

there could be any possible discussion. My hon. friend's arguments on the subject of the rate of interest are very familiar to old members of the House of Commons. My hon. friend from Ottawa and some other members in this House are aware that twenty years ago we had this subject debated over and over again. It was a very debatable subject, no doubt, at the time, and many objections were made to the freedom of trade in money, and it was only by repeated stages that at last it reached its present one. My hon. friend says that leaving in this clause limiting the rate at 7 per cent. and 10 per cent. will protect the poor man. How can it protect the poor man when at present very little money is loaned at such a high rate? But what has been the effect of changing the law on interest now re-produced in these Revised Statutes? At the time the discussions were going on interest ran up from 8 per cent. to 10 per cent.; every one knows that 8 per cent. was the common rate in those days.

HON. MR. POWER—The rate of interest has gone down all over the world.

HON. MR. ABBOTT—Yes; because freedom of trade in money has been conceded in nearly every civilized country, certainly in all those countries which are most advanced in civilization, and the consequence is that money has found its level, and it can now be borrowed at rates not much more than two-thirds the rate that prevailed when the restrictions which my hon. friend would continue existed in full force. In those days there was a restriction to the rate of interest, and the consequence was that, at that time, the rate of interest was very high. It has been gradually falling ever since these restrictions were removed, and has now reached a point where the lending of money is scarcely remunerative at all. I find that Sir John Thompson, who is a tolerable authority on the subject, and who could hardly be accused of giving his opinion as Minister of Justice in the House of Commons contrary to his real views because he happened to be a solicitor for some loan company—I do not know whether he is or not; I rather think he is not; but that was the view of the hon. gentleman, that the lawyers in the House of Commons were prejudiced because they represented loan companies—

HON. MR. POWER—I said they represented money lenders. I was not thinking of any particular member at all.

HON. MR. ABBOTT—I am myself willing, as respects Nova Scotia, to lean on the authority of Sir John Thompson and the unanimous opinion of the whole of the representatives of Nova Scotia in the House of Commons. I think that is pretty good authority, that and our own principle, which we have been acting on every year. I will read what Sir John Thompson says:

"I do not see why they should not be repealed. There are special provisions all through this Act relating to the different Provinces, the policy being apparently to keep in force the old usury laws of the Provinces while there was a possibility of contracts made under those old usury laws having force, and preserving likewise the penalties, so far as they relate to contracts. We have, however, run through a period of twenty-three years, and I think that the effect of these provisions has ceased. It is on that principle, apparently, that the Senate has adopted the second clause of the Bill which repeals certain provisions relating to Ontario. I have no objections to the hon. gentleman's proposal to repeal the special provisions relating to New Brunswick."

That was extended afterwards to all the Provinces.

HON. MR. DEBOUCHERVILLE—Will the amendment, if accepted, take away any restriction on the rate of interest on money loans?

HON. MR. ABBOTT—Judging from what I know of the law of Nova Scotia—although Sir John Thompson speaks differently—it would appear to take away some of the restriction in Nova Scotia, and allow them to lend money at the rates of 7 and 10 per cent.

HON. MR. ALMON—You can lend money in Nova Scotia at any rate up to 10 per cent. on notes or any other security.

HON. MR. DEBOUCHERVILLE—If this amendment passes they can lend money on mortgages at any rate up to 7 per cent.

HON. MR. ABBOTT—Yes; if they can get anyone to borrow money at such rates.

The motion was agreed to on a division.

## SUBSIDIES IN AID OF RAILWAYS BILL.

### SECOND AND THIRD READINGS.

HON. MR. ABBOTT moved the second reading of Bill (167) "An Act to author-