

MORTGAGE LOANS SHOULD BE ATTRACTIVE

Alberta Loan Authority Criticizes Recent Legislation— Supply of Necessary Capital Should Not be Shut Off

In his address at the annual meeting of the Calgary Board of Trade, the retiring president, Wm. Toole, criticized recent Alberta legislation affecting mortgage loans. "It is during trying periods like the last season," he said, "when our agriculturists need every dollar they can legitimately borrow to meet pressing requirements and keep their farm and ranch equipments going without sacrifice, until after next harvest, that the serious influence of the hastily enacted legislation of the past few years becomes so glaringly apparent. This so-called advanced legislation has worked, and is working, a serious injury to the province. It has kept much capital from coming into the country—has been the means of several large loaning institutions curtailing their investments, and some have withdrawn. It has prevented private as well as company capital from extending into the newer districts where funds are always urgently needed, and in my opinion has made it decidedly more difficult and expensive for our real pioneer farmers to borrow.

"I am still unable to comprehend the real motives of those who introduced and supported such iniquitous legislation as that which practically did away with the advantages of the personal covenant, and in any event causes a great deal of trouble and expense when legal proceedings become necessary.

Act was Retroactive

"The further deplorable feature of the act was making it retroactive and thereby taking away a most essential element of the security which had been given and accepted in good faith. This exhibition of disregard for vested interests shattered confidence in Alberta securities and the stigma is still in evidence.

"The whole question of legislation as it affects the investment of capital in both our urban and rural securities is of such vital importance to our continued prosperity as to cause serious concern. It is too big a subject to be dealt with in this report—it affects us all—we must have cheap money and lots of it for the upbuilding of our cities, expansion of our industries and development of our varied natural resources. This capital will not come in sufficient quantity until the old time confidence is reinstated. To encourage capital investment for immediate intensified production should be our aim, instead of placing all kinds of obstacles in its way. If our people would display the same interest in establishing a world market for Alberta mortgages as they did for 'Alberta Red' wheat, Alberta oats, Alberta creamery butter and other products, and place our mortgages on the same basis of security as is enjoyed by other parts of this Dominion where such contracts are regarded as sacred, the influx of capital and the influence on the rate of interest in a very few years would be astounding.

Should be Investigated

"I would suggest that the new council consider the appointment of a special committee to investigate this whole situation and endeavor to interest the co-operation of the council of the U.F.A. and other boards of trade in the province so that a strong and united personal appeal can be made to the government to reduce the expenses incidental to mortgage investments in the province, and generally to encourage the inflow and investment of capital. Thought should also be given on account of the adverse criticism to which our mortgages have been subjected during recent years, to some plan for making them an especially attractive security on the money markets of the world. This should not be difficult with government sympathy on account of the continuing improvement of the physical security and the very high morale of our citizens."

Mr. Toole, in the course of his annual report, showed how closely the board had been associated with all matters within its jurisdiction affecting the welfare of the community, and how essential it was to future permanent progress. Incidentally, he mentioned that their organization was not fully

appreciated by the citizens generally, but its membership would have been largely increased during the past couple of years were it not that the board considered it advisable to set aside its own appeals and campaigns in favor of those organizations primarily associated with the war endeavors of one kind or another. He suggested, however, that the time was now opportune for an energetic membership campaign to be carried out during 1920.

T. A. Hornibrook was elected the new president for 1920, and J. B. Sutherland, P. L. Naismith, and F. R. Freeze, vice-presidents. The council is composed as follows:—R. J. Lydiatt, C. P. McQueen, Geo. W. Craig, Dr. Egbert F. H. Peters, Lorne E. Glover, John Halstead, Wm. Toole, C. A. Chesterton, A. J. MacMillan, Wm. Pearce, Geo. H. Webster, B. L. Robinson, R. L. Glover, and Alex. Calhoun.

BUSINESS FAILURES IN CANADA

Messrs. R. J. Dun and Co. report the following business failures since the beginning of the year:—

Date.	Ont.	Que.	Man.	Alta.	Sask.	B. C.	N. S.	N. B.	P. E. I.	Total.	1919.
Jan. 16th	4	5	0	0	0	2	3	0	0	14	15
Jan. 9th	2	3	2	0	3	1	0	0	0	11	13
Jan. 2nd	2	9	0	0	3	0	4	0	0	18	14

WILL TEST LEGAL POWERS

The Board of Commerce has addressed a series of questions to the Supreme Court of Canada regarding its powers, concerning which it apparently entertains certain doubts. These doubts hinge mainly upon two points. The first is the validity of its organization as a court of justice, since the organization of such courts belongs to the several provinces, while the appointment of judges belongs to the Federal government. The second point concerns the fixing of prices, since prices are part of a contract and contracts are part of the civil law.

The board points out in its submission that it has already rendered a number of decisions under the Act, by which it was created, and will continue to do so, but in view of the importance of the issues involved, it desires to have its legal position clearly defined before proceeding further. All persons affected by the decisions so far rendered by the board have been invited to appear before counsel at the hearing, and the attorney-generals of the several provinces have also received copies of the board's submission, with invitations to intervene if they so desire. The hearing will probably take place in Ottawa in February.

RAILROAD EARNINGS

The following are the earnings of Canada's transcontinental railways for the first three weeks of January, 1920, with comparisons:—

Canadian Pacific Railway.

	1920.	1919.	Inc. or dec.
January 7	\$3,171,000	\$2,856,000	+ \$ 315,000
January 14	3,331,000	2,891,000	+ 440,000
January 21	2,837,000	2,949,000	— 112,000

Grand Trunk Railway.

January 7	\$1,129,338	\$1,003,631	+ \$ 125,707
January 14	1,228,846	1,029,578	+ 199,268
January 21	1,056,381	940,925	+ 115,456

Canadian National Railways.

January 7	\$1,642,208	\$1,294,039	+ \$ 348,169
January 14	1,864,220	1,420,433	+ 443,787
January 21	1,599,643	1,541,392	+ 58,251