

N^o 11. **Insurance and Finance** VOL. VI. **CHRONICLE.**

OFFICE:
1724 Notre Dame Street.

MONTREAL, NOVEMBER, 1886.

SUBSCRIPTION,
\$2. per ANNUM.

Insurance and Finance Chronicle.

[Formerly Insurance Society.]

PUBLISHED MONTHLY,

R. WILSON SMITH,
Editor and Proprietor,

OFFICE: 1724 NOTRE DAME ST., MONTREAL

Annual Subscription (in advance) - \$2.00
Single Copies - - - - - 0.15
Per Hundred Copies - - - - - 15.00
Prices for Advertisements on application.

QUEBEC REAL ESTATE LAW.

Our contemporary, the "*Moniteur du Commerce*," has in its last number a long article in reply to our remarks regarding the real estate law of the Province of Quebec. We are much pleased to have the matter discussed, feeling satisfied that it is only in this way that the evils can be brought home to the public mind and their remedy made possible. The disease must be explained and understood before the cure can be attempted. But at the very outset we are made to feel that the hope for improvement is slim indeed, and might as well be given up at once, in view of the spirit in which any suggestion of a change is received by the leaders of the majority in this province.

We are told that our remarks are "as malignant as inexact and unfounded," and that our object is "to establish that the law of Quebec is bad because it is founded on French law, while the law of Ontario is good because founded on English law." Now we emphatically object to any such mis-statement of our views. We hold ourselves above both French and English systems, and claim the right to commend or condemn any features of either without becoming a partisan of either. Our past course will, we think, bear us out in saying that we do full justice to both Quebec and Ontario at all times. We claim to be most unqualifiedly non-partisan, but will not be prevented from exposing a wrong, merely because our doing so will offend any class of the population.

We would suggest that our contemporary go to school for a while yet, for he evidently cannot read, judging by his criticism. He says that our grievance is that, "it may happen that a person holding a second or third mortgage may

not be paid if the price of sale scarcely covers the first mortgage." He then exclaims, "Mon Dieu, yes, it may happen, and we do not know the hypothecary legislation in the world which will do away with this result." In what part of our remarks does he find any such statement? We hope that no one has such a poor opinion of our mental capacity as to suppose we could say anything of the kind. It is the interests of the first mortgagee we are concerned in, and if we must state the point again, our objection is that a second or third mortgagee can by Quebec law, destroy the claim of the first mortgagee on the property—not that the first can cut off the second but that the second can cut off the first. We ask any person of sense what possible right or claim can a second mortgagee have to disturb in any way whatever the mortgage which ranks before him. Is there any reason why he should have any further hold on the property than the right of bringing it to sheriff's sale, in order to find out if any person will bid anything beyond the first mortgage? If any person will give more than the amount of that first mortgage, let the second mortgage get the surplus by all means; but if no one will give anything beyond the first mortgage the second is absolutely worthless, and should have no power to interfere with the first. What we object to is that the sheriff's sale destroys claims on a property which rank prior to the one on the strength of which the property was brought to sale. This, of course, necessitates, as we have pointed out, that an investor must attend every sheriff's sale in which he is interested or run the risk of losing his mortgage. If he overlooks or neglects it there is no remedy; he has to submit quietly to his loss. This is the gist of our article and it is a point which our critic has not even referred to.

We pointed out that the value realized at a sheriff's sale often does not bear any relation whatever to the real value; we having ourselves known of a property for which \$6,000 was offered a week afterwards, being sold by the sheriff for \$50. Our confrère objects strongly to this, but this will not alter the fact. All large lenders in Montreal know it very well. Of course the case we have quoted is an extreme one, but it is well known that there are usually not over one or two people (if any) at a sheriff's sale in Montreal besides those who have already an interest in the property. This point is, however, entirely secondary to the one referred to in the last paragraph, and is only brought forward to show the great practical importance of that objection.