

then this Bill provided for no capital for the Company, and there were no provisions for its organization and no regulations except those mentioned in the Bill, which did not cover the ground at all. When I made that contention my hon. friend advanced a step further and said that the capital stock would be found in the Quebec Act. That is a very fair answer and I do find it in the Quebec Act. But what I contend is that my hon. friend cannot refer to the Quebec Act for one purpose, and say that it is not before the House for another purpose. The hon. gentleman has already opened up the matter a little further by calling attention to another section of the Bill unintelligible without reference to the Quebec Act, which I say is an essential ingredient in this legislation — that is sub-sections 3, 4, 5 and 6; they are all cognate. They all relate to the Board of Management; the third clause is as follows: "For the management of business each province, other than the Province of Quebec, shall form a division, but the Board of Management may, if it deem proper," do so-and-so. What Board of Management? There is no Board of Management mentioned in this Bill and we must go back to the Quebec Act, and find by looking at a great many sections there what this Board of Management is and what are its functions; therefore these sub-sections prove that the Quebec Act is bound up in this and is an essential part of it. My hon. friend referred me the other day to the Montreal Building Association as a precedent for this legislation. I had not an opportunity of answering him under the rule of the House, because I had spoken on the amendment, but that reference is entirely beside the question. The Act recognizing the existence of the Montreal Building Association, like all other Acts recognizing the existence of companies chartered elsewhere, was based on the principle that there was nothing in those Acts to contravene the legislation of the Dominion — that there was nothing objectionable in them, and so far it was quite unnecessary to repeat all the provisions of that Act, because the recognizing of this Building Association carried with it all the legislation in the charter or Act by which this Company was incorporated. But this is a very different thing. Our

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contention is that, while that was the case with regard to the Montreal Building Association and other Acts, it was unnecessary to report the provisions of those Acts, for the plain reason that they were contained in the Act which incorporated the Association. In the same sense I contend that this Act when passed does sanction the provisions made in the Quebec Act of 1880. This is the objection which I entertain on that point. When we come to consider the Bill a little closer we will find it is open to very considerable objection, as has already been pointed out. The great point which was pressed before the House, and which was recommended to the House, was the fact that hereafter there was to be a great boon to the people of this country in the reduction of the rate of interest on loans. When we come to apply that test to the provisions of the fourth sub-section of this Act, which authorizes the Company to acquire, by assignment or purchase, bonds, mortgages and hypothecary or privileged claims, being a just charge upon real estate situated within the Dominion of Canada, the House will see at once what the effect of that will be. The effect of it will be that this Company can purchase by assignments, mortgages, bonds and other instruments, bearing interest, it may be, of 7, 8 or 10 per cent., These are consequences entirely separate from the debentures, and other instruments mentioned in sub-section five. They are empowered to purchase them and use them, and to collect all the objectionable interest upon those securities beyond 6 per cent. Now, when we look at the practical effect of this, we shall see it to be just this: this Company, the Credit Foncier, will not be very likely to take 6 per cent. when they can get 7 or 8, or more, and my purpose is to show the House how they can easily get more. In my Province the legal rate of interest on mortgages is seven per cent. only. It is lower than in other provinces —

Hon. Mr. DEVER — It is only six in New Brunswick.

Hon. Mr. DICKEY — That is where there is no contract made. In Quebec it is eight per cent., I believe, and when we go to Ontario I find that mortgages are taken with a still higher rate of interest. All those mortgages can be purchased by