

Feb 12th.

# Slashing Attack, Stormy Defense

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Sinclair was at pains to point out, but on information secured by their own officials alone, and that the arrest was made several hours before Ottawa had communicated the name of the firm to Queen's Park.

## Government Apologizes, He Says.

At the outset of his remarks in regard to the brokerage situation Mr. Sinclair stated that in the Speech from the Throne the Government was apologizing for some of its own legislation.

He observed that the reference in the Speech to the Security Frauds Prevention Act stated: "Certain objectionable practices will be dealt with by further legislation."

"That," said he, "is the joker in the deck. It is the joker in this Speech, just as the handling of the act has been in the hands of the Attorney-General."

He observed that Mr. Price was not in the Chamber, being engaged in the Attorneys-General conference. He stated that he hoped that Colonel Price might have been present to hear his speech and get something of benefit.

## A Benefit to Whom?

Continuing, Mr. Sinclair wondered to whom the Security Frauds Act had proved a benefit: to the brokers or the public? Admittedly, said he, many members of the public had lost money, so it could not have benefited them. So, said he, the great value must have been to the broker, "who profited when the statute was in operation."

He referred to the "Conservative Handbook" in the last campaign, quoting statements therein which spoke of the Security Frauds Act in laudatory terms. So, he added, up to that time the Government had certainly not recognized any "objectionable practices," or else the campaign literature was "absolutely fraudulent and dishonest."

Then he quoted at length a statement from the Attorney-General in the press on Jan. 13, two days after the Solloway-Mills arrest. In this newspaper report the Attorney-General stated that Ontario was planning no action against the mining brokers.

For the next half-hour Mr. Sinclair quoted newspaper "stories" to show, as he put it, that, while the Speech from the Throne made references to "objectionable practices growing up" under the Security Frauds Prevention Act, Attorney-General Price, according to his own statements and interviews, had had no knowledge of them as late as Jan. 17.

## "Suddenly Come to Life."

But, four days later, within three hours of the time he (Mr. Sinclair) was to make a speech at Waterloo, the Attorney-General and the Government, he said, had suddenly come to life, and had arrested a member of a brokerage firm.

"We knew you were going to be at Waterloo," glibed Premier Ferguson.

"Of course you did," replied Mr. Sinclair. "You had been sitting around doing nothing for a long time, and you wanted to score first. You knew I was going to make a speech, and that I was going to say something."

"Every member of the Government shivered," said the Prime Minister, "when they knew you were going there."

"No doubt they did," retorted the Liberal Leader, "from what I've heard downtown."

At this juncture Mr. Sinclair expressed surprise that the charge laid by the Attorney-General had been one of conspiracy. That charge, he said, as every one knew, was most difficult to prove. It struck him as odd that charges more easily proved had not been selected by the Attorney-General.

Mr. Sinclair claimed that the attitude of the Attorney-General in all his press interviews and statements had been to divert public opinion from himself and his department. On Jan. 22 Colonel Price had answered the Vancouver Sun's appeal for a conference of Attorneys-General on the brokerage question with, "Ontario is going on in her own way." And he had no sooner got his reply off than he was dictating another telegram acquiescing to the newspaper's appeal.

"Another case of remarkable change of mind," glibed Mr. Sinclair, "I'd like to know who changed his mind for him. It looks as if somebody stepped into the situation, saying, 'We've got to get in line with the other Provinces; we can't sit around here like this, doing nothing and saying nothing.'"

## Plans of 1927.

Mr. Sinclair then referred to a speech delivered by Colonel Price on Nov. 18, 1927, before a luncheon meeting of the Canadian Life Insurance Officers' Association, to bring out the point that on that occasion the Attorney-General had

openly admitted that the Raney blue-sky law of 1923 had been "too drastic" for adoption by the Ferguson Government of the following year, and to reveal that the Attorney-General at that moment was preparing legislation for 1928—the Security Frauds Prevention Act—that aimed to deal with unscrupulous brokers and salesmen, but "would not interfere with what may be done on the stock exchanges."

Considering the attitude of Colonel Price at that time, there could be no defense for him at the present hour, submitted the Liberal Leader. On Jan. 17 he, Colonel Price, had not known what was going on. "I say he should have known," said Mr. Sinclair.

The Liberal Leader claimed that at the 1929 session of the Legislature he had argued strongly against Colonel Price's amendments to the act, on the ground that they were only a gesture—that they did not half meet the situation—and that the brokers' audits they provided for would only create the result of people placing more confidence in the brokerage houses and gambling still more.

"What has happened?" he asked. "Exactly what I prophesied. And the Attorney-General can plead no excuse. I say that he fixed up his bill of 1929 in keeping with the speech he made in 1927, when he said he would not interfere with the stock exchanges."

## Refers to Timber Probe.

Making his request for a Royal Commission into the brokerage business, Mr. Sinclair stated that he knew that the Government was not strong on commissions, and referred in biting terms to Mr. Ferguson and the timber probe.

Speaking again in regard to the Security Frauds Prevention Act, he said that one weakness was that the Attorney-General conducted his inquiry in secret and that the evidence is not made public. "He is Judge, jury and hangman, and can act or refuse to act," Mr. Sinclair added.

