

ONTARIO LEGISLATURE APPROVES PRINCIPLE OF "BLUE SKY" BILL

New Frauds Prevention Act Given Second Reading — General Invitation for Suggestions Toward Improvement — Difficulties in Way of Commission Indicated

"FLY-BY-NIGHTS" WILL BE STOPPED

The Ontario Legislature yesterday gave unanimous approval to the principle of Attorney-General Price's Security Frauds Prevention Act. Opposition Leaders concurred in the idea that the bill, while lacking some protective qualities which might be worked out later, represented an honest endeavor on the part of the House to protect the public from "high-pressure" sales of worthless stocks and securities. The Government took the stand that the main thread of the measure was theirs, but invited from private members and the public in general any suggestions which, following the principle outlined therein, might tend to improve the act as it stands at present.

Outlines Principle.

At some length, Col. Price outlined the principle of his new act, emphasizing that it compels bonding and registration of all brokers and salesmen; empowers suspension of bonds; authorizes issuing of injunctions, where required; and provides for investigation of cases of withholding information which, under the Dominion law, cannot be classed exactly as "criminal fraud."

"The Government doesn't say," Col. Price declared, in asking second reading of the issue, "that this bill will prove a panacea for all ailments; that when it goes through it will protect people who won't protect themselves. But it will at least give people a chance to secure protection. It will stop hundreds of 'fly-by-nights' from coming in from

the United States. Never mind the company, if we can get the man who sells worthless stuff. If we get the man we indirectly will get the company in the end."

Liberal Leader Sinclair, taking the view that the bill was an honest endeavor on the part of the House to protect the public, expressed his approval of the principle. Noting that the final clause proposed that it come into effect in a day to be named by the Lieutenant-Governor in his proclamation, Mr. Sinclair suggested that it should become effective, as other acts, at the end of the Legislature, 60 days after Royal assent. "The people are looking for such a bill," he stated.

He suggested that the Attorney-General might be "loading himself up" with the machinery of the bill, and thought that some of the powers might be held by the Registrar.

Progressive Leader Lethbridge, endorsing the principle of the bill, was glad that there was a move to protect the public. "There are a great many suckers ready to bite," he opined. He suggested that there be some definite date for the bill to become effective, and "the quicker the better."

Favors Commission.

Edmond Proulx (Liberal, Prescott) thought that it would be a good move to have a Commission to pass judgment on all stocks and securities. Provisions in the bill, he believed, "look like locking the door after the horse is stolen."

Aurelien Belanger (Liberal, Russell) suggested that, with the number of bills brought in this session using the word "protection" in the title, this might be termed "The Suckers' Protection Act." He maintained that the Government should take the House into its confidence regarding the regulations, just mentioned in the bill, respecting the bonding of brokers and salesmen. If, said he, the members knew what the Attorney-General had in mind it would be easier to deal with the regulations section.

Bonding of Lawyers.

Frank Wilson (Conservative, Windsor East) thought that the bill should also "protect the public against lawyers who abuse their trust" by providing for the bonding of members of the legal profession.

"That," Premier Ferguson told Mr. Wilson, "has not been overlooked. The Law Society is now considering a proposition, but what the nature of it is I can't say."

The fundamental feature of the bill, according to Mr. Ferguson, was to prevent the operations of dishonest brokers and salesmen, and so prevent frauds.

There were two difficulties in the way of a Commission regulating securities, said he. In the first place, the Province could not pass on Federal securities, and companies would flock to Ottawa for incorporation, and "so escape." And, second, if a security was endorsed by the Commission some person might use it has "having the endorsement of the Government," and perpetrate another fraud.

Would Need "Superman."

"We would need, not a Strong Man, but a Superman such as we do not produce," the Premier declared.

Mr. Ferguson pointed out that the last clause of the bill made possible its coming into effect even before the 60 days. Time was necessary, said he, for the establishing of an organization to carry out the act, but this might not require more than a month. "We don't want the 60 days."

The bill, said he, "locked the door before the horse was stolen," by controlling the broker and salesman.

Vicious System.

The Premier referred to what are known as "wash sales," or the system of washing values up so as to lure investors. This was a "vicious one which prevails too much in this Province," he stated, pointing out that the bill provides for a check on such a system by empowering the Attorney-General to examine the books in any brokerage office. "This," he noted, "is a most drastic sort of measure, but a safeguard for the public."

Mr. Ferguson pointed out that the Government had in mind another bill along the same lines to regulate real estate salesmen, and this legislation might be expected at least by the time of the next session.

Members From ---?

There was a flurry of excitement in the Legislature last night when two spectators were discovered sitting in the Government benches.

"We have," said J. A. Pinard (Liberal, Ottawa East), noticing their presence, "apparently two new members. I wonder where they are from?"

The gentlemen hastily gathered up hats and coats and at once vacated the seats, amid the laughter of the House.

RATES OF PAYMENT TO KEEP INDIGENTS WILL BE INCREASED

Municipalities Must Put Up \$1.75 Each Day Under New Act

LEGISLATIVE AMENDMENT

The Ontario Government's warning of last fall that municipalities, sooner or later, would have to shoulder a greater share of financial responsibility for the keep of indigent patients in hospitals and charitable institutions has taken concrete form. Under terms of legislation which Hon. Lincoln Goldie, Provincial Secretary, brought down to the House last night, the municipalities' rate of payment will, after April 1, be increased from \$1.50 to \$1.75 per day.

Extra Cost.

The Government, however, is also saddling itself with extra cost. Its present per diem grant of 50 cents will be increased to 60 cents, on the understanding, in not only the case of the public hospitals, but homes for incurables as well, that "the total amount of such grant is to be based upon the number of days' actual treatment and stay of each patient admitted to or being within such hospital during the fiscal year next preceding the year for which such aid is given."

No New Bill Yet.

Mr. Goldie's legislation is in the form of an amendment to the present act administering public hospitals and charitable institutions. Following its introduction last night Premier Ferguson told the House that it had been the Ministry's intention to bring down an entirely new "hospitals" bill, but certain contentious clauses had held up its completion, and rather than delay the sitting of the House it had been decided to amend the present act instead.

The ten-cent increase in its per diem rate will mean to the Government, it is learned, an increased expenditure annually of between \$90,000 and \$100,000.

BELANGER SUGGESTS ROOMS FOR MEMBERS

Considerable Expense Would Be Entailed, Replies Minister

During the passing of supplementary estimates in the Legislature last night, and consideration of the extension of offices in the old and new Government Buildings, Aurelien Belanger (Liberal, Russell) wondered if the Government had given thought to accommodating the members of the House with rooms in which they could do their work. Mr. Belanger suggested that rooms might be set aside for groups of four or five members, and that thus their "sojourn" in the Legislature might be made "more agreeable." Hon. George S. Henry, Minister of Public Works and Highways, pointed out that there was space available under the roofs in the old building, but that construction of rooms would be necessitated at considerable expense. As yet, he said, no Government "has had courage enough" to put through such an expenditure.