

March 7th.

RANEY BLUE SKY LAW SHOULD BE ENFORCED, DECLARES MR. NIXON

**South York Conservative
Says It Is Less Unwieldy
Than Frauds Prevention
Act, Which Is Given
Second Reading — Falls
Foul of Mr. Macaulay**

EXPLANATION ASKED OF REPORT IN STAR

The Ontario Legislature last night gave second reading to Attorney-General Price's new Security Frauds Prevention Act.

The wind-up of the debate on the principle of the act was confined to Hon. H. C. Nixon, Progressive Leader, and Leopold Macaulay, Conservative, South York.

Mr. Nixon's chief argument was that "much trouble and grief" arising out of the recent market crash would have been avoided had the Government enacted the old Raney Blue-Sky Law." Mr. Macaulay waxed eloquent in support of the Attorney-General's "fearlessness and courage" in administering the frauds law, and tangled forcibly on several occasions with Liberal Leader Sinclair when he injected into his defense terms which Mr. Sinclair held to be "unparliamentary."

At the very outset of his remarks Mr. Macaulay aroused the ire of Mr. Sinclair when he termed "cheap" Mr. Tweed's recent statement to the House that the stock market crash could be attributed to the Attorney-General and to him alone.

Mr. Sinclair thought the word "cheap" unparliamentary. Premier Ferguson did not think so in the sense it had been used.

Mr. Sinclair said: "Well, it's objectionable to me."

Mr. Ferguson smiled. Mr. Sinclair threw up both hands, crying: "Well, if there is going to be one ruling for one side of the House and one for the other—"

Mr. Macaulay interrupted. "If objection is taken to 'cheap,' I'll withdraw it, but I still think it's true."

Contending that the Attorney-General was no more responsible for the recent crash than he was, for instance, for a drop in Brazilian silver, Mr. Macaulay said. "I can't pass from this without resenting a report of an interview in the Toronto Star last night. This report mentioned Charlie Gentles and Grenville Price as being relatives by blood and by marriage of the Attorney-General, and said they were connected with mining ventures. Now, in this interview the Liberal Leader gave—"

Mr. Sinclair—I gave no interview.

Mr. Macaulay—It wasn't a speech in this House, here. It must have been a corridor speech after adjournment, and it mustn't have been by radio, for no one else heard it that I know of.

Offers Explanation.

Mr. Sinclair—Do you want an explanation?

Mr. Macaulay at first didn't, and then on the advice of near-by Government henchmen, did.

Mr. Sinclair—I say frankly that I gave the press advance copies of my speech just as the Provincial Treasurer gave out advance copies of his speech the day before. I gave my speech up

to a certain point, and then I was ruled out of order. Had I not been ruled out I would have said exactly what was printed in the Star.

Mr. Macaulay—The Liberal Leader was bound to give it publicity.

Mr. Sinclair—You're giving it publicity now.

Mr. Macaulay—He was bound to take some means, legitimate or illegitimate, to give publicity to it.

Mr. Sinclair—I demand withdrawal of that word, illegitimate.

Mr. Sinclair Laughs.

Mr. Macaulay—Well, I'll say "unparliamentary," then. And after this experience I'd recommend that in future when the Liberal Leader hands out dynamite like that he'd better have it read over by his confreres to see if it's in order. This House is sick of such sniping—poison gas, poison arrows—this jungle warfare.

"Carried," laughed Mr. Sinclair, and the whole House laughed with him.

Earlier in the evening Mr. Nixon referred to press statements, interviews with the Attorney-General in the winter months. He declared that these interviews had given the people of the Province a false feeling of security.

He stated that "much trouble and grief would have been avoided" if the Government had enacted the Raney law, the so-called Blue Sky law, which had lain on the statute books without proclamation. He added that, if the Government took that measure and added the clauses of the Security Frauds Prevention Act, which dealt with audits and trading methods, "it would be a much better bill than that which is before us now."

No Fair Deal.

He declared that the investor who lost, but who felt that he had had a fair run for his money, would not complain. But, he continued, the people felt that they had not had a fair run for their money.

He suggested that the Government should seriously consider the appointment of a Commissioner to handle the brokerage situation. Such a proposal was incorporated in the Raney act. "If," Mr. Nixon stated, "we had a Commissioner in office, there would be some continuity of action and policy and procedure."

The Government might well consider adopting that phase of the Raney act, the very name of which ought to endorse it today to the Government.

Mr. Nixon continued to say that there were some particular phases of the bill which he would deal with in committee. He maintained that this Government measure was "very cumbersome." He observed that the Raney act had met with similar criticism, but he was of the opinion that the Security Frauds Bill was far more unwieldy than the other.