

# The Chronicle



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## UNWISE WESTERN LEGISLATION.

The war period has unfortunately been prolific, particularly in the Western provinces, in hasty legislation calculated to prejudice capital. The Dominion Government itself has shown considerable lack of wisdom in this connection, as witness the Seed Grain legislation. In view also of the close connection between politics and real estate speculation in the West at the time that war broke out, the fact that legislation was readily passed to relieve not over-scrupulous speculators, at the expense of *bona fide* investors, if humiliating, is scarcely surprising. In recent months, as the damaging character of this legislation has become obvious, steps have been taken to rectify it. Provincial moratoria legislation has been amended, and there seems a fair prospect of a new order of affairs in regard to Seed Grain liens. That much remains to be done, however, before the injurious effects of this hasty legislation have been swept away is shown by the petition now being circulated throughout Alberta, by the Mortgage Loan Association of Alberta, asking for the repeal in its present form of legislation known as the Volunteers' and Reservists' Relief Act.

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This Act was originally passed with the ostensible object of relieving those joining up for overseas service from the danger of having their property sold or foreclosed upon in their absence. It sounds like comic opera, but is sober fact that the Act, as judicially interpreted, extends like protection to those who join up in the active Militia for home service only and have no more idea of going overseas than of going to the moon. All that an impecunious real estate speculator in Alberta has to do these days is to join up with the Militia. Ornamenting the King's uniform, he can snap his fingers at his creditors, who are simply helpless in the matter of enforcement of their claims. The Mortgage Association complains that insolvent persons, mortgagors and other citizens are joining home battalions or units with the sole object of taking advantage of protection intended for the *bona fide* soldier. No wonder; to be able to escape one's creditors at the trifling inconvenience of an hour's perfunctory drill a week must be something

like a godsend to the broken-down speculator in real estate.

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All this resembles Gilbert and Sullivan, but is plain matter of fact in Alberta to-day. The Act prohibits sale or foreclosure proceedings, not only where the mortgagor is a *bona fide* soldier, but also when a second, third, fourth and subsequent transferee or judgment creditor has joined a home unit. The mortgagee or vendor cannot collect from any parties personally liable when a volunteer or reservist appears to be in any way interested. The decision of the Chief Justice of Alberta in the recent case of the Canada Life vs. Dickson shows that the right reserved mortgagees under one section of the Act to take possession and collect rents and generally protect the security cannot be taken advantage of by reason of the wording of another section. Very naturally this extraordinary state of affairs is reacting most prejudicially upon the business of the province as a whole. Circulation of money is restricted when anyone can avoid payment of his debts by joining up with a Militia unit; equities for *bona fide* soldiers and their dependants are being frittered away through the accumulation of interest and other charges, and the delay in clearing titles and getting properties occupied and productive. Capital, which is not accustomed to look at business matters with comic opera spectacles, is chary of committing itself further in a province where debtors' obligations are regarded so lightly by the law, and the lender is deprived of all his rights at common law by a complacent legislature. The Mortgage Loan Association is asking that the Act be repealed so as to protect and not injure the interests of *bona fide* soldiers. This is certainly the least that can be done if Alberta in the future desires to obtain a regular supply of capital for development purposes. Much capital has already been placed there. Insurance companies' investments alone amount to nearly \$30,000,000 and other institutional investors have been responsible for very large amounts also loaned in the province. The marvellous thing is that any Government or legislature in Canada in its five senses should have passed a piece of legislation so calculated to bring the province passing it into disrepute among lenders, upon whom it is dependent for its development.