UNIFORM FARM LOAN RATES

The announcement that the rate of interest on the farm loan mortgages placed by the new federal system of the United States would probably be 5 per cent. for the entire system, regardless of the locality where the land offered as security might be located, has aroused the curiosity of lending companies here. Such an innovation is particularly interesting now as farm loans in Canada are the latest experiment of several provincial governments and may be initiated by the Dominion government. The action taken in the United States has been decided upon, it is said, after careful inquiry involving the compilation of comparative figures showing present investments in farm loans in various parts of the country.

The average rate of interest has varied from 5.3 per cent. in New Hampshire to 10 per cent. in Montana, from 5.6 in New York to 9.6 in Arkansas. A study of the figures seems to indicate that large investments in a State have brought comparatively low interest rates. The effect of a standard 5 per cent. rate, uniform for the whole country, is equivalent to declaring mortgage security equally acceptable, no matter where the land may be situated. The borrower on farm lands in Montana or Texas, who hitherto has paid an average rate of 10 and 9 per cent. respectively would be placed on a parity with the borrower in New England or New York, who has previously paid an average rate of about 5 per cent. The standard rate will undoubtedly give to the farm land banks almost the entire mortgage business of the high interest States, as the average man will not borrow from private lenders at high rates when he can get his accommodation at low ones from the new banks.

BRANCH BANKS

"It is supposed," says a correspondent of the New York Journal of Commerce, "that some of the American branch industrial plants established in Canada since the outbreak of war owe their origin to the theory that as Canada was in the union of nations actively carrying on war against the Teutonic empires, branch plants in the Dominion might have an advantage in tariff rates, as compared with United States plants, in after-the-war trading with the Allied countries." This was not a supposition because in more than one case, United States manufacturers admitted that the tariff factor was one of the principal reasons for establishing here. They have stated that not only will their Canadian plant cater to the local market but also largely to their export trade.

The entrance of the United States into the war has changed the position. The general trade arrangements of the Allies after the war will not discriminate against this new and powerful Ally. At the same time, the tendency is for the initiation of far more practical work in the welding of the commercial and general interests of the British Empire. The recommendations of the final report of the Dominions Royal Commission, a summary of which appears on another page, are but one indication of this new development. The control of raw materials; the improvement of communications between the various parts of the Empire by deepening harbors, fast steamship services, freights regulation, etc.; the unification of company and similar legislation, the restriction of foreign control within the Empire, are a few of the vital matters which during the next few years will receive serious thought and action by the governments of the British Empire. The fact that the interests of this national family are to be given first consideration and important safeguards, will tend to encourage the pilgrimage of the industrial wanderer. In other words, we will probably continue to receive a number of United States branch industries in Canada.

TARIFFS AFTER THE WAR

Many United States manufacturers are making their plans to establish branch plants in Canada in anticipation of tariff agreements among the Allies and the overseas dominions. How the entrance of the United States into the war will affect these plans and the drafting of tariff agreements will be a matter of considerable interest. In the meantime, the committee appointed last July to consider the commercial and industrial policy of Great Britain after the war, has presented a report. The conclusions of the committee, whose chairman is Lord Balfour of Burleigh, are that special steps must be taken to stimulate the production of foodstuffs, raw materials, and manufactured articles within the Empire wherever the expansion of production is possible and economically desirable for the safety and welfare of the Empire as a whole. It is recommended that the government declare adherence to the principle that preference should be accorded to the products and manufactures of the British overseas dominions in respect of any customs duties now or hereafter to be imposed on imports into the United Kingdom.

Also, it is thought necessary to consider immediately as one of the methods of achieving the stated objects, the desirability of establishing a wider range of customs duties which would be remitted or reduced on the products and manufactures of the Empire and which would form the basis of commercial treaties with allied and neutral powers. A system of imperial preference will involve a system of tariffs, and the difficulties of reconciling the interests of the Empire's units are considerable. "It will be necessary to examine closely the effect of imposing duties upon any articles which are used for manufacturing purposes in Great Britain," says the committee's report, "especially in connection with our export trades and the shipping and shipbuilding industries. Measures must be devised to safeguard the interests of the consumer and the rightful demands of labor. The special position of India, as well as of Egypt and the Sudan, will require consideration; and account must be taken both of our commercial treaty obligations and of the bearing of the proposed policy upon the interests of those countries our trade relations with which are of special importance." Add to this the shortsighted and selfish policies of various groups in various parts of the Empire, and we have a complicated problem for solution. The chief objects of any agreement will apparently be to narrow the trade activities of Germany and Austria in the Allied countries and to encourage the volume of trade (1) within the British Empire (2) among the Allied nations. It will not be possible to formulate an arrangement satisfactory to all, but concessions here and there should produce a workable agreement.

Mr. J. H. Romig, of the Monarch Life Assurance Company, Winnipeg, is said to be the first Winnipeg American to offer himself for enlistment in the proposed new United States army.