

Mr. MAYHEW: I would suggest that you leave the whole section in abeyance, and it will be easy enough to change the word to "shall" when we are dealing with it.

The CHAIRMAN: Subsections 1 and 6 in abeyance.

Mr. MAYHEW: Leave section 41 in abeyance.

The CHAIRMAN: Subsection 6 should be redrafted.

Mr. BREITHAUP: There are two suggestions. I think you might as well submit both.

The CHAIRMAN: Well, the committee appear to be reasonably unanimous that everyone whose conduct is subject to an inquiry should have the absolute right to counsel.

Some Hon. MEMBERS: Yes.

The CHAIRMAN: That would appear to be achieved by striking out the word "may" in the first line and by deleting the last three lines; because the first part of the subsection would then be all-inclusive and read: "The board or any inspector shall allow a person whose conduct is the subject of an enquiry or investigation to be represented by counsel."

Mr. MARQUIS: No, I do not think so. We should have the last part too because he may be subject to an investigation and no charge be made against him. The charge is laid afterwards. As it is here, he has not the right to be represented by counsel.

The CHAIRMAN: We will leave those two over. Then as to the keeping of records

Mr. JACKMAN: I wonder what we think of No. 7?

Mr. MARQUIS: The whole section to stand.

The CHAIRMAN: Shall I stand the whole section?

Mr. MARQUIS: Yes. I think you had better do that.

Section stands.

The CHAIRMAN: Section 42. Shall section 42 carry?

Mr. JACKMAN: No. Just a minute. Section 42 reads: "Every person carrying on business who engages in any transactions. . ." and so on. There are individuals, both corporations and individuals who deal in American securities. I am speaking not of brokers but just of ordinary people; and if they have a number of transactions the board may still consider they are carrying on business. Those people do not keep books of record beyond the amount of their income. This section seems to make it obligatory upon them to have a record of purchases and sales for six years which shall be available to the board. I think that the clause should at least be limited to those whose business it is to deal in those securities and not those who may from time to time purchase American securities. Individuals do not keep books for six years. An individual may happen to have a few shares of American stock that he buys.

Mr. MARQUIS: It would be hard to make a distinction between them.

The WITNESS: This section does not refer specifically to securities, Mr. Jackman. It refers to any transactions to which the Act applies.

Mr. JACKMAN: But it refers to securities.

The WITNESS: It would include securities, yes; but there is no specific reference to them.

Mr. JACKMAN: What I am suggesting is this. A merchant is all right. He keeps his books of account. A broker is all right. He keeps his books of account. But an individual does not do that. It costs money to keep books.

Mr. MAYHEW: What you are suggesting would look to me as though it would make a very sloppy section.