

Feb. 19th.

# Compel Every Broker To Cover Short Sales, Urges Liberal Member

**Argument Against Such  
Pleas Is That Market  
Would Skyrocket, But  
"Let It Skyrocket and  
Public Get Its Money  
Back," Says S. C.  
Tweed**

**REPEATS DEMAND  
FOR COMMISSION**

**Leopold Macaulay De-  
fends Attorney-General  
and Extols Government  
Record — Huron Pro-  
gressive Complains of  
Hydro Rates**

The "brokers' business" had another airing in the Legislature yesterday, with Leopold Macaulay (Conservative, South York) vigorously defending the policy of the Government in respect thereof, and S. C. Tweed (Liberal, North Waterloo) laying at the feet of the Ferguson Administration all responsibility for the millions of dollars in losses resulting from "the present disaster in the mining market."

Mr. Macaulay's speech was an impassioned appeal for recognition of the work of the Attorney-General and his Security Frauds Prevention Act, and Mr. Tweed's address was just as lusty a condemnation of Col. Price and the present legislative check which he exercises over the brokers and the stock exchanges.



S. C. Tweed.

Mr. Macaulay claimed that since the Security Frauds Prevention Act began to operate in 1928, 1,500 brokers, 3,500 salesmen for brokerage houses and 1,000 members of non-brokerage houses had been registered; and over 1,000 investigations—more than 200 of them under oath—had been made. In Colonel Price he pictured a man who saved many an old person's savings from unscrupulous salesmen without any "brass band" demonstration, and a man who has carried "ably and well a load which no other Attorney-General in the British Empire has had to carry in the last 18 months."

**Asks Royal Commission.**

Mr. Tweed reiterated his demand for a Royal Commission as the only means of solving the present situation, and expressed the hope that the Attorney-General would see fit immediately to compel every broker to cover his short sales.

"The argument against this," added Mr. Tweed, "is that the stock market would immediately skyrocket. That would, in my opinion, be perfectly all right, as it would give the public a chance to get back some of the money they have been swindled out of by the bucket-shop methods of certain brokers."

W. G. Medd (Progressive, North Huron, who lead off in the continuation of the debate yesterday, left the brokers' business alone and confined his criticism of the Government to agricultural matters and the Liquor Control Act.

Mr. Medd made a plea for lower Hydro rates for the farmers. He declared that the rural dwellers were entitled to the same rights in power matters as the city people and observed that in the matter of Hydro charges "some cities are higher than others."

"Hydro rates," he stated, emphatically, "should be more uniform."

He continued to refer to the rural point of view, and in this regard he spoke at length on the subject of the making of butter and cheese. He referred to dairy grading, and stated that, while the Government is doing good work in the Department of Agriculture in many respects, this good work is being carried on in other than the dairy lines.

In respect of the Liquor Control Act Mr. Medd recalled that during the last election all kinds of Conservative candidates admitted that there were "weak holes" in the act which needed plugging. These holes, he understood, would be plugged this session by amendments to the act. Mr. Medd promised his co-operation in tightening up the law, saying that, while he had been advised from many quarters to let the act alone and allow it to run its course, he believed that no one should be permitted to "go to the devil" if he or she could be stopped.

Mr. Medd referred to the recent public petition against opening a store in the Oakwood district in Toronto, and declared that this move was such an indication of antagonism to stores that it behooved the Liquor Control Board to act cautiously in this particular situation, and to take steps to limit the number of shops throughout the Province.

Mr. Medd urged sterner measures on the part of the Government to meet and control the "drunken driver" menace; asked the Government to use a great portion of its liquor revenue in caring for the aged of the Province, and stressed the need of an educational campaign through the magazines and newspapers to impress upon the public "the evils of strong drink."

**Sarcastic With Opposition.**

Mr. Macaulay, who, it is mooted, is in line for a Cabinet office, made a noteworthy speech. He heaped sarcasm on the Opposition; he praised the Government. He lauded Attorney-General Price particularly, and he elevated Colonel Price to the ranks of Empire statesmen with the words: "The Attorney-General has carried ably and well a load which no other Attorney-General in the British Empire has had to carry in the last eighteen months." This was given in reference to the brokerage situation. Mr. Macaulay emphasized with pride the Government's method of dealing with the stock market affairs.

It was noticeable that throughout his address Mr. Macaulay divided his

glances between the Cabinet benches and the press gallery. Premier Ferguson smiled engagingly at his laudatory words.

In his opening remarks Mr. Macaulay started heaping his satire on the Opposition members, particularly on Liberal Leader W. E. N. Sinclair. As for Hon. Harry C. Nixon, Progressive Leader, Mr. Macaulay was not so critical. In fact he said some nice things about the "farmer" stalwart.

Mr. Macaulay turned his attention to the affairs of the Department of Education and in this regard voiced applause for the township school board bill.

Then he spoke in praise of the move to establish the Research Foundation, and the work carried on by this institution. Continuing, he referred to the subject of compulsory automotive insurance and liability laws now engaging the attention of the Commission.

**Security Frauds Act.**

In his final remarks Mr. Macaulay spoke in regard to the Security Frauds Prevention Act. He wondered if the people of the Province had any thought of the investigations that have been carried on in which results have not yet seen the light of day.

He recalled that the bill had been passed in 1928. He pictured a "clean-up" of liquor bootleggers after the O.T.A., and then pictured a "clean-up" of bond "bootleggers" under the Security Frauds Prevention Act.

Since May, 1928, said he, 1,500 brokers, 3,500 salesmen for brokerage houses and 1,000 non-brokers had been registered.

He declared that the Government and the Attorney-General had to move slowly lest great harm be done to the innocent people.

Mr. Macaulay, continuing in this vein of eulogy of the Government's action, stated that he was sure that, if any one had a real complaint and laid it before the Attorney-General, Colonel Price would "get" the broker within three or four days. Moreover, he added, this would be done without "brass bands."

He emphasized the thought that the Attorney-General in investigating a company and taking action considered whether anything could be saved for investors. There was, said he, the problem of protecting those defrauded, as well as punishing those who brought it about.

**1,900 Investigations.**

He stated that there had been more than 1,000 investigations. He knew of pathetic cases of people who were saved from ruin by judicious action.

There had been, he also noted, over 200 cases of investigation under oath and over 100 of these had come to court. "And in many cases," he continued, "the stock salesmen were put where they cannot carry on their nefarious business any longer."

Mr. Macaulay also referred to the Toronto Stock Exchange. In this regard he stated that Toronto, not Montreal, was the financial centre of the Dominion. He observed that an organization of people dealing in financial matters usually frowned on any unethical practices by individual members.

**Says Mining Development Hurt.**

Mr. Tweed dealt with various phases of Government activity, contending that the weight of public opinion is against Premier Ferguson's township school boards proposal, citing an instance in his own district to show that changes in price of Hydro power to rural consumers has not always been downward; stressing the point that each local Pensions Board should have at least one member who is a trained social worker; and arguing that "wild-catting" of stocks has immeasurably injured Northern Ontario's mining development.

"Most great disasters can be placed at the door of an individual or a group of individuals," said Mr. Tweed, plunging into the brokerage-house question.