

Well as to the interest on the costs of the collection which the society may be obliged to make, to recover payment of its moneys, this is a privilege which I do not think any other society possesses. The Trust and Loan Company has not this right. The Credit Foncier of Lower Canada has not got it. The charter obtained by the Cr dit Foncier Franco-Canadien in the Province of Quebec, and from this Parliament does not give it this right either; it only enjoys it by virtue of the Act of the Quebec Legislature. Now, as to default in the semi-annual instalments, if a debtor even for a day neglects to make his payment, the company has the right to call in the amount of the entire loan. This is a privilege which it only obtained by agreeing not to charge more than 6 per cent. per annum, and which it should renounce before asking to charge the rate of interest contained in the Bill. The 72nd section of the Quebec Act contains the following provisions:—

“The borrower is required to advise the society within one month of the sale or partial sale, which he may have made of his property.

“In default of this notice within the time aforesaid the Society can call in the balance of the principal.”

It has a right also to the indemnity determined by the last clause of section 71. If a debtor of the Cr dit Foncier Franco-Canadian neglects to inform the society of the sale of mortgaged goods, which he may have made, the latter according to its charter obtained in Quebec, can exact the payment of the amount of the principal which it has loaned, and also impose a penalty of 3 per cent. on the capital repaid. This is a right which has not been given to the Credit Foncier of Lower Canada nor in the Province of Ontario to the Trust and Loan Company. The Federal Act and the Act of the Province of Ontario, does not give this right to the Cr dit Foncier Franco-Canadien. The clause in the Quebec Act says:

“The borrower must also announce within the aforesaid interval, the deteriorations which the real estate may have experienced. The society, if the deteriorations endanger its interests, can exact the repayment of the balance of the loan. In default of notice the repayment is subject to the indemnity authorized by the last clause of section seventy-one. When the borrower advises as to deterioration, the repayment is exacted without penalty.”

Well, Mr. Speaker, we see the privileges which this company possesses. You borrow from it, and if the property which you have mortgaged is deteriorated to any extent, and that these deteriorations are not made known, the company can exact the repayment of the money which it has loaned you, and 3 per cent. besides on the repaid capital. No other company has this right or privilege. For these considerations, in view of the very exceptional privileges which this company possess, and especially the right to impose an indemnity of 1 per cent. per annum for cost of administration, I think it my duty to vote for the motion of the hon. member for Shefford, and give it the six months' hoist.

Mr. BLAKE. On the last occasion when this Bill was before the House I drew the attention of the hon. member for Hochelaga (Mr. Desjardins) to a matter which is deserving of his attention and that of the House. I am not in favor of limiting the rate of interest; it is not the way to make money cheap. But this House has acted with respect to these companies for the last three or four years on a certain principle, and when companies have asked for incorporation it has been granted them latterly on condition that the rate of interest which they were allowed to exact should be 8 per cent. The Trust and Loan Company and other companies were dealt with in that way. This company “the Cr dit Foncier Franco-Canadien,” under the existing law, has the power to charge 6 per cent. only. It came here last Session asking for relief, which was refused it because it had a special privilege, and it was thought that it should not come here and ask to be placed on the common ground. This Session it comes here having asked the

privilege to be removed, and now seeks to be placed on the common ground. I supposed when we were voting on the question, as to whether the rate of interest should be 8 or 7 per cent., that we were voting on the question as to whether the company should be placed on the common ground or not. And I saw no reason why, if it was the will of the House that companies should be given power to charge up to a certain rate, which had been fixed at 8 per cent., this company should not have the power to charge 8 per cent. also; and I was therefore perfectly ready to vote against the rate being fixed at 7 per cent. It is quite clear, because the hon. member for Hochelaga has allowed two hon. members to state the proposition and has not disallowed it, that under the Local Act this company possesses a special power to charge 1 per cent. to borrowers for what they call expenses of administration. If you add that 1 per cent. to 8 per cent., which they are allowed to charge, if the rule is followed, the company would really be allowed to charge 9 per cent. interest; nay, it would amount to much more, because the charge for administration is an annual one, and would continue, notwithstanding portions of the loan had been repaid. But, irrespective of that point, it is clear that while we are asked to place the company on the ordinary footing, and that they should have the right to charge 8 per cent., the effect of the privilege by which they are enabled to charge 1 per cent. for administration, would be, as I have said, to place the rate of interest at 9 per cent. I cannot understand any reason why the House should be asked to grant this exceptional privilege, unless it is prepared to say, that all other companies may charge 9 per cent. If there is to be a general Interest Law, fixing the rate at 9 per cent., or 8 per cent., very well; but, is Parliament to deal one Session with companies and compel them to charge not higher than 8 per cent., and the next Session allow similar companies to charge 9 per cent.? I suggested this difficulty to my hon. friend from Hochelaga, and I had hoped he would have proposed to have corrected it, so as to make it clear that this company shall be placed on the common plan. I still hope he will do so, because I cannot consent to support the Bill as it at present stands, so as to practically allow the company to charge 9 per cent., unless we are prepared to reverse our decisions of former Sessions, and allow all loan companies to charge 9 per cent.

Mr. B CHARD. I should have been very happy to have voted for my hon. friend's Bill, but as it now stands I shall be compelled to vote against it, unless he is willing to further amend it. Last Session, when this company came to Parliament for new powers, its application was rejected on the ground that it was in the possession of special privileges which had been granted it by a charter of the Province of Quebec; and we then said that, if the company renounced its privileges, we would be ready to place it on the same footing as other loan companies. This Bill has been amended somewhat in that direction; but still it contains one feature to which I have great objection, and this feature is that to which reference has been made—the fact that it contains a clause of the original charter, which gives the company the right to charge 1 per cent. annually for cost of management. If you add that to 8 per cent. interest, it makes the rate practically 9 per cent., and I do not believe any company holding a charter from this Parliament possessed that power. If the hon. member for Hochelaga will amend the Bill so as to place this company on the same footing as other loan companies, and not give it any special privilege, I am willing to vote for it; if he does not do so, I shall be compelled to vote against it on the grounds I have stated.

Mr. OUIMET. I think the hon. member for Shefford is quite correct in the remarks he has addressed to the House, and, in accordance with the practice of the House, in fixing a certain rate of interest to be charged by every loan com-