time. There is no excuse for such a drastic procedure as that proposed. Action looking towards foreclosure will be forbidden (a) in cases where interest is payable yearly, until two instalments of interest are overdue and unpaid; (b) where the interest is payable half-yearly, until three instalments of interest are overdue and unpaid; (c) where the interest is payable more frequently than half-yearly, until the interest is unpaid and in arrear for one year. Fortunately for Canada, this is the only piece of legislation of the kind that is now being proposed and it is to be devoutly hoped that the Manitoba Government will retain an unenviable notoriety in this respect. If its example were to prove contagious, immense injury might easily be done to Canada's credit abroad.

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The case which is put forth for the passing of this legislation is not convincing. Other provincial governments have found it possible to tide over the present period of strain with moratoria of a very limited type, to which a certain measure of approval could be given. The Manitoba legislation which the proposed law is designed to supplant, though objectionable, was by no means so drastic as that now proposed. The point of the legislation which has been put through in other provinces is the relief of the individual who really deserves relief. The same thing is claimed for the new Manitoba legislation. It is said to be necessary to save the working man's home. If the Manitoba Government has that admirable aspiration, it is a queer fact that under the terms of this legislation, the working man who, generally speaking, pays his interest at considerably more frequent intervals than six months or a year, should have the protection of the moratorium for only a year, while these who pay their interest six monthly or yearly—mostly the big operators in real estate, the merest speculators—have the same protection for eighteen months or two years. The Manitoba Government may have had the most excellent of intentions; but it is distinctly unfortunate for them that appearances suggest the truth of the gossip of the street that various real estate speculators on the grand scale who have got themselves into trouble with more extensive commitments than they can comfortably carry, have used a strong political pull to help get them out of their difficulties.

Unfortunately, immunity for these speculators, who

in that capacity are of no use to the community, will be secured by this legislation at the expense of the investor abroad. The loan companies, life insurance companies and other large financial corporations fortunately are in good position to look after their own interests. They will be given a great deal of anxiety and trouble and probably lose something through individuals who can well afford to pay their obligations taking a mean advantage of the present legislation. But in the case of the loaning companies, they are generally held in such high repute by investors abroad and have taken so sound precautions to keep themselves in strong financial position during the present troubled times that they are not likely to be prejudiced by the vagaries of one of nine provincial legislatures. But in recent years an immense amount of mortgage money has been poured into Canada by private individuals abroad through transactions of an entirely private character. What the feelings of these investors will be like towards Canada in general and Manitoba in particular when they find that at a time when them themselves probably want every penny they can muster to meet new and pressing obligations, that parties to whom they have lent funds are able on the authority of the provincial government to defer payment of interest due, for eighteen months or two years, without recourse on the part of the lender, it is not pleasant for those who are intelligently interested in Canada's economic well-being to contemplate. The best thing that can be hoped is that these investors will recognise the local character of the legislation and abstain from damning the Dominion as a whole for the aberrations of those responsible for the good government of a part of it.

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In any case, it is certain that Winnipeg and the province generally will be adversely affected by the new legislation, if it goes through in the form now proposed. The timidity of capital is proverbial, and investors and those controlling funds will speedily learn to discriminate between a province where legislation of this kind can be put through apparently largely in the interests of speculative parasites, and other provinces where capital is assured of fair and reasonable treatment. When this discrimination is made, Manitoba will have nobody to blame but its government. In view of the known facts that financial institutions of repute have been generally willing to meet deserving borrowers, in cases of hardship, and extend to them the greatest consideration, it is not to be supposed that Manitoba, if the Government had been willing, could not have tided over the present times with a restricted moratorium such as has been passed elsewhere. As it is, the Province will in due course reap the consequences of legislation which looks like folly.