

The Brain Browsers' Guide

Winnipeg, Wednesday, August 9th, 1916

CONFERENCE ON MORTGAGES

For a number of years there has been a good deal of criticism on the part of the farmers in the West against Mortgage Companies. Four-fifths of the farms in the Prairie Provinces are mortgaged and it is therefore a question of vital interest to the farming community. Up until the present time, however, the farmers and the mortgage companies have been dealing with each other at a long range. The conference held in Winnipeg a couple of weeks ago between the representatives of the mortgage companies in all three provinces, and the Canadian Council of Agriculture representing all three provinces afforded an opportunity for a discussion on the questions at issue. In the time provided it was not possible to cover the whole field but a much better understanding was arrived at. There was a general agreement that all legislation prejudicially affecting the security of a first mortgage on farm lands should be discouraged because it is absolutely certain to react and throw an extra burden on the farmers in higher costs and higher rates of interest. From this standpoint the seed grain advanced by the Federal Government in 1915 will make more trouble for farmers and mortgage companies than all other legislation combined and it will be a very serious problem to adjust the matter satisfactorily. Now, however, that both the farmers and the mortgage companies are fully alive to the seriousness of these matters it is probable that similar legislation, both provincial and federal by both political parties, will be far less common. It is absolutely necessary that a first mortgage shall remain a first mortgage and that the lender shall be thus assured of his security, otherwise rates of interest will remain high. With this security unquestioned there will naturally be a larger flow of capital go into Western Canada which will tend to reduce interest charges. A greater degree of prosperity on the part of the farmers and the lesser need of mortgage loans will also tend towards lower interest charges. The cost of placing mortgages and the cost of foreclosing as well as government charges for registration are too high in the West and should be reduced and no doubt will be as the farmers become more familiar with them and have them brought before the various legislatures. There are a number of more minor causes of friction in connection with mortgages which will no doubt be cleared up as these conferences continue. There are some mortgage companies like some farmers whose practices are not the best and as a result of these conferences no doubt the standard will be raised on both sides. What the West needs is cheap money and plenty of it and one of the big problems is to find out how to get it.

DISTRIBUTING HARVEST HELP

There seems to be every reason to expect a shortage of help for harvest work in the West this fall. Each Department of Agriculture in the three Prairie Provinces is doing what it can to cope with this situation. It is estimated that 45,000 men will be required. In order to facilitate the placing of the men that come in on the usual harvest excursion trains, the Department of Agriculture in each province should have definite information of the number of men required at each point. The hearty co-operation of all farmers will help considerably in obtaining this information. All requiring men should either individually or thru their local organization write to their respective Departments of Agriculture stating as nearly as possible the number of men required and when cutting is likely to start. With this information to

hand men can be sent where work is waiting and a lot of unnecessary overlapping will be avoided. Another point—It will pay to hire any likely man that offers for harvest work even if cutting has not yet started. The first harvesters' excursion leaves the East on August 15, so that farmers who have not already done so should attend to this matter at once.

THE NICKEL QUESTION

The loading of the great German merchant submarine, the Deutschland, with nickel on her return journey from Baltimore, has aroused one of the gravest questions the Canadian Government has had to face during this war. Practically the entire world's supply of nickel comes from Ontario and New Caledonia, an island lying about 800 miles northeast of Brisbane on the east coast of Australia. The latter supply is under complete control of the French Government since the island belongs to France. The main source of nickel for the world is the Ontario supply. This is an area of about 100,000 acres at Sudbury, controlled by the International Nickel Company. Nickel is essential to the manufacture of rifles, machine guns, armor plate and the killing end of ammunition bullets. The very nickel which Germany has used in her terrible destruction of life and property has been from the Ontario mines.

The International Nickel Company is an international trust with a capital of \$47,000,000. Its control of the Ontario mines was obtained under the Mowat administration in Ontario. Some years later the Ontario Government, under Hon. Geo. W. Ross, passed an act reserving the right to impose a prohibitive license tax on the export of nickel from that province. This later met serious objection from different parties who feared that capital would not develop the mines under such a restriction. The result finally was that the Dominion Government, then Liberal, declared this act unconstitutional and the responsibility for control of the nickel lands of Ontario was assumed by the Dominion Government on which it now rests.

