

*Postal Service*

of a free society; for I submit, sir, it is important to a free society that the integrity of its methods in raising risk capital for the development of its natural resources should be protected from any corruption by fraud.

I do not think there is any hon. member in this house who is not convinced that society should be protected from the raising of money by fraud. But one of the basic principles of our society is that it shall be protected under the law, and not by arbitrary decisions of any official acting on his own discretion. We pride ourselves that we rely on laws enforced by the courts, and we should seek to protect society by clearly stated laws, and by charges laid under those laws, so that the rights of the individual can be determined by judicial consideration.

Again I would point out that we are not dealing with the exercise of this right only in regard to brokers. We are dealing with the exercise of this right in regard to a great many organizations and people. Nevertheless it is appropriate to consider what was said about the orders that had been placed against certain brokerage firms and individuals as a result of some of their activities. The Acting Postmaster General gave a few quotations from statements which were alleged to have been contained in circulars sent out by some unnamed broker. He then informed the house that steps had been taken by the Postmaster General to obtain some information from officials of the government of the province of Alberta about those properties. We, of course, did not hear the whole story, and the Acting Postmaster General would be the last person to suggest that we did. This thought should be borne in mind. After being thus informed by the minister of the type of fraud that was suggested by the statements made, every hon. member in this house may wonder why no prosecutions were laid under the section of the Criminal Code provided in cases of that kind.

I hope the Minister of Justice will not on this occasion say that he would remind us that this is a responsibility of the provincial attorneys general. This information has been obtained by the Postmaster General by methods that are not available to any provincial attorney general, except where an individual wishes to lay a charge, which he can do in any case. This information has been obtained from special sources available to the Post Office Department. If they have that information, then those officials could lay a charge. If the fraud is there, surely section 414 of the Criminal Code would be wide enough to deal with the case, if it is a clear-cut example of fraud. Section 414 of the Criminal Code reads as follows:

414. Every one is guilty of an indictable offence and liable to five years' imprisonment who, being a

promoter, director, officer or manager of any body corporate or company, either existing or intended to be formed, makes, circulates, or publishes, or concurs in making, circulating or publishing any prospectus, statement or account which he knows to be false in any material particular, with intent to induce persons whether ascertained or not to become shareholders or partners, or with intent to deceive or defraud the members, shareholders or creditors, or any of them, whether ascertained or not, of such body corporate or company, or with intent to induce any person to entrust or advance any property to such body corporate or company, or to enter into any security for the benefit thereof.

If there is clear-cut fraud, there is the section under which a charge can be laid. If the Minister of Justice thinks that this section is not wide enough, the appropriate course is for him to introduce an amendment to the Criminal Code which will widen the application of the code to those cases where the mail is used in a manner which he suggests is fraudulent. It was noticeable that the Acting Postmaster General used the term "fraud orders". If there are fraud orders based upon knowledge of fraud, then either action should be taken under existing laws, or, if those existing laws are not wide enough, procedure should be provided by appropriate amendments to the Criminal Code.

It is easy for the Minister of Justice to surround himself with a cloak of virtue and seek to divert people's attention from the measure of arbitrary authority that is being exercised by saying: We do not want any cases of fraud where money is being raised for development. No, we do not. But we want that fraud prevented under the law, and not under the whim of some official or of the Minister of Justice himself. After all, we have not had too convincing evidence of the exercise of discretion by the Minister of Justice under existing laws. We recall that the Minister of Justice, under the direction of the Minister of Trade and Commerce (Mr. Howe), broke one law of this parliament and has never apologized for it. We also remember that, not so long ago, the same Minister of Justice told us that our laws in regard to communism are adequate. Yet we are informed that there is to be an amendment to the Official Secrets Act, apparently for the very purpose of strengthening laws which, according to the Minister of Justice, are now adequate.

The very fact that fraud of all kinds should be prevented is no reason for attempting to prevent that fraud by improper methods. The worse the methods are, the more desirable it is that we should deal with fraud or conduct of that kind under a system which we have asked our people to respect. The way in which we can most effectively protect our society is to be sure that when there is wrongdoing, no part of