

COMPANY FLOTATION OF CEMENT CONCERN ASSAILED BY CURRY

Analyzes Prospectus and Premier Drury Promises to Investigate

DEBATE IN LEGISLATURE

Sweeping criticism of the methods and terms of the flotation of the Toronto Cement Corporation, Ltd., in the Legislature yesterday afternoon resulted in a declaration by Premier Drury that the affairs of the company would be investigated and that the charter would be revoked should the facts of the case justify such action. The company has an authorized capital of \$3,000,000.

J. W. Curry (Liberal, Southeast Toronto) raised the question by quoting from an article in a Toronto weekly paper, which stated that the company's stock was so heavily "watered" that its flotation was a menace to the public. The member for Southeast Toronto analyzed the company's prospectus and declared that, under the terms of incorporation, the company could not possibly succeed unless the consumer was forced to pay dearly for cement.

This view was upheld by M. M. MacBride (Independent Labor, South Brant), who said that he had inquired into the affairs of the concern which is being taken over by the Toronto company, and added: "They have either got to fleece the shareholders or fleece the public."

Opposes "Pillorying."

W. F. Nickle (Conservative, Kingston) and H. H. Dewart (Liberal, Southwest Toronto) raised vigorous protests against the action taken by Mr. Curry in airing his complaint on the floor of the House. Mr. Dewart claimed that no member was justified in "pillorying" directors who might not be cognizant of a possible fraud.

Wellington Hay, Liberal Leader, cautioned the House against the possibility that criticism of chartered companies might prejudice chances for legitimate success. If there were irregularities they should be investigated by the Government, and, if necessary, the charter should be cancelled.

Mr. Curry met his critics on their own ground; stated that he had acted after due consideration; that he

believed he was justified, and that the case was but another instance of the necessity for the adoption of the "Blue Sky" law now before the House.

After examining the prospectus, Hon. G. H. Ferguson declared that the company had not lived up to the provisions of the Ontario Companies Act with reference to the filing of definite details of the interests held by the directors, and that the "act had been grossly violated." This led to Premier Drury's promise of investigation. If necessary and possible, said the Premier, action would be taken under existing legislation.

25 Per Cent. for Selling. Says Curry.

As explained by Mr. Curry, \$1,200,000 of the \$3,000,000 stock had been turned over to one individual in return for an interest in the now defunct Ontario Cement Company. Two other individuals had been guaranteed 25 per cent. commission for selling the remainder of the stock. Another agreement called for the payment of 7 per cent. on returns to the same individuals. The member for Southeast Toronto also quoted from a letter from the Michigan Securities Commission which described one of the men behind the company as "a typical promoter," and declared that he had been prevented from selling certain stock in the State of Michigan.

"The company is so loaded down," he said, "that there is little chance of success. The people should be put on their guard with regard to the matter."

"High Pressure" Salesmen.

Continuing, Mr. Curry stated that the concern had advertised recently in the United States for "high pressure salesmen." He understood that a considerable number of these salesmen were now in Toronto. Pressed for a definition of "high pressure salesmen," the speaker suggested that they were individuals who could sell stock in one interview without giving the prospect time to consider the matter or secure advice.

Premier Drury—A professional bulldozer?

Mr. Curry—Well, you might well say that. On the face of it, it is absolutely impossible for the company to sell cement at a price which would have been possible if the company had to pay dividends only on money actually invested. This is a period of reconstruction, and reconstruction will not be furthered if the consumer has to pay such excessive prices.

Premier Drury—The Government has power under Section 29 of the Ontario Companies Act to investigate and revoke the charter. The matter will be investigated, and if the facts are sufficient to justify a revocation we will not hesitate to take that action. In the meantime the moral is the necessity for a "Blue Sky" law.

