

are inexperienced and who have never farmed before. Oftentimes they get behind in their accounts. The interest law of this country is such that it allows a moneyed man to charge any rate he wishes, and the rates charged in that country by money lenders are exorbitant. I would be ashamed to tell you the rates of interest that a great many people have to pay on loans. I think there should be a maximum rate.

Hon. Mr. MACDONALD (B.C.)—Parliament cannot pass such a law.

Hon. Mr. PERLEY—Yes they can do that, because I remember not very long ago, when I lived in New Brunswick, a man could not recover more than six per cent.

Hon. Mr. DEVER—You cannot do it now unless the rate is fixed by agreement.

Hon. Mr. PERLEY—But the law should fix a maximum rate of interest. I know a man who has lost a hundred pounds by making side bargains. I say there should be some fixed rate, so as to prevent these exorbitant rates being exacted. A man will sell a binder on time, the interest to be at 8 per cent, but if the debt is not paid when it is due, he charges 12 per cent. If you are distressed and have to borrow money, you often pay 24 per cent. Hon. members may laugh, but I know that to be the case.

Hon. Mr. MACDONALD (B.C.)—I have seen 30 per cent paid often.

Hon. Mr. PERLEY—I say when a man pays 30 per cent on a farm anywhere he signs his death warrant as a farmer. He cannot do it. I have heard men before the Agricultural Committee of the House of Commons, who have been our agents down in Dakota, describe the cut-throat mortgages there—mortgages bearing 40 and 50 per cent. The result is that it has depopulated that country. Our country in a very short time will be in the hands of new men, because the farmer when he gets a little in debt will pay anything to clear off his indebtedness, trusting that something will happen to pull him through. He gives a chattel mortgage at excessive rates, or even signs a note, and cannot recover from it unless he has some other resource than his farm to obtain the money. I can quite understand those gentlemen who have money to loan opposing

this movement, but I know in New Brunswick a number of years ago, 6 per cent was fixed by law as the maximum rate of interest, and if by any means you got more than 6 per cent, you forfeited the principal. I know that Parliament could make such a law to-day. A Bill should be introduced and passed in this House preventing over 10 or 12 per cent being charged—that should be the maximum rate, and that is very large.

Hon. Mr. McCLELAN—Six or seven per cent would be enough.

Hon. Mr. PERLEY—Frequently you find 24 and 20 and 15 per cent charged in that country. There is a private bank in almost every town from Winnipeg to the Rocky Mountains. These men get money at 8 and 10 per cent from the banks and lend it out at 18 and 20 per cent and perhaps more. This is something more than a laughing matter; it is a matter of serious importance. People who go to that country to settle, when they get a little hard up borrow money at exorbitant rates. I claim that 10 or 12 per cent would be a good investment there, and lenders should be satisfied with it. I hope the Government will consider this matter during the recess and will next session introduce a Bill to protect our people from the extortions of the money lenders.

Hon. Mr. BOWELL—I have very few words to say in reply to the hon. gentleman. The first subject to which he called the attention of the House was that of the rates of the Canadian Pacific Railway. That is a question that has been discussed not only in this House but elsewhere. I cannot at the present moment say whether the rates are exorbitant, as indicated by the hon. gentleman. This I do know, that the last time I looked into this matter I found that the freight rates charged by the Canadian Pacific Railway Company in the North-west and in Manitoba were lower than on many railways similarly situated in the adjoining States. Whether they are too high or not I shall not discuss at this moment, but if the Company have been charging exorbitant rates—that is, rates in excess of those fixed by the Order in Council, I can assure the hon. gentleman it will receive the attention of the Government, and I will make inquiries into the matter. As to the other inquiry that is