

Feb. 21st.

PROPER CHARGE LAID AGAINST BROKERS, DECLARES MURPHY

NEW SECURITIES ACT INTRODUCED TO HOUSE BY COLONEL PRICE

Upholds Price's Action in Maiden Speech in House

CHALLENGE TO SINCLAIR

Edward J. Murphy, former Crown Attorney and now representing St. Patrick's Riding in the Ontario Legislature, yesterday made his maiden effort at speechmaking in the House during the debate.

Mr. Murphy held up the remarks of Opposition debaters to ridicule for a full ten minutes, then plunged, with his customary vigor of tongue, into a discussion of the brokerage question, upholding the action of Attorney-General Price and challenging Liberal Leader Sinclair's attitude that "conspiracy" was not the proper charge to lay against the arrested brokers.

"I will ask the honorable member from South Ontario," he said, "what he considers are the proper charges to lay." Mr. Sinclair went on reading at his desk, and refused to reply.

Mr. Murphy declared he was in a position to state that Attorney-General Price had laid the proper charge—that in cases of this kind a holding charge, conspiracy or theft, was always laid. He reiterated his challenge to the Liberal Leader, but Mr. Sinclair did not respond.

In the face of the deliberate attack that had been made on the Attorney-General, one would imagine, stated Mr. Murphy, that the Liberal Leader was simply trying "to make political capital" out of the situation.

At some length the speaker eulogized the work of the Attorney-General in ridding the country, by means of the Security Frauds Prevention Act, of smooth-tongued, high-pressure salesmen—"these highwaymen of finance"—from the United States.

Consolidate Former Acts With Amendments of 1930

CHECKS ON SALESMEN

Bank Officials May Be Examined—Provinces to Aid Each Other

The Security Frauds Prevention Act of 1930 made its bow to the Ontario Legislature yesterday afternoon.

It is the direct outgrowth of the recent interprovincial conference at Queen's Park, and is being copied from coast to coast, as Attorney-General Price, its sponsor, put it, as "an effective way of dealing with a question that has been very contentious in the past and has caused considerable trouble."

The act, as given first reading by the House yesterday, is a consolidation of the Security Frauds Acts of 1928 and 1929, plus the recommendations of the recent conference. Chief in importance are the drastic recommendations for the regulation of trading practices, which were defined in their entirety in the general conference report, which was issued on Wednesday night.

Check on Salesmen.

Other new amendments, emanating from the conference, make it clear that salesmen can do business only while employed by a registered broker, and not after dismissal, etc., until they have been employed by another registered broker; make surety bond available to a judgment creditor who has obtained judgment from a broker who has defrauded him; expressly provide that the Evidence Act of 1929 shall not exempt any bank official from examination under the act; enable the Attorney-General to appoint expert accountants and engineers to aid him in making examinations; extend somewhat the powers of the Attorney-General to hold funds and securities; extend the remedy of recovering the costs of an investigation; enable the Provinces to aid each other in capturing undesirables accused of offenses against the act; stipulate that one broker's audit shall be at a fixed date in order to let it be used at the end of a fiscal year for purposes of income tax, etc.;

and give the stock exchanges absolute power to enforce the recommendations of their exchange auditors.

Legislature to Decide.

In introducing the new act, Colonel Price took occasion to refer to the aims of the recent interprovincial conference, and to explain the conference report, which was tabled on each member's desk, along with a copy of the bill. He made it quite clear that it would be left to the Legislature to decide which of the conference's recommendations regarding the conduct of stock exchanges—these recommendations were all published in Thursday's edition of The Globe—would be legislated into the statutes; which would be enforced by Government regulation, and which would be left to the exchanges to incorporate into their own by-laws and regulations.

Colonel Price will speak at length on second reading of the bill.