Q. Yes, I think probably that is right.

The CHAIRMAN: Shall clause 8 as amended carry?

Carried.

Shall clause 46, loans to any one member, carry?

Carried.

Shall clause 47 carry?

Carried.

Shall clause 48 carry?

Carried.

Shall clause 49 carry?

Carried.

Shall clause 50, distribution of earnings, carry? Any questions?

Carried.

By Mr. Low:

Q. Will you revert to clause No. 48, Mr. Chairman? I am just wondering if you might not be limiting an association here a little unnecessarily. There are often opportunities for making a nice capital gain for the association, if they are able to invest a bit in securities on which there may be some default.—A. That is the standard provision in every one of our Dominion Acts. I am aware of a little gambling that has been attempted sometimes that way, but I think it is a risky kind of an investment to make and I should certainly feel happier with a strict prohibition against it; sometimes one has inner knowledge but that may not be too dependable.

Mr. MACDONNELL: It is instinct, not knowledge.

Mr. LOW: Most corporations which have decent securities eventually are going to be pretty careful to see that they are brought back to par. I was thinking that perhaps an association might feel like picking up some of those depressed securities and making a capital gain on them when they are brought back.

The WITNESS: They might make some capital gain, but I think they should be investing from a sounder point of view, free of any speculative element. I think any investments they do make should certainly be top grade investments because of the fact that their lending powers are so broad. Certainly any investment they make should be first class and liquid. I would be very reluctant to see the door left open to permit them to purchase securities in default, even in a narrow way.

The CHAIRMAN: We shall leave that for Members of Parliament.

Shall clause 51 carry?

Carried.

Shall clause 52 carry?

Carried.

Shall clause 53 carry?

Carried.

Shall clause 54 carry?

Carried.

Shall clause 55 carry?