

conviction by the police magistrate for the city of Toronto of the offence of having, acting as agents for the Preferred Mercantile Company of Boston (incorporated), entered into a contract contrary to the provisions of sec. 117.

E. F. B. Johnston, K.C., and J. M. Godfrey, for appellants.

J. W. Curry, K.C., for the private prosecutors.

J. R. Cartwright, K.C., for the Attorney-General.

The judgment of the Court (MEREDITH, C.J., MACLAREN, J.A., MACMAHON, J.), was delivered by

MEREDITH, C.J.— . . . Two points only were taken against the conviction. . . : (1) that clause (b) of sub-sec. 2 of sec. 117, as amended, is not of general application, but applies only to such contracts as are mentioned in clause 5 of sec. 2 of ch. 205; (2) that, if of general application, clause (b) deals with criminal law, and is, therefore, *ultra vires* of the Provincial Legislature.

I am of opinion that neither of these objections is well taken.

The language of clause (b), standing by itself, is plain, and the contract which defendants entered into, if the clause is to be read literally, was entered into in contravention of its provisions. . . . It was argued that, having regard to the fact that it forms part of a statute dealing with loan corporations, and reading it in connection with and in the light of the other provisions of the statute, the expressions "contract, agreement, undertaking, or promise," must be taken to mean such a contract, agreement, undertaking, or promise as is mentioned in clause 5 of sec. 2.

I see no reason for so limiting the operation of the clause. . . .

[Reference to R. S. O. ch. 205, sec. 117; sec. 2, clause 5; the amending Acts 63 Vict. ch. 27, sec. 12, and 4 Edw. VII. ch. 17, sec. 4.]

Clause (b), but for the exception from the operation of it of corporations registered under the Act or under the Ontario Insurance Act, would have applied to these corporations, and there is nothing in the nature of the exception which makes it necessary to confine the application of the clause to such of the contracts with which it deals as a registered loan corporation or a corporation registered under the Ontario Insurance Act may lawfully enter into. Some at all events of the contracts with which clause (b) deals these corporations may lawfully enter into, and the Legislature may well