

vene and protect the borrower, and the courts have intervened to protect the borrower from himself; because often, when a man borrows money he is prepared to make any sort of bargain. It gives the bank power to put the property up the day after the debt becomes due and buy it themselves. You have no right to offer that temptation to the directors, and I am quite sure that the House of Commons would not pass the Bill in that shape. We are ignoring the interests of persons who ought to be protected. No mortgagee would be allowed to sell in that way. The court requires reasonable notice—a month, or two or three months—and its adds further that if the mortgagee buys in the property himself he has got to give the mortgagor an absolute release. You do not provide any such thing here. If, for instance, a man gives a security for \$5,000, and it is sold on short notice for half its value, leaving a balance still due, that balance is a claim against the borrower. I think the proposition is iniquitous.

HON. MR. ABBOTT—My hon. friend from Ottawa criticizes this as iniquitous.

HON. MR. SCOTT—Yes, indeed; the proposal is iniquitous.

HON. MR. ABBOTT—That is at present the law of Quebec, and if you come to criticize the laws of the Provinces I say that it is an iniquitous thing to say that a man shall be discharged from his debt if he fails to pay, if a property is mortgaged for it, and the property is sold, and does not realize enough to pay the debt. He should be held liable for the balance. With regard to this right of purchase, which seems very strange to my hon. friend, this is in exact accord with the law of Lower Canada where this bank does business. In Lower Canada, where property is sold by the sheriff it may be purchased by the mortgagee; for the property has to be bid up by the mortgagee, if he wants to save himself, to a sum sufficient to pay him, and all the expenses of the sale, besides paying previous mortgages; and I venture to say that in nineteen cases out of twenty property is bought in necessarily by the mortgagee, because such properties do not realize their full value at sheriff's sale.

HON. MR. MILLER—Is the mortgagee, allowed in Lower Canada to buy in the property.

HON. MR. ABBOTT—Yes; the law expressly allows him to do so without paying cash for it. There is no process of foreclosure known to our law at all. He simply takes a judgment against the owner of the property, takes out an execution, and the sheriff sells the property. At that sale the property must be sold for enough to pay any first mortgage in cash, and all the expenses of the sale, before the holder of the second mortgage can get one cent. The consequence is, in nineteen cases out of twenty the plaintiff has to buy the land to try to make his own out of it.

HON. MR. SCOTT—There is always notice under a mortgage there?

HON. MR. ABBOTT—There is no notice at all. There is a suit.

HON. MR. SCOTT—Under this clause it is done in twenty-four hours.

HON. MR. ABBOTT—That is chattel property. In case of chattel property a contract is usually signed, which declares whether or not the bank shall have power to sell on default. If the price is not sufficient to realize the amount that is due to the bank, and the bank believes that the securities will rise, its proper course is to buy them itself, and hold them until a better price can be realized. The only object of this privilege which is accorded to the banks is to enable them to protect their debt. There is no instance during the thirty or forty years of their existence of their having speculated in securities. They buy, if they buy at all, because the property is about to be sold for less than will pay their debt.

HON. MR. MURPHY—Hon. gentlemen will bear in mind that what is provided for here is stocks, and stocks may fall or rise within two or three days, and the object is to allow the bank to realize as much as possible for the borrower. I know that we have been thanked, as far as the bank with which I am connected is concerned, for having promptly sold stock at a time when it realized more than it would if sold a month afterwards.

HON. MR. READ (Quinté)—Take the case of valuable debentures, on which a