

Supreme Court. It was not a side wind, but merely a motion to obtain the opinion of the Supreme Court on the constitutionality of such a monstrous clause, preventing French capital from coming into the Province of Quebec.

Hon. Mr. FERRIER — I may say that in seconding the amendment I did so for no other purpose than to have the opinion of the Supreme Court judges for the security of both lenders and borrowers. When it was made clear to me yesterday that the Supreme Court could not take up the reference so far as the Quebec Legislature was concerned I had nothing more to say on the subject. I do not want, however, to have a wrong impression created in the minds of members of this House that this Company is not going to make more than six per cent. The hon. gentleman who has charge of the Bill stated what is quite correct — that the Company is free to buy and sell as much as any individual. If a mortgage is offered them at a discount they will receive a proportionately higher rate of interest. The Committee had that fact before them, and the House should understand it too — the Company will get exactly the value of the purchase they make. Their object is to make as much money as they can by their investments.

Hon. Mr. GIBBS — Whilst the hon. gentleman from Montreal has very correctly stated what my opinion was, as I gave it to the Committee, I, at the same time, stated that the promoters of this Bill, one of them being then present in the Committee room, came to me, and said that both he and his partner in Montreal had come to the conclusion that they could only exact six per cent. under any circumstances, even when they purchased mortgages, and that the view they held was the same as that entertained by the hon. Senator from Richmond.

Hon. Mr. DICKEY — If that is the case, then what is the harm of adopting the amendment?

Hon. Mr. GIBBS — It is simply this: if it is now law, there is no necessity for the amendment, and another thing, the object of proposing the amendment is to defeat the Bill, and there can be no other object in view. If any person

Hon. Mr. DeBoucherville.

sells a mortgage to this Company, and the view of the hon. Senator from Richmond is correct, there is no doubt it will very soon be decided in the courts, and, if his view is correct, the mortgagor will pay no more than six per cent. I know this view has been held already — that companies who are limited to a certain rate of interest cannot, even when they buy a mortgage with a higher rate of interest, collect more than the amount to which they are limited in their charter. That is the advice that has been given by eminent counsel to some of the best companies in Canada. What I contend is that I believe the construction I place upon this clause is a proper one. If anybody comes and offers this Company a mortgage bearing seven or eight per cent., they can buy it if they please at any rate agreed upon. I do not believe anybody is going to sell a mortgage at 50 per cent. discount, unless it is a very bad security. This Company proposes to lend money at 6 per cent. on very stringent conditions, stated in the Bill. There are two ways in which it can loan. It must come under all the conditions in the second clause before the Company can loan at 6 per cent., and then it is only to a certain amount. This Company does not expect to buy mortgages in the way the hon. gentleman supposes. It is a Company with \$5,000,000 capital, and it is going to do business in a way that any other company does. It will lend money at 6 per cent., and it may buy mortgages or bonds to yield 7 or 8 per cent.; that is my interpretation of sub-section 4 of clause 1.

Hon. Mr. SCOTT — I think there can be no doubt whatever that this Company can purchase mortgages at any price stipulated between the holder of the mortgage and the Company itself, and it makes no difference whether that mortgage bears six, or seven, or eight per cent. The question as to their power to enact more than six per cent. on such mortgages is one that I am not prepared at this moment to answer. It will be admitted that in construing the statutes it is an invariable rule, where a subsequent clause in any way conflicts with the preceding clauses, the subsequent section prevails. The Company are given a