

Feb. 26th.

# Price Defends Record On Brokerage Problem, Tories Win on Division

**Amendment Moved by  
Liberal Leader  
Condemning Government  
"Apathy, Indifference  
and Neglect" Is Turned  
Down in Legislature by  
Vote of 85 to 20**

**STORMY SCENES  
DURING DEBATE**

**Attorney-General Accuses  
Ottawa of "Sharp Trick"  
and Wants to Know if  
Federal Authorities  
Gave Mr. Sinclair In-  
formation for His Speech  
at Waterloo**

Liberal Leader Sinclair's want-of-confidence amendment, condemning



Colonel Price. "the apathy, indifference and neglect of the Government to regulate and control stock transactions in the Province, and its refusal to institute a searching inquiry by way of Royal Commission into the whole system of speculation countenanced by and carried on upon the mining stock exchanges and in many brokerage houses in Ontario," got a terrific trimming from the Ontario Legislature yesterday afternoon.

By a vote of 85 to 20, the House chucked the amendment overboard, and on the same division carried the Address in reply to the Speech from the Throne, thus officially terminating the first phase of the present House's activities, and clearing the decks for the presentation of the Monteith Budget on Tuesday next.

**Defense of Colonel Price.**

Indirectly, the vote proved a personal triumph for Attorney-General William H. Price, who, in winding up the debate, vigorously defended the administration of his department in connection with the recent brokerage house "clean-up"; upheld the Security Frauds Prevention Act, fashioned in his regime, as a work to be proud of; intimated the likelihood of further early prosecutions against offending stock manipulators, and openly sought from the House its approval not only of what his department had done in the past, but of what it might attempt, along similar lines, in the future.

Colonel Price had the debate all to himself yesterday, and he was in fighting trim throughout, renewing with Mr. Sinclair the cross-fire battle which so enlivened Leaders' Day proceedings earlier in the session; and charging Ottawa with "a sharp trick," in that Hon. William D. Euler, Minister of National

Revenue, had "omitted" to give him certain information regarding the brokerage house situation in Toronto until after it had come into the possession of Mr. Sinclair.

**Source of Information.**

Both Colonel Price and Premier Ferguson tried, to no avail, to extract from Mr. Sinclair and from S. C. Tweed (Liberal, North Waterloo) the source of the information which the Liberal Leader used as the basis of his pre-announced "brokerage bombshell" speech in Waterloo on Jan. 21.

Mr. Sinclair twice denied that he had got the information from Ottawa, and when the Government turned the question to Mr. Tweed the Liberal Leader cut in with: "You don't have to answer that."

The division was on straight party lines, with Hon. Harry C. Nixon and his four Progressive supporters; Farquhar R. Oliver, sole U.F.O. member of the House; and W. Earl Hutchinson, Labor, joining with Mr. Sinclair and his Liberal group in a solid Opposition to the Government.

**Review of Conditions.**

In his opening remarks on the brokerage question Colonel Price stated that, approaching the situation with the idea of solving it, and not with the idea of making political capital out of it, he would review the stock-sale conditions existing in Ontario under several Governments, and the attempts to legislate in the matter.

He recalled the Cobalt boom at the time of the Whitney Administration. In those days there had been attempts to prevent fraudulent deals.

With a passing reference to the Hearst Administration in the war days, he continued to speak of the Drury Administration and the "blue-sky law" proposals. Every session of those four years, he said, Attorney-General Raney brought up the problem of the prevention of fraud, "talked of what should be done, but did nothing."

The situation was aggravated by a market collapse in 1920. Then, Colonel Price continued, in the last moments of the last session of the Drury Government the "blue-sky law" was put on the statute books. But it was never proclaimed.

Then, in the ensuing Ferguson Government, Colonel Price went on, Attorney-General Nickle was anxious to do something to deal with the situation. And so an act was passed regarding the registration of brokers, it was put on the statute books, too, but never proclaimed. For, Colonel Price explained, though it had merit, it was in a period when there was a struggle between the Dominion and certain of the Provinces relative to legislative authority. So it was thought, he stated, that it would not be advisable to bring the Registration Act into force until it was definitely established that something beneficial would evolve.

**No Action Taken.**

Then, at the Interprovincial Conference in 1926, he observed, there was discussion of the situation, and again at the 1927 conference. But, said he, though the Provinces made representation to the Federal authorities, no action was taken.

"So," he declared, "it remained for us to do something, and we did it." Thunderous applause from the Conservative benches followed these words.

Smiling, the Attorney-General went on to refer to the Government's war on "fly-by-night" salesmen. He emphasized that in their action the authorities had to move carefully.

Colonel Price named a number of specific prosecutions as instances in which his department and the Security Frauds Prevention Act had rid the Province of objectionable "fly-by-night" stock salesmen and operators. The department had had to wage a year and half fight, he said, before it could get the Janis brothers in jail. There were more than 200 cases in which the department had "gone after" the high-pressure fellow. In some the offenders were deported from the country. In others the department had been unable to get their man. But invariably the swindle ring had been broken up.

"You cannot do the necessary things in these cases," argued the Attorney-General, while the Conservative benches banged loudly, "and be asleep on the job, as has been said of me. If you

want to get these fellows you've got to get after them."

**Public Opinion.**

At some length Colonel Price defended the speech he had made before the Canadian Life Insurance Officers' Association in 1927—a speech which Liberal Leader Sinclair had criticized at the opening of the debate as inconsistent with the current attitude of the Attorney-General. Colonel Price contended that what he had endeavored to do, in his address to the insurance men, was to create public opinion in favor of some form of blue sky legislation. Moreover, he believed, his speech had got the insurance men behind his department in the framing of the Security Frauds law of 1928.

The Government, he said, had "felt its way" with the act. Public opinion had to be got behind it. The first move had been to weed out the brokers who were "no good." Since the inception of the act, 1,047 brokers had been registered; 495 non-brokers registered and 5,998 salesmen. There had been 32 refusals of licenses to brokers, 12 to non-brokers and 43 to salesmen. Ninety-one brokers' licenses, 25 non-brokers' licenses and 98 salesmen's licenses had been cancelled.

**Praise for Subordinates.**

Registration, said the Attorney-General, was not an easy job. He had been unable to give the time to it, and so he had detailed the work to Col. Walter W. Denison of the Provincial Secretary's Department, and to Arthur Rogers, solicitor to his own department. "These men," he said, "have been carrying on, and have, as you must agree, been doing wonderful work."

Col. Price referred to the work of his department in cleaning up the "tipster sheets"; and in having agreed to deal with the type of real estate transactions revealed in the Hubbs and Hubbs case. It had been no fault of the department that Hubbs had sold spurious stock for years; no fault of the department that a Listowel lawyer of long standing had laid himself open to a charge; no fault, either, that Brown, the missing Stratford man, had been allowed to carry on as he had been doing.

"Perhaps," said he, "the time will never come that some people won't invest money foolishly."

The Attorney-General stated that what had actuated the "audits" amendments to the act which had been passed at the 1929 session of the Legislature, was the realization of the Government—from the Heron investigation—that some steps had to be taken to insure financial stability of the brokerage houses. Heron, it was revealed, had been bankrupt for six years—"going along without proper audit or restrictions, and with no one on the exchange suspecting that anything was wrong."

**Financial Responsibility.**

"We felt," said Colonel Price, "until we got financial responsibility firmly established we could get nowhere."

Since then, said he, Mr. Clarkson had assured him that it had taken from six to eight months of "the hardest kind of work, even with the various brokers' auditors reporting to him, to get the affairs of the brokers on the exchanges in proper shape. "When the history of our dealing with the exchanges is