

been incorporated by this Parliament with the power of lending money, not at 6, 7, 8 or 9 per cent., but at any rate which may be stipulated between the parties? I believe an hon. member quoted not less than fifteen or twenty charters granted by this Parliament giving unlimited power to companies to charge interest at any rate. This institution has rendered great services not only to the Province of Quebec, but to the whole Dominion. From the moment it came into operation, the rate of interest all over the Dominion became reduced from 10 to 6 per cent. We do not want to go as high as 10 per cent. We lend money at 6 per cent. as long as we can get it in France for 5 per cent., and want to be in a position to lend at 7 or 8 per cent. when money in France cannot be obtained under 6 or 7 per cent., and every one familiar with the French money market knows that a year ago it was impossible to get money there under those rates. How can you expect French capitalists to lend money here at 6 or 7 per cent. when they can get that much for it at home. The objection has been made that if this amendment is granted, the *Crédit Foncier* will, before a year, request all their debtors to refund their mortgages. I am surprised that an objection of that kind should be made. The hon. member should know that in the mortgages of the *Crédit Foncier* there is a clause, as there is in all deeds or mortgages between loan societies and their borrowers, which says that the money so borrowed shall be repaid in certain instalments, and as long as those instalments are met the debtor is entirely independent and free from the *Crédit Foncier*.

Mr. FISHER. As long as they are met.

Mr. GIROUARD. But you find that privilege in the special charter of the *Crédit Foncier*, and I would ask the hon. member who, if he is a lawyer, is a man of common sense, whether it is not permitted to himself, when he lends money—I would not say to one of his constituents, I suppose that would not be politic—but when he lends money to any man, whether he has not a right to say: If you do not pay your instalments, principal and interest within the time fixed, I shall have to request you to pay the whole amount? That is quite regular, and that is the privilege that is asked for by the *Crédit Foncier*. It is a privilege that exists in common law, and there is no necessity to put it in the charter. It is the same thing with the insurance license: there is a clause which permits the *Crédit Foncier* to take the amount of insurance which has been effected on the property, as security for the loan. If this is an exorbitant thing it is a thing which has been done in every deed of mortgage, and I would ask every hon. gentleman whether that is not the case. What is there extraordinary in that? Really, I am surprised to hear the objections that have been made to 6 per cent. I think the hon. member for Laval (Mr. Ouimet) has met any objection which has been made by his amendment to the effect that only 8 per cent. would be required including the cost of administration.

Mr. CASGRAIN. Not exactly so. The amendment says that 1 per cent. shall cover the cost of administration, but the Bill says that in no case shall the whole exceed 8 per cent.

Mr. GIROUARD. I hope the Bill will be allowed to go to its third reading, subject to the amendment which has been accepted by the promoter of the Bill. I cannot understand why, after all the discussion that took place last year on this Bill, it should not be allowed to go through without opposition. One of the great advantages offered by the *Crédit Foncier Franco-Canadien*, is not an advantage to be derived from its charter, although it is mentioned in the charter—which is, that nearly all the moneys which are borrowed are payable by single instalments. That power is given by the charter. Ordinary loan companies may loan their money in that way if they like. In this country

Mr. GIROUARD (Jacques Cartier).

the system prevailing is to loan money for a certain fixed period, the interest being payable every year, but in the *Crédit Foncier* it is payable to the capital account, and the interest is payable by a sinking fund of 7 per cent. per annum, and when the interest is 6 per cent. it takes thirty-five years to pay the whole capital and interest. The company has loaned in this country about one million and a quarter, most of it loaned in that way. The loans are all on long terms, and I have known many of them extending to even fifty years. The promoters of the *Crédit Foncier* are exceedingly anxious to continue their operations, provided they are placed in a position to get the necessary funds from the French market. To show their anxiety, I may mention here as a fact, because it is within my personal knowledge, that they refused an offer to buy all their mortgages after the Bill was defeated last year. I may say that I made the offer myself to pay them half a million within six months and the balance within a year, but the offer was refused. They are very anxious to continue their operations, and surely no man in the House can say that the terms of the *Crédit Foncier Franco-Canadien* are ruinous to the country. They ask 8 per cent., and I can quote you fifty loan companies in the country who loan at 9, 10, 11 and 12 per cent.—in fact they can charge any rate they please.

Mr. FISHER. The hon. member for Jacques Cartier certainly did not quite understand the points I wished to make in regard to the loan being drawn. Although I am not a lawyer, and not a money lender, I am quite well aware that in the majority of cases when the conditions of the loan are not fulfilled, the lender has a perfect right to close the mortgage. This company is now loaning money at six per cent., and with certain conditions which I know perfectly well the rural population very often find it difficult to fulfil; and when we allow that company to charge an extra 2 per cent., it is a temptation to them to foreclose those mortgages, which I do not believe the majority of money lenders can resist. I do not believe the *Crédit Foncier* will resist that temptation, and I believe the result I pointed out a few minutes ago will be really brought about.

Mr. WHITE (Hastings). Last Session I objected to a change in the law, for the reason that, if we allow the *Crédit Foncier* to loan money at 8 per cent., we would cause all other companies, now loaning at 6 and 7 per cent., to run them up to 8 per cent. Parties who borrow money have to pay for registration and valuation. If we allow this company to charge 8 per cent., then all the parties who borrowed that million and a quarter dollars at 6 per cent. will have to pay 2 per cent. extra, and will therefore suffer an injustice. We make the borrowers pay the solicitors' fees, the valuation fees, and the registration. The hon. gentleman is a rich lawyer and thinks that is all right, but if he was a borrower he would think differently. I would like to ask any hon. gentleman in this House, where is the farmer that can afford to pay more than 6 per cent. interest on his loans? All other companies in this Dominion are kept down to 6 per cent., because the *Crédit Foncier* have their charter limiting their rate of interest to 6 per cent. Previous to their obtaining the charter, money could not be procured from any company at less than 8 per cent. The hon. gentleman says himself that he offered to buy out the company; he wanted to get clear of the *Crédit Foncier*, but we want to keep them here. The best evidence we want that the company has sufficient privileges already, is that they do not withdraw their loans. They borrowed this money in France, as it is admitted by the promoter of this Bill, at 4 per cent., and is not 2 per cent. enough for bringing it out to this country, after paying all expenses connected with it? But that will not satisfy them. The countrymen of the hon. gentleman, and the parties in the other Provinces, were told they could have this