QUEBEC MORTGAGES AGAIN.

The other day we had another illustration of the outrageous unfairness of the laws of the province of Quebec governing mortgages, and of the unsafe position in which investors are placed by them. A Montreal financial corporation had a mortgage of seven hundred dollars covering several pieces of suburban property. A lawyer who held an unsecured debt for about $135 obtained judgment against the owner, and seized one of these pieces. It was sold by the sheriff on March 29th last for $350. much less, of course, than its real value, being bought in by the mortgagee to protect themselves. This lawyer had no real interest in the property whatever. and yet the law allowed him to force its sale by the sheriff. and to collect all his costs as a first charge, ahead of the mortgage, on the price of sale. The list of fees and expenses in this case is instructive. It is as follows:—

Expenses chargeable to mortgagee:—

Warrant	$1 00	Publication (at R. C. church door)	$13 50
Return	1 00	"Sale"	17 25
Official announcements.	3 40	Fee to registrar on seizure	30
Conditions of sale	1 40	Fee to registrar on certificate	16 00
Notice to registrar of seizure	20	Tax on this account	30
Notice to registrar for certificate	2 00		$131 61
Sheriff's commission at 2½ p.c.	8 75	Lawyer's own fees, etc., connected with suit (estimated)	30 00
Court House tax, 1 p.c.	3 50		$161 61
Bailiff's fees	22 25		
Quebec Official Gazette.	21 66		
Local advertisements	19 10		

Expenses payable by purchaser:—

Contract	$4 00	Registration of contract	10 00
Bond	2 00		$16 60
Tax on bond	60	Total expenses of sale	$178 21

The net result of the transaction is that by the sheriff's sale, the mortgage of $700 is entirely extinguished and erased from the registrar's certificate so far as this piece of land is concerned, and as full consideration therefor the mortgagee will, several months hence, be handed the following amount:—

Price realized at sale	$350 00
Less costs, as above	131 61
	$218 39
Less further government tax of 1 p.c.	2 19
	$216 20

For the mortgage of $700, the mortgagees thus will receive $188.39, although the property is really worth the full amount of the debt. It is true that there are other properties involved which will make the security perfect, but that is entirely apart from the principle at issue It is an outrage that a third party, having no interest in the property beyond the equity of redemption or, in other words, the margin, after providing for the mortgage, should be allowed to bring that property to sale, far from the city, at a time chosen by him, and to cause the first mortgagee to accept whatever the property brings at the auction after deducting his costs, and all the court charges, and abandon all further claim on the land. It is opposed to common justice and to common sense, and could not be done in any other part of the Dominion. Outside creditors should have the right to bring a property to sale, *subject to the mortgages existing on it*, but in no other way. There is a safety in mortgages in any other province of Canada, which there is not in those of Quebec.

It is unnecessary to do more than refer to the fact that it cost $178.21 (exclusive of travelling expenses) to sell a property which brought $350. About 51 per cent. of the price of sale went in law costs and charges!

We have mentioned that the mortgagees in this case bought in the property in order to protect themselves. If they had not attended the sale it would have probably been knocked down to a neighbor for $300 only! What would have been the position had the mortgage been held by an absentee or by one who had not noticed the advertisement in the *Official Gazette*? Or if it had been held by a widow or some poor person who could not afford to advance the extra $178.21 required to enable them to purchase the property at the sale, the result would have been the same.

The fact is undeniable that the real estate laws of the province of Quebec are a blot on our civilization, and that no persons or corporations can safely lend here unless they are on the spot and make a special business of doing so, sitting right down to watch their securities.

THE BRITISH EMPIRE MUTUAL LIFE.

The forty-sixth annual statement of the British Empire Mutual Life, covering the business of 1892, shows a prosperous condition of the company, as will be seen from the summary statement on another page. The amount of new insurance issued, less re-insurances, was slightly in excess of the previous year, amounting in all to $2,508,200, while the annuities granted were very largely increased. The total premium income reached $980,760, and the total income $1,394,630, of which $332,515 was from interest and $81,355 for annuities. The expenditures, all told, were only $953,000, including bonuses, leaving the large excess of $441,630 to be added to the funds, increasing them to a total of $8,107,520. In the four years since Mr. Rothery has directed the affairs of the company as secretary and actuary, very material reductions have been made in the expenses, the past year showing a reduction from the low ratio attained for the previous year. So low a ratio of management expenses and commissions to total income as 12.45, which was the record for 1892, is certainly low enough to satisfy the most extreme advocates of economy, though a somewhat larger expenditure to secure a still larger volume of new business would, we think, have been within the line of judicious expenditure. The funds of the company seem to be well and carefully invested, the rate of interest realized upon the total funds being about the same as for the previous year, and nearly 4.25 per cent. The deaths were within the table rate and in amount a trifle over the previous year, the total claims paid