

facing these issues, made this penalty, and the language is, “. . . contracted for or received directly or indirectly and whether by means of . . . collateral agreement or otherwise, howsoever, the contract of loan shall be void. . . .”

Now, that is a vastly different thing from the broad general penalty which applies to the operations of the company generally; and that, sir, is another reason why I object to this bill.

Mr. FINLAYSON: May I say a word before you pass from that subject that this penalty to which I refer is a penalty for delinquency of directors in the administration of the company generally. I want to point out that subsection 2 is limited to offences of omission in respect of section 5: “Any officer or director of the company who does, causes or permits to be done, anything contrary to the provisions of this section . . .” This section is section 5, which deals with the question of rates.

Hon. Mr. STEVENS: Quite so. I was perhaps being a little too generous.

Mr. FINLAYSON: There may be a difference of opinion as to the effectiveness of the two penalties. All I am saying is if you adopt this, you are not repealing any penalty that now exists.

Hon. Mr. STEVENS: I do not say we do; and that is what I object to, drawing away into other sidelines. I am not objecting to anything of that kind and never did. All I am saying is that in order to invoke the penalty that is in the original charter, someone must enter information in a criminal way against the company's officers—an officer or a director—and secure by prosecution in the courts a conviction against him and a fine. But it is the penalty which is being deleted from this bill if this amendment prevails. A borrower may, if he feels he has a grievance, bring the case to the courts; and if the courts decide that the borrower has a just case, then the loan is void. That is a vastly different thing, Mr. Chairman, and a very valuable thing to have in the act. Now, we will proceed to another section.

In this bill now before the committee and sought to be deleted by the amendment we have a clause on advertising, and again I do not see any corresponding protection in the act. Mr. Reid can correct me if I am wrong. I make this statement, and in making this statement I am not criticizing them; I am simply stating the fact for whatever it may be worth that this company spent in the last five years \$200,832.68 on advertising. I draw attention to that, not to criticize it, but simply to indicate its importance—\$200,832.68 for advertising.

The WITNESS: No.

Mr. FINLAYSON: Over what period?

Hon. Mr. STEVENS: Five years.

Mr. KINLEY: I think they said 1·9 per cent.

Hon. Mr. STEVENS: I do not care what it is.

Mr. KINLEY: I do care.

Hon. Mr. STEVENS: Mr. Kinley, I am not criticizing them. May I point that out to you. I am just offering it as a statement of fact.

The WITNESS: Why confine the statement to five years? Why not go back nine years?

Hon. Mr. STEVENS: Because five years is all the data I have before me. I would gladly go back ten or twenty years and give the figures, if they exist. I do not suppose they do. Mr. Chairman, I have no intention of criticizing it.

[Mr. Arthur P. Reid.]