

whole of the Dominion, by which they could charge 6 per cent., including management. I had the honor the other day to show this House that there were two serious objections to this Bill; and its promoters acknowledged their correctness by having it sent back to the Committee of the Whole and amended. It was then suggested that more was required; but the promoters of the Bill refused to assent to any other further amendment. They now wish to be placed on the same footing with other loan companies, and to this I do not object, but they should not receive more privileges. Under this Bill they wish to repeal 44 Vic., chap. 58, which will throw them back on the Quebec Act of incorporation; and they desire to obtain the right to charge 8 per cent. But, under the Quebec Act, they can charge at least 1 per cent. above the 8 per cent. per annum on the principal loaned, which makes an additional per centum and more, because, if for instance, a man borrows \$1,000 repayable in \$100 per year instalments, he pays 8 per cent. on the principal from time to time due and 1 per cent. additional, not on the amount due as lessened by his payments of \$100 per annum, but always on the entire principal, \$1,000, until the last instalment is paid. Consequently, under this Bill they could charge 8 per cent., and 1 per cent. for charges of administration, making 9 per cent. for the first year, and 10 per cent. for the second year; while, for the last year, when only \$100 remained unpaid, he would pay 8 per cent., and 1 per cent. on the \$1,000, making 18 per cent., of which 10 per cent. would be for charges of management. It would be bad enough if the 1 per cent. related merely to the amounts remaining due, but it really refers to the whole of the sum borrowed; and this is more than other loan companies have the right to charge. It may be said that this can be accomplished by private contract; but what is done under private agreement, and under the law, are very different things. When a man signs a contract, he knows what he signs, but when a man enters into an agreement guaranteed by law it can be enforced in the courts, and the additional 1 per cent. so collected. I think that this is unfair to the public. I have no personal interest in this matter. I have never borrowed any money from this company, and I shall never do so; nor do I believe that any of my constituents have ever obtained any money from them. I am only acting in the interest of the general public and for the public good. Why should we, who live in the Province of Quebec, be selected for this sort of treatment? Why is not a law proposed in this respect to apply generally to the whole of the Dominion? If this company wishes so to be incorporated let them relinquish their Quebec charter, and then come before this House for an Act of incorporation, in the same manner as do other like organizations, and to that I will willingly assent. But no; they want that this Parliament should give them the right to charge the same rate of interest as other companies, and, at the same time, allow them the right to fall back on the Quebec charter, which gives them the right to charge 1 per cent. for cost of management. This is a privilege to which they make no reference. They said they have renounced the 127th section of the Act; but every one knows they have renounced nothing at all. Let the company renounce the whole of their special privileges, and come here and obtain incorporation on the same footing as other companies. For these reasons, I beg to move that the Bill be read the third time this day six months.

Mr. CATUDAL (Translation). Mr. Speaker, I cannot let this motion pass and give my vote without explaining to the House the reasons which actuate me in so doing. If we examine the position of the *Crédit Foncier Franco-Canadien*, we observe that this company first applied to the Legislature of Quebec, from which it received important

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privileges. These privileges were conceded with the express understanding that its rate of interest should not exceed 6 per cent. per annum. By a subsequent Act this company renounced the concession under clause 127 of its Act of incorporation, obtained in the Quebec Legislature. This concession consisted in the agreement of the Legislature of Quebec to renounce the right to grant an Act of incorporation for the period of fifty years to any *Credit Foncier* association which had any representation in France. In consideration of renouncing this concession, the company asks from this Parliament the repeal of what it first prayed for, and also the privilege of charging any rate of interest it might be disposed to ask, provided it did not exceed 8 per cent. per annum. Now, Mr. Speaker, in my opinion, it is for this House to consider whether the renunciation of this privilege and advantage is a sufficient compensation to the public for these obtained here and granted to companies of this kind, according to the charter of the Province of Quebec, as the hon. member from Shefford (Mr. Auger) has a moment ago shown. We perceive that this company has secured important concessions, some of which are contained in Section 68, viz.:

"The annuity, whether of long or short term loans, stipulated in the contract of loan, comprehends:

- "1. The interest.
- "2. The instalment determined by the rate of interest and the length of the loan.
- "3. An annual charge for cost of administration, which must not exceed 1 per cent. on the borrowed capital."

The last paragraph contains powers which have already been refused to this company, by this Parliament, and the charter which it obtained in the Province of Ontario does not give it any privileges. The *Credit Foncier Association* of Lower Canada has not this right. The *Trust and Loan Company* also has not got it. Why, Mr. Speaker, place the farmers of the Province of Quebec, who may have recourse to this company to borrow, under more disadvantageous conditions than those of the Province of Ontario? For instance, if a farmer of the Province of Quebec borrows \$1,000, interest at 8 per cent. per annum, such as this Bill authorizes, payable in instalments of \$100 per annum with interest, how much will he have to pay? The first year he will have to pay \$100 principal and \$80 of interest, and 1 per cent. for cost of administration, which will make 9 per cent. per annum. The second year he will have to pay \$100 principal besides \$72 interest and \$10 for cost of administration, which will bring his money to 9.11 per cent. per annum. The third year to 9.25 per cent. per annum. The fourth year to 9.43 per cent. per annum. The fifth year to 9.67 per cent. per annum. The sixth year to 10 per cent. per annum. The seventh year to 10.50 per cent. per annum. The eighth year 11.33 per cent. per annum. The ninth year 13 per cent. per annum, and the tenth year 18 per cent. per annum, which makes an annual rate for the ten years of 10 per cent. per annum. Now, no other company in the country having this privilege, why give it to this company? It is said that the *Crédit Foncier Franco-Canadien* has never charged over 6 per cent. per annum. It is true, Mr. Speaker, that up to this date it never has charged more than 6 per cent. per annum of interest. But the reason is a very plain one; it had not the right or privilege to do it. It has the right, according to the charter obtained here, to charge 1 per cent. for cost of administration on the amount loaned, but the interest and the cost of administration must not exceed 6 per cent. per annum. This, Mr. Speaker, is the reason and there is no other. Now, section 70 says:

"Every semi-annual instalment remaining unpaid when it falls due, *ipso facto* bears interest for the benefit of the society without notice, at the same rate as the principal loaned. It is the same for all costs of collection, liquidated or taxed, incurred by the society to obtain payment of its loan, and from the date on which these expenses have been incurred. In case of default of payment of the semi-annual instalments all the principal becomes due without further notice."