

March 20

Jolliffe Refers To Bad Publicity In Security Sales

As Attorney-General Leslie Blackwell's new Securities Act, designed to protect the public against security frauds, was advanced through committee stage in the Legislature yesterday, C.C.F. Opposition Leader E. B. Jolliffe drew the attention of the House to the unfavorable publicity Ontario was receiving from the conditions the act aims to correct. Regulations to restrict use of the telephone in securities sales to the public were under discussion at the time.

Mr. Jolliffe told of a radio dramatization broadcast from a Buffalo radio station at 7 p.m. Saturday, sponsored by the Buffalo Better Business Bureau, telling how the widow of a United States naval commander lost at sea had been swindled through high-pressure telephone calls from a Toronto dealer in mining stock. The dealer had told her, Mr. Jolliffe recounted, that only two blocks were left of a "valuable" mining stock. She invested several hundred dollars, and, as the result of a second call, bought more. The end of the broadcast was that the widow lost her all.

Effect Damaging

"The effect of such broadcasts is very damaging to this country, this Province and to the development of the mining industry," Mr. Jolliffe declared. "There was a reference, however, at the end of the broadcast to the Attorney-General by name and to the new bill he is sponsoring to prevent the recurrence of such tragedies. I hope it will prove justified, but I am not sure. The Province is getting a great deal of very bad publicity."

Mr. Blackwell pointed out that the species of transaction referred to in the broadcast would not be legal under the telephone provisions in the new act which requires that a prospectus be supplied to prospective purchasers. Securities men themselves realize," he said, "that such practices are damaging, that's why they have been so co-operative in accepting the provisions of the act. I hope Mr. Jolliffe's expectations will be achieved by it."

"Hopes, not expectations," remarked Mr. Jolliffe.

Answering a question by the Opposition Leader, Mr. Blackwell said the new Securities Act will be proclaimed not earlier than mid-May or the beginning of June, explaining: "The act, we feel, should not be proclaimed until the commission is appointed and has considered administrative practices."

Companion Bill Read

A companion measure respecting prospecting syndicates having a capital not exceeding \$10,000 also went through committee yesterday as well as Health Minister R. P. Vivian's act to amend the Public Health Act. It provides that authority for installation of sanitary conveniences in premises, with payment by the owner over a period up to five years, be extended to all municipalities.

William Dennison (C.C.F., Toronto-St. David) objected that municipalities first should have sewage disposal plants as well as sewerage systems before scrapping septic tanks, and feared pollution of rivers and streams. He said 14 cities and 50 towns in Ontario have no sewage disposal plants. Dr. Vivian, however, pointed out that municipalities would be enabled to proceed to build them as soon as materials and labor are obtainable and that, with the advice of sanitary officers available, the danger mentioned by Mr. Dennison was "more imagined than real." He cited reductions achieved in the incidents of typhoid.