

an officer known as the Commissioner of Securities. Although it is not necessary (as under a Regulatory Act) that all securities should be submitted to the Commissioner before being sold, the Commissioner has power at any time to investigate any security, and if he believes it to be fraudulent he may prohibit its sale. He may also prosecute for fraud in connection with the sale of any securities. The information above mentioned, which is filed with the Commissioner, is now called a "statement" instead of a "prospectus," which latter word is used in the Companies Act. The word "prospectus" is now confined to the document upon the faith of which the public subscribes for stock, and it must contain all material information that is in the statement. The prospectus must be given to every purchaser of securities in order to bind him.

A prospectus must bear the name and address of the broker. If the issuer is not domiciled in Ontario or has failed to issue a prospectus it must be issued by the broker who intends to offer the securities for sale.

Every broker and salesman (other than a salesman resident in Ontario and acting for the broker) must be registered. In this way those who sell securities are kept under a measure of supervision and control. The Commissioner examines into the reputation of the applicant for registration and may refuse registration for certain specified reasons. If the applicant is not resident in Ontario he may be required to furnish security in the sum of \$10,000.

A graduated scale of penalties is provided for infractions of the Act. In case of fraud the maximum penalty is \$25,000, which is none too much in view of the fact that a fraudulent promoter may have obtained much more than this amount from a too-confiding public.

Objections have been urged that such legislation is an invasion by the State of private business and an additional regulation by the State of individual enterprise; that it savors of paternalism; that the citizen has a right to spend his money as he chooses, and that investors should be allowed to exercise their own discretion as to the character of the enterprises into which they put their money. Those who urge the above views claim that when the