

COMPANY FOR "CANADIAN PACIFIC" SHIPS

Bill is Criticized at Ottawa, Duly Defended and Read a Third Time

Some opposition met the sections of a bill in the House at Ottawa authorizing the Canadian Pacific Railway to sell, lease or charter its steamships to a subsidiary company, to be incorporated in England, and to be known as the Canadian Pacific Ocean Services, Limited, and to hold or guarantee stock, bonds or other securities of the new corporation.

Mr. W. F. Maclean, of South York, opposed the bill as the most radical change yet proposed by the Canadian Pacific Railway Company, and as the first step in the dismemberment of the great national project. The steamship corporation to which it was proposed to transfer the Canadian Pacific Railway ocean steamships was a British corporation beyond the jurisdiction of Parliament. Under the new arrangement, therefore, the Government would have no control over the freight rates charged by Canadian Pacific Railway steamships. He thought the segregation of the steamship service meant an increase in capitalization in the final analysis. It looked as though the Canadian Pacific Railway meant to distribute the stock of the new company among its own shareholders. If Parliament passed this bill it would give the railway power to create a sea monopoly beyond its control. The Canadian Pacific Railway was now the worst offender in the North Atlantic combine.

United States Roads Segregating.

Mr. Maclean admitted that some United States roads were being ordered to segregate some of their extraneous assets, such as coal business, but thought the method to be pursued here should not be that proposed in the bill. Canada, he considered, might have to merge two or three of its existing transcontinental lines, which were hard up, and to build up a national steamship line to reduce freight rates.

Sir Robert Borden said that the English joint stock companies act under which the Canadian Pacific Ocean Services, Limited, was to be incorporated was very strict in regard to capitalization and the returns to be made to the Government.

Control of Rates.

He did not think, therefore, that any company would go to England for incorporation with a view to obtaining any undue advantage with respect to its capitalization. Sir Robert pointed out that the control of rates on the Atlantic was a very different thing from the control of rates of railways situated within Canadian territory.

Legislation to regulate ocean freight rates would, he felt, have to be framed with the greatest care, and with regard to varying conditions, or it might have the effect of driving tonnage elsewhere. Sir Robert said that the Government had made enquiries, and had under consideration the possibility of joint action by Canada, the United States and other countries. It must be borne in mind, he continued, that even before the outbreak of war there had been an increase in the cost of ocean transport, due to an increase in the cost of labor, material and supplies. The bill under consideration would not prevent Parliament from exercising control over rates in the future.

What is a Fair Return?

Hon. George P. Graham thought it would be a good thing to have the Canadian Pacific Railway steamship service separated from the railway, since it would give the Railway Commission an opportunity to determine just what a fair return on the capital invested in the railway would be, and thus to fix rates. In the present unsettled financial situation, he thought it a good thing that the Canadian Pacific Railway should be allowed to guarantee the bonds of its offspring. He had no fears for the interests of the shareholders, since it was well known that the Canadian Pacific Railway never neglected its shareholders. The bill was read a third time.

The new officers of the New Westminster board of trade are:—President, Mr. J. G. Robson; vice-president, Mr. J. W. Cunningham; secretary, Mr. C. H. Stuart-Wade.

Elko, British Columbia, board of trade officers for the ensuing year are:—President, Mr. A. Birnie; vice-president, Mr. James Thompson; secretary, Mr. Fred Roo.

ABOUT MANITOBA'S MORATORIUM

Legal Comments on Various Provisions—Postponement of Payments May Be for Year

Some notes upon Manitoba's new moratorium bill have been supplied by a legal correspondent of the Manitoba Free Press, who says:—

"Sections 1, 2 and 3. It is somewhat anomalous that while section 1 declares that the provisions of the act of 1914 shall apply to registered judgments, section 2 of that act is repealed by the bill, and, so far as anyone ever contended that the act applied to a registered judgment, it was by virtue of such section. In case some caviller should retort that the bill replaces section 2 by a new section, it may be well to point out that the substituted section clearly has no application to registered judgments, being confined logically to instruments which contain agreements (or which might contain agreements) to pay interest at stated periods, and this is not the case with registered judgments.

"Also sections 1, 2, and 3 of the bill appear to be a complete moratorium code with respect to registered judgments.

"4. This section repeals section 2 of the 1914 act and replaces it by a new section. The new section, in addition to dealing with the proceedings dealt with by the former section 2, deals also with almost all of the actions formerly dealt with by section 3. The general effect of this section appears to be that so long as the debtor under any contract securing money on land does not allow his interest to get a year in default, no proceedings can be taken to get in the principal money. If money was placed on mortgage on 30th July, 1914, interest payable yearly, commencing 30th July, 1915, proceedings cannot be commenced till 31st July, 1916, and if the creditor is so unfortunate as to have an old system mortgage not containing a power of sale, he could not realize his principal till some time in August or September, 1917, and even as to his interest could not realize it by obtaining possession till some time in August or September, 1916.

"Actions," not "Proceedings."

"5. This section repeals section 5 of the 1914 act and replaces it by a new section. Two points in it are worthy of note. First, it does not anywhere use the word 'proceedings.' It deals with 'actions' only. Second, those who have heretofore commenced actions for foreclosure and have since the coming into force of the 1914 act obtained final judgment setting a date for payment, are much worse off than those who commence their actions after this bill becomes law. The earliest date the former class can obtain final order will be September 18th, 1916, while the latter, if the proceedings are expeditiously conducted, may obtain final order about April or May, 1916.

"6. Repealing section 4 of 1914 act and replacing it by a new section, which extends the delay before suit on covenant from six months until some interest is in arrear for at least a year, and does away altogether with the provision contained in the 1914 act in favor of a creditor as to suing for interest, taxes and insurance premiums immediately they become in arrear.

"7. Repealing section 5 of the 1914 act and replacing it by a new section, which extends the delay before a creditor can invoke the aid of the courts to obtain possession after default from six months (the 1914 provision) to the time when some interest is at least a year in arrear.

Will Require Watching.

"In addition, by the omission of the words 'in court,' contained in the 1914 act, further powers of creditors are removed.

"8. Debtors will require to watch themselves carefully with regard to this section, as it differs radically from the usual effect of the clause giving 'relief against acceleration' contained in the Real Property act, the Short Farm act and the King's Bench act, where proceedings are taken when only one payment is in arrear.

"9. This section can hardly mean that proceedings lawfully taken between 1st February, 1915, and the time the bill becomes law shall be invalid.

"10 and 11. Repeal section 6 of the 1914 act.

"12. Repeals what was known as the abandonment section in the 1914 act. Very few people have been able to agree as to what abandonment under that act was, and the government properly repeals a section which only furnished lawyers with an opportunity to argue."