

HON. MR. POWER—I say the hon. gentleman did not call attention to that fact. I thought the hon. gentleman was nothing if not logical, and the hon. gentleman wanted to show that there was a penal statute in force in Nova Scotia. Inasmuch as that penal statute applied to contracts only before the 23rd of May, 1873, it is practically not in operation now.

HON. MR. ABBOTT—So I said. These are the words I used: that it was absurd to keep such a clause on the Statute-book.

HON. MR. POWER—That clause has become effete by the lapse of time. It might be well to repeal it, but what I object to, as far as the Province from which I come is concerned, is to repealing section 13, which limits the rate of interest to be taken on mortgage of land to 7 per cent., and other securities to 10 per cent. It does not render the contracts invalid; it simply hinders the lender from recovering more than the proper rate of interest. There are similar provisions with respect to the Provinces of British Columbia and Prince Edward Island. As far as I know, no petition has come from any of the Provinces asking that these restrictions on the rate of interest should be abolished. These restrictions, I contend, are in the interests of poor people. You can always trust the man who has money to lend to take fairly good care of himself, and the people we have to take care of are those who have to borrow money, more particularly on mortgage. What the hon. gentleman says with regard to the legal gentlemen in the House of Commons may be correct, but the fact is, that as a rule these legal gentlemen are solicitors for money lenders—either incorporated money lenders or individual money lenders—and when the change was made in the rate of interest in 1873 it was done in the same way. There was an attempt made to change the rate of interest in Nova Scotia previous to 1873, but the attempt did not succeed. The immediate effect of the change in the rate of interest in Nova Scotia was to raise the rate on mortgages in the city of Halifax almost in every case from 6 per cent. to 7 per cent.; and the further effect was to render it impossible for builders to go on and

build. They had been in the habit of borrowing money to build houses, and they were unable, in a great many instances, to continue that business on account of the increased rate of interest. My point is this: the question as to whether there shall be a limit to the rate of interest or not is a debatable one; but to say that we should, at the last hours of the Session, by an amendment introduced without notice, without going through the various stages that a Bill goes through, and without the knowledge of the public, sweep away all restrictions on the rate of interest throughout the country, is unquestionably improper, and I think it is the duty of this House not to concur in that amendment. If the the Government are prepared to take the responsibility of doing away with all limitation on the rate of interest let them introduce, at the beginning of next Session, a measure to deal with the subject. Then, after the subject has been properly discussed in both Houses, we can judge whether it is best to pass such a Bill; but to sweep away all restrictions on the rate of interest by an amendment to an unimportant Bill like this, is a grossly improper and, in my opinion, a tricky proceeding. It is a disingenuous and unstatesmanlike proceeding.

HON. MR. KAULBACH—I think there is a restriction on joint stock companies and corporations. I know for the last fifteen years no mortgage exceeding 7 per cent. could be given on real estate. If you charge more interest you cannot recover it on foreclosure. I do not think there is any necessity for limiting the rate of interest in Nova Scotia now. There are companies in the Province that lend money at 5 per cent. and 6 per cent. I think if we fix a legal rate of interest it will have a tendency to keep up rather than diminish the rate of interest.

HON. MR. ABBOTT—The only one of the sections to be repealed that really bears on the present rate of interest is section 13, which my hon. friend read. The others have no real bearing on the law at present.

HON. MR. REESOR—Does it interfere at all with the law of Ontario?

HON. MR. ABBOTT—I do not think it does. There is only section 13 about which