The International Nickel Company's dealings are world wide. In 1915 its total income was \$7,230,760 and profits over \$5,500,000, which allowed it to pay 12½ per cent. on \$38,000,000 of common stock—likely mostly water—and 6 per cent. on \$9,000,000 of preferred stock. The properties belonging to this company are valued at over \$44,000,000, most of which lies in its Ontario holdings. The offices of this company are in New York, and one of the largest owners is said to be the Krupp Armament Works of Germany. That the armament ring consisting of representatives from the big armament firms of all the leading nations at war have a share in it there is little doubt. The International Nickel Company always has been and still signifies its willingness to sell nickel to any nation with the money to pay for it. It has even been bold enough to threaten by insinuation the Allies supply of American munitions if its vested rights are interfered with. Today it cannot secure nickel in the quantities required from anywhere else than Ontario. That it can secure a sufficient quantity to ship some 500 tons on the Deutschland is not only a reflection on Canada, but a serious neglect of duty on the part of our Federal Governments. That the main cargo of this submarine is nickel is ample evidence of the dire need of Germany for this metal to carry on her destruction of British and Canadian soldiers and its wreck of British and Canadian homes. Some of these men may be shot by artillery and bullets partly made of nickel which they themselves have mined.

All this export of nickel should be stopped and stopped at once except under a guarantee

from the Government of the United States that not a pound of it will find its way out of that country to enemies of the Allies. The idea of the International Nickel Company or anyone else doing as they please with a commodity that belongs to the people of Canada is absurd. The Defence of the Realm Act gives ample power for this and it should be exercised. How long would the Government of Great Britain hesitate under such circumstances? How long did it hesitate about taking control of such utilities as it required? How long did the Australian Government hesitate about assuming complete control of the zinc supply there when German agents tried to hold up the British Government? The nickel question is not a new one. It was openly discussed before this war began. The International Nickel Company should also be taxed at least heavily enough to take the surplus profit above a fair return for the original investment. The present annual profits of about \$6,000,000 are much over 100 per cent. of the price paid for the property and have been so for many years. Yet this company only pays \$40,000 a year to the Ontario Government in taxes. Why should the people of Canada, to whom these rich lands belong, have the profits persistently alienated from them to foreign investors who got them for a song, and who now distribute princely profits to foreigners on supplies used to make war on our own people?

WAR PROFITS RETURNED

The Imperial Munitions Board of Canada, of which J. W. Flavelle is the chairman, has received from the Canadian Cartridge Company of Hamilton, a check for \$758,248. This sum represents the profits of the company on the manufacture of 1,000,000 eighteen pounder shell cases. All legitimate charges such as maintenance, full operating expense, interest on investment, etc. were charged up against this contract but no surplus profits were allowed for. In other words, this sum mostly represented what is commonly known as "velvet" and had it not been for the frank honesty of this company the Canadian public would have been left in a haze of uncertainty and most manufacturers of war munitions under a haze of suspicion regarding the profits in this "patriotic" business. By all rules of the game as it has been played, this company could legitimately pocket this sum. That it turned three-quarters of a million back to the Board places it in a most enviable position in the estimation of the Canadian public. Such action also simultaneously places other companies that have been rapaciously grasping war orders at full profits without any thought of discharging such a duty to their country in an equally unenviable place. If this is a fair index of the profit on all war munitions and we have no reason to think otherwise, the sums of money that have gone into the hands of Canadian manufacturers as surplus profits have been simply enormous. We believe the figures would be \$60,000,000 at least and perhaps much more. At the same time as this building of an aristocracy of wealth continues, Canadian soldiers are bleeding on the plains of France and their wives and children are eking out an existence on the allowances granted from Ottawa by taxation of all the Canadian people and on the contributions of such of her citizens as are able to give and appreciate their duty in this crisis. Failing to have established standard prices on war materials, and such was possible in many cases, and not being able to depend on the patriotism of most of the munition manufacturers there is only one sane thing to do and that is to tax war profits without any mercy. No precedent is needed, for Great