

NON-CONTENTS :

Hon. Messrs.

Abbott,	Odell,
Bolduc,	Ogilvie,
DeBlois,	Robitaille,
Drummond,	Ross,
Lougheed,	Sanford,
McDonald (C.B.),	Smith,
Macdonald (B.C.),	Stevens,
Montgomery,	Sutherland,
Murphy,	Vidal.—18.

The Bill was then read the third time, as amended, and passed.

INTEREST ACT AMENDMENT BILL.

THIRD READING.

HON. MR. ABBOTT moved the adoption of the amendments made in Committee of the Whole to Bill (X) "An Act to amend Cap. 127 of the Revised Statutes, intituled: 'An Act respecting Interest.'"

HON. MR. DEVER—I wish to make a few remarks in explanation of what happened on the second reading of this Bill. I expressed the opinion at that time that in New Brunswick money was as free as other commodities in the market, to bring whatever interest might be settled upon in writing, and that where there was no understanding as to interest the legal rate should be 6 per cent. On that point I was flatly contradicted. I was told that the rate of interest in New Brunswick was fixed by Act of Parliament at 6 per cent. I had not at that time the knowledge of the Act that the hon. member had, he being an active legal member of the House and a practising lawyer in Nova Scotia, and though my memory was pretty clear on the matter I submitted to the contradiction. As I was the member of the Senate who introduced the measure in this House abolishing the usury laws in New Brunswick, and one of the present judges in New Brunswick had promoted that Bill in the House of Commons, I felt that I was right; but to make sure of it I procured the Act, and I find it at page 1693 of the Revised Statutes of Canada confirming my statement. There are five sections relating to New Brunswick which fix the rate, and one of those sections refers to banks and incorporated companies. It was this section which the hon. member quoted against me to show that I was wrong. That section fixes the rate for banking houses and chartered companies, but private individuals can take any rate of interest agreed upon.

HON. MR. KAULBACH—The law of New Brunswick relating to interest is the same law that applies to the whole Dominion. The usury laws are abolished altogether.

HON. MR. POWER—I am happy to be able to agree with the hon. gentleman from St. John, that he was right and I was wrong. I do not propose to say anything more on that, but I wish to speak as to the amendment which is now before us. It proposes to repeal sections 6, 10 and 11 of the chapter respecting interest. These sections refer to the Provinces of Ontario and Quebec, and I think the attention of hon. gentlemen from those Provinces should be directed to the effect of them. Under section 10 no higher rate of interest than 6 per cent. is to be taken by any corporation, except a bank, for a loan of money, and under section 11 all bonds, bills, promissory notes, contracts, assurances, and so on, executed in violation of the provision of section 10, reserving a greater rate of interest than 6 per cent., shall be void. I think that that is an unwise amendment, and that the same provision should be made with respect to Ontario and Quebec as has been made with respect to Nova Scotia—the instruments are not void, but the holder cannot recover more than the legal rate of interest. Under this amendment, hereafter any corporation, company, or association of persons in Ontario and Quebec can take any rate of interest that the borrower and lender may agree upon. While that may be only a slightly objectionable provision as regards individuals, when it comes to the case of corporations and companies it is very objectionable indeed. As things stand today, 6 per cent. is a very high rate of interest, and I do not think that any borrower should be put in the position of being obliged, under any circumstances, to pay a higher rate. The lenders of money can take care of themselves, but Parliament should protect the borrowers. Of course, if the representatives from Ontario and Quebec have fully considered the effect of this amendment I have nothing further to say, but it seems that hon. gentlemen who are not willing to have free trade in other commodities desire to have it in money.

HON. MR. KAULBACH—I cannot see why the House should make a distinction