Huron N. (Con.)	14,718
Huron S. (U.F.O.)	15,615
Kenora (Lab.)	12,339
Kent E. (U.F.O.)	19,700
Kent W. (Lib.)	38,005
Kingston (Con.)	24,104
Lambton E. (U.F.O.)	16,381
Lambton W. (U.F.O.)	35,241
Lanark N. (U.F.O.)	14,522
Lanark S. (U.F.O.)	18,471
Leeds (Con.)	17,048
Lennox (Con.)	11,810
Lincoln (Lib.)	18,834
London (Lab.)	60,959
Mantoulin (U.F.O.)	12,346
Middlesex E. (U.F.O.)	18,458
Middlesex N. (U.F.O.)	14,278
Middlesex W. (U.F.O.)	13,170
Muskoka (Con.)	19,437
Niagara Falls (Lab.)	31,863
Nipissing (Lib.)	22,583
Norfolk N. (U.F.O.)	14,922
Norfolk S. (U.F.O.)	11,444
Northumberland E. (U.F.O.)	18,273
Northumberland W. (Lib.)	12,830
Ontario N. (U.F.O.)	15,420
Ontario S. (Lib.)	31,074
Ottawa E. (Lib.)	39,040
Ottawa W. (Con.)	77,165
Oxford N. (U.F.O.)	25,125
Oxford S. (U.F.O.)	22,235
Parkdale (Con.)	46,398
Parry Sound (Lib.)	26,300
Peel (Con.)	23,896
Perth N. (Lib.)	32,461
Perth S. (U.F.O.)	17,784
Peterboro' E. (U.F.O.)	13,648
Peterboro' W. (Lab.)	28,284
Port Arthur (Con.)	18,911
Prescott (Lib.)	26,478
Prince Edward (Lib.)	16,806
Rainy River (Con.)	11,636
Renfrew N. (U.F.O.)	23,389
Renfrew S. (U.F.O.)	27,506
Riverdale (Ind.)	74,998
Russell (Lib.)	39,528
St. Catharines (Lab.)	32,727
Sault Ste. Marie (Lab.)	24,171
Simcoe C. (U.F.O.)	22,384
Simcoe E. (Lab.)	31,890
Simcoe S. (U.F.O.)	11,916
Simcoe W. (Con.)	17,575
Stornton (Lib.)	21,071
Sturgeon Falls (Lib.)	14,229
Timiskaming (Con.)	25,096
Toronto N.E. (2 Cons.)	84,853
Toronto N.W. (1 Lib., 1 Con.)	93,324
Toronto S.E. (1 Lib., 1 Con.)	52,803
Toronto S.W. (2 Libs.)	101,464
Victoria N. (U.F.O.)	14,975
Victoria S. (U.F.O.)	16,895
Waterloo N. (Lib.)	41,698
Waterloo S. (Lab.)	33,568
Welland (Lib.)	31,896
Wellington E. (U.F.O.)	14,752
Wellington S. (Con.)	26,678
Wellington W. (U.F.O.)	12,730
Wentworth N. (U.F.O.)	15,096
Wentworth S. (U.F.O.)	24,320
Windsor (Lib.)	50,065
York E. (Con.)	111,638
York N. (Con.)	22,083
York W. (Con.)	71,509

The Premier and the Government are in a rather awkward predicament on the redistribution issue. Should they do nothing but try out proportional representation in Toronto they will be faced with the most vigorous opposition the Conservatives can put up, and possibly one or two Toronto Liberal members may add their objections in an equally impressive manner. As has been pointed out previously, the idea of P.R. in Toronto does not appeal to many U.F.O. members, because the complications of the system are most distasteful to them. Wholesale desertions from the U.F.O. platform on P.R. are in sight if it comes up in the House. For that matter, the same thing may be said of Liberals, though possibly not to the same extent. Should the Government bring in a general redistribution measure it will likely be open to the gerrymander charge, because no redistribution was ever enacted that pleased all parties. Then again, if nothing is done the figures above indicate in themselves a gerrymander of greater proportions than has yet faced the electors of Ontario. Premier Drury and most of his Cabinet come from that political stock to whom representation by population ever has been a fundamental belief. What will the Premier do?

Incidents Yesterday.

Several little incidents in yesterday's House proceedings may have some political interest. J. W. Widdifield (U.F.O., North Ontario) introduced a private bill, for a fellow-member, to amend the Municipal Act. As the time limit for private bills has expired, he was

The OBSERVER IN QUEEN'S PARK



The Government is now believed to be seriously perturbed over the question of redistribution. Up to a few days ago it was almost definitely determined that the proportional representation experiment would be tried in Toronto and no other changes attempted. However, the feeling is now growing that there must be a general redistribution all over the Province if the next Legislature is to be representative of public opinion. It can hardly be ascertained as yet how strongly this latter view is held in U.F.O. circles, because the problem is more or less a personal one with each member. The Government supporters hesitate to express any opinions at present, in view of the promised declaration of the Premier when he speaks in the Budget debate. The disparities in the populations of Ontario ridings are being pressed home day after day, and the glaring inequalities show the imperative need of redistribution to the most careless political student.

In the column below The Globe gives the population of the Ontario ridings, together with the present representation. These population

totals are from the last Federal census, and have varied considerably since the last Provincial election. The list follows:

Addington (U.F.O.)	13,324
Algoma (Lib.)	17,569
Brant N. (U.F.O.)	20,085
Brant S. (Ind. Lib.)	33,292
Brockville (Lib.)	17,861
Bruce N. (U.F.O.)	13,921
Bruce S. (Lib.)	14,212
Bruce W. (Lib.)	15,267
Carleton (U.F.O.)	21,795
Cochrane (Ind. Lib.)	29,519
Dufferin (U.F.O.)	15,415
Dundas (U.F.O.)	17,309
Durham E. (U.F.O.)	12,619
Durham W. (Lib.)	12,010
Elgin E. (U.F.O.)	17,306
Elgin W. (U.F.O.)	27,678
Essex N. (U.F.O.)	30,617
Essex S. (U.F.O.)	21,343
Fort William (U.F.O.)	25,383
Frontenac (Con.)	13,401
Glengarry (U.F.O.)	20,518
Grenville (Con.)	18,644
Grey C. (U.F.O.)	16,250
Grey N. (U.F.O.)	22,405
Grey S. (U.F.O.)	20,396
Haldimand (U.F.O.)	20,770
Halton (U.F.O.)	24,899
Hamilton E. (Ind. Lib.)	79,004
Hamilton W. (Lab.)	37,261
Hastings E. (U.F.O.)	15,948
Hastings W. (Con.)	22,630
Huron C. (Lib.)	16,669