

I enclose the supplement of a local newspaper, which contains copies of the addresses that were presented to me at various points in my progress up the Ottawa. Your Grace will observe with satisfaction the uniform testimony which they bear to the prosperity of the country and the contentment of the inhabitants. Reports which reach me from other parts of the province speak on this point the same language. Canada has enjoyed seasons of prosperity before, but it is doubtful whether any previous period in the history of the colony can be cited at which there was so entire an absence of those bitter personal and party animosities which divert attention from material interests, and prevent co-operation for the public good.

I could quote also from the essays written at that time by the member for South Lanark (Mr. MORRIS), the Solicitor General East (Hon. Mr. LANGEVIN), and the late JOHN SHERIDAN HOGAN, to shew the unprecedented progress which was being made by Canada at that time. And what was the first thing to mar that prosperity? I wish to call the attention of honorable gentlemen to the fact, that the first step in bringing about the embarrassment we are now laboring under, was the repeal of the Usury laws. In the first place, the bill of the honorable member for South Oxford (Hon. Mr. BROWN) in 1853, took away the penalty attached to lending money at usurious rates. Money was then got freely—farmers and others borrowed heavily—and we commenced our downward career. Afterwards all restrictions on the lending of money were taken off. At first people could get money at six per cent., but afterwards capital came in from abroad, and the country was flooded with money, but at unlimited interest. I appeal to honorable gentlemen, who represent the farming portions of Upper Canada—I appeal to honorable members for Lower Canada, if they can rise in their places and say that the condition of this country at present is not deplorable; that there is not an amount of private indebtedness which is frightful to contemplate? And why is this? It is because so many are borrowing money on account of the facility of obtaining it at high rates; then, getting embarrassed, they borrow for three or four years more at 15 or 20 per cent; next they have to borrow at 30 or 40 per cent, and finally are stripped of their property and ruined.

Mr. A. MACKENZIE—Does the honorable gentleman want an answer to the appeal he made a moment ago?

HON. J. S. MACDONALD—Certainly.

Mr. A. MACKENZIE—Well, I have to say for one, that while there is a considerable amount of money borrowed in the part of the country which I represent myself, there is an amount of accumulated wealth there tenfold what it was at the time the honorable gentleman has referred to; and there is not anything like that amount borrowed now that there was at that time. (Hear, hear.)

Mr. STIRTON.—I have no hesitation in endorsing that statement, as applicable also to the part of the country which I represent.

Mr. A. MACKENZIE—And I should have added that money can be borrowed at lower rates now than at the time referred to.

HON. J. S. MACDONALD—Well, it appears that I have the testimony of two honorable gentlemen against me. As regards the statement of my honorable friend who comes from the Oil Springs, we can easily understand why money has flowed in there, where they sell a hundred acres for a million of dollars—and why, at the time his section of country has become rich, other parts of the country may remain poor. (Hear, hear.) At the time the usury laws were repealed, I had the honor, Mr. SPEAKER, to be in the seat which you now occupy, and I had therefore no opportunity of urging my opposition to the bill then brought before the House by the honorable member for South Oxford (Hon. Mr. BROWN) with all that energy and earnestness which characterises that honorable gentleman. But whenever the attempt was subsequently made to restore the usury laws, or to reimpose the restrictions on the rate of interest, my vote will always be found to have been with those who were opposed to what is called free trade in money, and to-day I feel more satisfied than ever that it is the repeal of the usury laws which has brought about a large amount of the depression and the difficulties under which the country now suffers. It is true that for two or three years after the repeal of the usury laws, the country was prosperous. Property was valued at enormous rates; large amounts were borrowed from the Municipal Loan Fund, and were spent on local improvements generally, yielding no return whatever. Then there were large sums borrowed from the different moneyed corporations that came into the country—such as the Canada Loan and Credit Company—the Trust and Loan Company—and the various insurance companies that are daily investing their surplus funds in val-