

USURY LAWS (CANADA).

RETURN to an Address of the Honourable The House of Commons,
dated 10 June 1847;—for,

COPY of all CORRESPONDENCE between Her Majesty's Secretary of State for the Colonies respecting the Effect of the USURY LAWS in *Canada*, on the Industrial and Commercial Interests of that Province, and of all Correspondence with the Governor-General of *Canada* on that subject."

Colonial Office, Downing-street, }
24 June 1847.

B. HAWES.

—No. 1.—

(No. 43.)

COPY of a DESPATCH from Earl *Grey* to the Right Honourable the Earl of *Elgin*.

My Lord,

Downing-street, 30 March 1847.

I TRANSMIT herewith to your Lordship the copy of a letter, and of the several enclosures accompanying it, which I have received from Mr. R. S. Atcheson, representing the injurious effect which is experienced in Canada from the operation of the provincial enactments relating to usury.

I am not myself aware how far public opinion in Canada supports the statements and views entertained by Mr. Atcheson on this subject. I should therefore wish your Lordship to lay the enclosed communication before your Executive Council, and consult that body as to the propriety of proposing to the Provincial Legislature the repeal of the laws in force in that Province relating to usury. My own opinion, and, I might add, the general feeling in this country, is so decidedly opposed to the existence of laws of this description, that I should be happy to learn that the Canadian Legislature was in favour of the proposed repeal.

I have, &c.
(signed) *Grey*.

Enclosure in No. 1.

My Lord,

2, Charles-street, Trevor-square,
20 March 1847.

I HAVE the honour to transmit to your Lordship the enclosed letter, with the annexed documents, addressed to Mr. MacGregor, as Secretary to the Lords' Committee of the Council for Trade, respecting the Usury Laws in Canada, and the obstacle which those laws present to the influx of capital into the Province.

The only impediment to the employment of labour in Canada on a very extended scale is, as your Lordship is doubtless aware, the want of capital on the part of the proprietors of land, and the extreme difficulty, or more frequently the impossibility, of procuring loans on the security of their lands.

With the view of obviating this obstacle to a more rapid development of the vast natural resources of the Province, the Legislature, in the years 1843 and 1845, passed two Acts, giving powers to and incorporating the Company referred to in the letters to Mr. MacGregor; and Her Majesty subsequently granted a Royal Charter extending the privileges and powers of the Company to this country. But the great demand which has lately existed in England for money for railway purposes, and the limited rate of interest allowed by the laws against usury in Canada, by annihilating the difference between the rates of interest here and in that Province on which the company's prospect of remuneration depended, have prevented the Company extending to Canada the benefit contemplated by its Legislature; and the Province is, in consequence, not only debarred from taking adequate advantage of the increased demand in Great Britain for its grain produce, but is precluded from entering upon the execution of several public works of the highest importance, which have been sanctioned by colonial statutes, and from proceeding with the formation of district roads and various local public improvements, on which many thousand emigrants would have found, on their arrival in Canada, immediate and profitable employment. On the other hand, if the

No. 1.

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Encl. in No. 1.