The Liberal Leader emphasized that the Federal Government had been interested in getting the tax collected on the transfer of shares, and he declared that this had brought about the inquiry in Ontario.

Mr. Ferguson interrupted to say that Ontario had taken action "before word came from Ottawa." Mr. Sinclair maintained that "this state of affairs" was discovered as a result of the Federal audit.

Continuing, Mr. Sinclair said: "The Attorney-General owed me the courtesy of being here this afternoon."

"How did he know what you were going to talk about?" Mr. Ferguson inquired.

## Wants Simultaneous Audit.

Going on, Mr. Sinclair declared that a Royal Commission was the only solution to the present difficulties. "I submit," he continued, "that the Attorney-General has failed." As for an audit, said he, a simultaneous audit in all offices was the only one that was worth while.

Then, he continued, he wished to point out to the House some of the rumors that were going about.

"One," he stated, "is that Solloway-Mills were investigated in the fall of 1927, and it was found that there was a short position in the market, but no action was taken. They were simply told that they ought to carry more stock. If this is so, why was no action taken?"

"Another rumor," he continued, "is that Mr. Rogers of the Attorney-General's Department was at a meeting of the Standard Exchange in 1928 and told them to carry a larger percentage of stocks that they owed to clients, and suggested at least 50 per cent. If this is so, why was no action taken?"

## Tells of Rumors.

Mr. Sinclair—Then you hear stories about the relatives of the honorable the Attorney-General being engaged in this business.

The Premier—About what?

Mr. Sinclair—Relatives—his brother and his brother-in-law downtown. You put some whiskers on and go downtown and you will hear it all. I am only relating to this House rumors I have heard.

The Premier—Seriously, does my honorable friend want to make the charge that the Attorney-General is influenced because some of his relatives are interested in some brokerage business? My honorable friend is taking a serious position. He is charging the Attorney-General with being improperly influenced in the discharge of his duties by the fact that he has some relatives in the business.

Mr. Sinclair—Yes. Well, fortunately for me, I am not going to do it, and

you are not going to try to get me into that position. I was simply telling you the rumors on the streets in the City of Toronto. I have a perfect right to mention it here, as you know.

## Premier Objects.

The Premier—If, Mr. Speaker, you will permit me again, it seems to me it is hardly a strong position for the Honorable the Leader of the Opposition to take. If he is going to state things by saying, "I am only repeating rumors," he should either have the courage to make his charge here, or the manliness not to say anything about it.

Mr. Sinclair—Mr. Speaker, I will leave the matter of courage and manliness between my honorable friend the Premier and myself for the public to judge, but I am not going to be led aside from the argument which I am developing step by step this afternoon. I am not charging the Attorney-General. I am simply saying it is rumored he has a brother-in-law who is engaged largely in this business, and a brother who is on the payroll of S. A. Taylor & Company. I am not saying there is anything improper or anything of the kind. What I am trying to do is to help the Government and help in this investigation.

"Then there is another report that warrants for certain brokers were issued before the last election, and that they put up campaign funds, and no action was taken."

The Premier—We never heard about those.

Mr. Sinclair—Therefore, you did not hear about the campaign funds, either. Then there is the further position, whether my honorable friend the Premier likes it or not, that other Ministers of the Crown have profited by these transactions.

## Need of a Commission.

Surely, he continued, under these circumstances the Government owed it to itself to appoint a Royal Commission to investigate the situation.

Premier Ferguson again rose. Mr. Sinclair, he declared, "should realize his responsibility as a member of this House." What was the object of this reiteration of rumors, he asked, if it was not to injure the Government?

Mr. Sinclair objected that, under the rules of the House, there should be no interruption in the form of a speech.

"Will," Mr. Ferguson continued, "my honorable friend have the ordinary courtesy, not to say courage, to reduce to writing the charges he is endeavoring to make against the Government?"

"I've heard that word 'charge' hurled across the floor of the House time and again," Mr. Sinclair retorted, "to try to make some member nervous. You're not going to scare me. I haven't made charges, nor am I making charges, but telling rumors that are reported downtown and in hotel corridors. These things are being said. The way to get at this is not for me to lay charges, but for the Government to have a Royal Commission."

Mr. Sinclair claimed that the Government not only owed it to the public, but to itself as well, to appoint a Royal Commission and conduct an "impartial investigation" of the whole brokerage question.

The Liberal Leader, in most caustic vein, recalled "the vigilance and energy" of Colonel Price in past years—in prosecuting election trials—in connection with the Gamey charges and the Minnie M. investigation—his great aim "to purify public life," and wondered if he could be the same chap who was standing by, indifferent, today and making no effort to rectify a situation that had cost the people of Ontario a fortune.

"Unless there is a Royal Commission," Mr. Sinclair concluded his argument, "this Government will suffer and the people will continue to suffer. The Government is unsympathetic in its handling of the Security Frauds Act, and no matter what teeth we may put into that act we shall have no assurance that the public will get the protection to which it is entitled."