

*The Budget—Mr. Neill*

ander outfit; they lent money to each other. I lend the company's money to you on bogus security, and you lend the company's money to me on bogus security. In the case of this other concern, when an examination is made I think it will be found that the trouble was that there was a subsidiary company entirely under the control of one of the principal executive officers; it was really his private company with which nearly all the business was done, and it was done in a way which must inevitably have led to the results which followed. Had he been prohibited by law from lending money to himself directly or indirectly, perhaps it would not have happened.

The other feature which I suggest the committee might consider is this, that promoters of this character, or of any character, should be forbidden to advertise or to feature in their prospectus the names of a member or ex-members of the cabinet or of the House of Commons or Senate of Canada. There is only one reason why their names are put on, and that is to induce people to invest who otherwise would not. People have a great admiration for a certain member of parliament or senator. They know he occupies a high position, and they feel that if he has investigated the company and invested his own money in it, it is good enough for them. Even if the company succeeds, as it sometimes does, at least this practice cheapens our position, and if the company is not successful, which is more than likely to be the case because our names are not needed unless the company's success is at least doubtful—you never see the name of a member of parliament or senator used to boost the shares of the Canadian Pacific Railway, Imperial Oil or International Nickel, because they do not need our names; it is only companies whose success is doubtful that wish to have our names—if the company fails, our action is wholly bad because we allowed our names to be used as an inducement to people, who are less informed on finance than we are supposed to be, to invest their money.

There is also this suspicion. It is inevitably felt that either we got a block of shares at a very low rate or a commission for the use of our names. Very often the opposite is the fact. Very often the member of parliament or senator loses all the money he puts in, just like the man in the street, but the suggestion is there, and it creates a very unjust suspicion against us all. It is very hard in such circumstances to get the man in the street to believe that we are as innocent as we perhaps really may be, whereas if our

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names were not allowed to be used, that could not happen.

I only ask that this should go to the committee, and that the committee should look into it and see if it is not possible to devise some safeguards, perhaps something quite remote from anything I have suggested, to check swindles of this character. I hope the house will remember the explanation which I have given now when the motion comes up, as it will, in a few days, and that the house will vote for it to go to the committee without debate, because the motion will not be debatable. I shall draw it widely, so that the committee will have full scope to do as much or as little as it sees fit, and when the motion comes up I shall only ask that it be referred to the committee on banking and commerce.

Mr. FINLAY MacDONALD (South Cape Breton): Mr. Speaker, I fear the time has long gone by when an ordinary member of the house can hope to contribute anything of very much value to the budget debate. Still I regard it as a duty to my constituents to say something on this budget inasmuch as the industry in which I am particularly interested has received no assistance under it.

With regard to the budget itself there is very little to be said. I think it is pretty generally recognized that it is possibly the most innocuous piece of political literature that ever passed for a budget in this parliament. Just why the last speaker (Mr. Neill) saw fit to confine his remarks to a bankrupt concern in dealing with this budget, I do not know; possibly it was the result of an association of ideas. This budget cannot be satisfactory either to the protectionists to the left of the Minister of Finance or to the free traders to his right, but evidently they have both accepted it, possibly because both protectionist and free trader could feel that if he did not get anything, the man sitting at the other end of the chamber did not get anything either. But innocuous as it is, the budget met with the usual chorus of congratulations, both from the supporters of the government in this house and from the Liberal press throughout the country. There is a peculiar feature about this acclaim—the almost identical strain in which all the speeches are couched, and the almost identical phrases employed by the Liberal editors. Two themes run through all the congratulations: First, the great prosperity of the country; second, the great Liberal surplus.

With regard to this vaunted prosperity, there is a considerable difference of opinion.