

## MINUTES OF EVIDENCE

HOUSE OF COMMONS, Room 368,

April 1, 1937.

The Standing Committee on Banking and Commerce met at 10.50 a.m. Mr. W. H. Moore, the chairman, presided.

The CHAIRMAN: We now have a quorum. Please come to order. Mr. Finlayson:

G. D. FINLAYSON, Superintendent of Insurance, recalled.

The WITNESS: Mr. Chairman and gentlemen: At the end of the session yesterday I was asked about certain correspondence I had had with the Central Finance Corporation and with Mr. Stevens. I find on May 5, 1933, I wrote the Central Finance Corporation regarding the form of their advertising. Their advertisements had contained the words, "Rates set by Dominion Government". I pointed out to them that that was inaccurate and asked them to discontinue. They replied almost immediately that they would do so, and they were destroying several thousand circulars containing those words.

On October 2, 1933, I received a letter from Mr. Stevens drawing attention to a folder which he enclosed, referring particularly to the words, "Rate authorized by special Act of the Dominion parliament incorporating the company." He said, "Is this not stretching the matter a bit and leaving the impression that the Dominion government is responsible for the rates that this company charge. I suggest you look into it and notify them to discontinue using language of that kind which I think is misleading." I replied to that letter on October 3 and I said "The circulars originally issued by this corporation contained the words, 'Rate set by Dominion government.'" On this coming to our attention we asked the company to revise the circulars and withdraw from circulation all those outstanding. The wording which is now used, namely, 'Rate authorized by special Act of the Dominion Parliament Incorporating the company,' appeared to us to be a statement of fact to which no serious objection could be taken. The limitations imposed by the said Act are, if anything, more stringent than those imposed by general legislation in the United States covering the operation of this type of lender."

Then apparently on January 6, 1934, Mr. Stevens wrote on the same subject to the Minister of Finance. That letter was transferred to me and returned to the Minister of Finance on January 10; and the letter is therefore not on our files. I take it from my memorandum which I gave the minister returning the letter that it was practically in the same terms as Mr. Stevens' letter to me of October 3. That completes the record.

*By Hon. Mr. Stevens:*

Q. What is your memorandum? You might read your memorandum?—A. I will, if the committee asks it; this is a memorandum to the minister, and ordinarily department memorandum are considered confidential.

Hon. Mr. STEVENS: If it is a confidential memorandum I will not ask you to read it.

The WITNESS: It is not marked confidential, but we usually consider such memos as confidential.

Hon. Mr. STEVENS: I quite appreciate the point, it is a privileged communication; that being the case I will not press you to read it.

Mr. VIEN: It would be a privileged communication.

Hon. Mr. STEVENS: I am not pressing it. I recognize that.

Witness retired.