

SEED LIENS GAVE UNFAVORABLE IMPRESSION

Loan Company's President States Great Harm was Done
by Precedent Established

The distribution of seed grain by the federal government has created much discussion all over Canada, and I have no hesitation in stating that it will take this country many years to live down the unfavorable impression brought about by placing seed grain liens ahead of mortgages and other vested interests appearing on the title to the property, was a remark of Mr. W. Toole, president of the Mortgage Loans Association, of Alberta, at the annual meeting of the association. All classes were agreed that assistance was necessary, in fact, a national requirement, and, as not only Canada but the empire has benefited in such a great time of need, it is hardly fair that the individual mortgagees, who had, prior to the government assistance, granted every leniency and consideration in the way of extensions of time should practically lose their security by reason of the seed grain lien taking priority over the mortgages.

It was such a shock to the loaning institutions that many of them do not yet realize their position, but the greatest harm has been done by the precedent established, that vested interests are treated with absolute indifference. Governmental assistance made necessary by reason of crop failure or other causes is not new in the history of this Dominion, or many other parts of our empire, but it is the first occasion with which I am familiar where vested interests have not received more consideration.

Charge Against Title.

If it were felt that the government should have security other than lien on the crop, then the registration should have taken its proper place as a charge against the title. In any event, it would have been a simple matter to so administer the relief by naming a date after which liens, if filed, would have to take their rotation on the title, so that the mortgagee, and those anxious to increase or make new loans to anyone in the province might rely on a search at the proper land titles office, which would have much facilitated investment business.

Last summer, when it was evident that a bountiful crop would be harvested, the Alberta association joined with Saskatchewan and Manitoba associations in presenting to the federal government the seriousness of the situation as affecting mortgage investments in Western Canada, and earnestly requested that efforts be made to increase the efficiency of that department, so that full advances for seed grain be collected out of the crop of the current year in every case where the debtors had sufficient grain to enable them to make such payment. The efforts, so far as the Alberta association is aware, brought little result.

Attorney-General's Assistance.

Attorney-General Hon. C. W. Cross was written to, stating that the time for registering these seed grain liens was rapidly approaching, and suggesting that it would be a great benefit to mortgagees if they were furnished with notices of registration, and he replied, thanking the association for the suggestion, which he thought was a good one, and stating that he had issued instructions to the registrars at Edmonton and Calgary that it should be followed. Notices have been sent to mortgagees, and the information has been of the greatest assistance. This association would now like to make arrangements with the federal government to furnish each mortgagee or encumbrance with a statement of account as at January 1st, 1916, and to advise of subsequent payments. If that information could be obtained, said Mr. Toole, it would facilitate the money lending business in the province. Many members of the association have complained of the great difficulty they are experiencing in getting definite information so that new loans can be disbursed without much unnecessary delay and consequent expense and disappointment to the borrower. This unsatisfactory state of affairs in connection with seed grain administration has been brought to the attention of Mr. R. B. Bennett, K.C., and he states that he has been promised an improvement of existing conditions regarding administration of seed grain liens.

The lobster packers of eastern Canada are continuing their representation to the French government to have the embargo against lobsters raised, but so far without result.

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