

be conspiracy. Everyone is guilty of an indictable offence and liable to five years' imprisonment who, by deceit or falsehood or other fraudulent means, defrauds the public or any person, ascertained or unascertained, or affects the public market price of stocks, shares, merchandise, or anything else publicly sold, whether such deceit or falsehood or other fraudulent means would or would not amount to a false pretence as hereinbefore defined.

Mr. SMITH (Calgary West): Why would not the ordinary provisions respecting false pretences cover what the minister has in mind?

Mr. ILSLEY: I am afraid I cannot answer that question, but I would assume that fraudulent statements could be made for the purpose of affecting the market price of shares, which would not amount to the offence of obtaining goods or money under false pretences. That probably would be the case. There is also a special penalty of five years here, while the penalty for false pretences is only three years.

Mr. SMITH (Calgary West): I do not wish to hold up this section, but I am still concerned as to whether or not it is an addition to or a restatement of the law as it is.

Mr. ILSLEY: No. The main part of the section is to do away with the necessity of proving conspiracy. That is the purpose of the section. The wording has all been in the code before, but heretofore the words were "conspires with any other person" to do it. No conspiracy is now necessary in order to obtain a conviction under the section.

The next section, 14, which is part of this group of three sections, is a very important one. It deals with fraudulent manipulations of the stock exchange. It is designed to prevent fraudulent manipulations of transactions on the stock exchanges and will make quite a number of "wash" sales criminal.

Mr. SMITH (Calgary West): I gather that this is also asked for by the province of Ontario.

Mr. ILSLEY: Yes.

Mr. SMITH (Calgary West): I believe there is a stock market in every province. There is one in Toronto. That is the city with the new look. Do they really want to go to such a length?

Mr. ILSLEY: Yes.

Mr. SMITH (Calgary West): They have never failed in any province to obtain convictions under the conspiracy sections with respect to the very things that are dealt with

[Mr. Ilsley.]

here. I have never yet known the conspiracy sections of the code to fail. If, by a "wash" sale, the minister means that the transaction did not go through at all—and I gather that is what he means—I think that is already amply covered by the criminal code as we have it today. Certain famous cases that went across the country, which I had the honour of instituting out west, were successful, and they were in connection with stock market operations. I am not objecting to tightening up the law, but I am wondering whether we are doing a great deal. I do not think there is anything new in the whole section. We have always found when prosecuting that we had greater latitude under the conspiracy sections than will be afforded under this, as far as bringing in evidence is concerned.

Mr. DIEFENBAKER: I have always found that when the crown did not have a strong case and wished to introduce a lot of hearsay evidence of discussions that took place among individuals, whether joined together at the moment or not, it invariably charged conspiracy. When conspiracy is charged, statements made by one alleged conspirator in the absence of another are admissible, and the result is that often it is difficult to defend, however good the defence might be, when the charge is conspiracy. I am wondering why the necessity of establishing conspiracy, which, after all, is not a very difficult matter in any case, is being deleted, and an overt act of deceit or falsehood is substituted without the necessity of establishing conspiracy.

Mr. ILSLEY: The conspiracy section can still be used. The fact that you take conspiracy out of this section does not mean that it is not an offence to conspire. That is constituted by the conspiracy sections.

Mr. DIEFENBAKER: I appreciate that.

Mr. ILSLEY: This stiffens the section and renders it unnecessary to prove conspiracy, which it might be impossible sometimes to prove.

Mr. LENNARD: I should like to know whether section 13 is broad enough to take under its wing a member of the cabinet who, at a by-election, makes a statement which affects the public market price of merchandise or anything else sold.

Section agreed to.

Section 14 agreed to.

On section 15—By threats.

Mr. DIEFENBAKER: I think this is a worthwhile section. Some weeks ago I brought up the question of intimidation of people in Canada by threats or suggestions of