

the Public Accounts Committee last year, large sums had been directed to other purposes. It should not be done in this case.

#### Recruiting Ceases Too Soon.

Continuing, the Liberal leader referred to despatches in a morning paper that further recruiting in Canada for the war would only be to fill up the gaps. He hoped the news was not correct. It had been understood that Canada would send three or four contingents.

Premier Hearst said there was no cause for alarm that the Dominion of Canada was not doing its duty, and that enlistment was to fall off. Up to the present time the Dominion of Canada had done its duty well and had come forward with the rest to stand with the people of the Empire in the great struggle.

#### One Example Already.

Mr. Bowman declared that patriotic speeches had nothing to do with the specific object of Mr. Rowell's amendment. They had before them the record of the Government in the Northern Ontario development case, where the Assistant Treasurer said that \$4,362,000 had been raised under the act, and \$3,062,000 applied to other purposes.

Mr. McGarry challenged this statement by saying that to-day the loan under that act was \$4,400,000, less \$1,500,000 that had been returned to pay off a short term loan, and practically all the balance had been spent on Northern Ontario work.

Mr. S. Carter (South Wellington) said his only experience in the Public Accounts Committee was sufficient to warn him against leaving public money to be expended at the will of the Government. Mr. Thos. Marshall (Lincoln) said patriotism was not considered as different, one man from another.

The amendment was lost on a standing vote.

#### Only Statutory Exemptions.

Early in the afternoon Mr. McGarry intimated that the Government had decided not to permit any exemptions under the act, except those contained in section 5 of the assessment act, such as schools, churches, etc. There was some discussion as to the meeting of cases of fixed assessments, but Mr. McGarry said this would be done if the municipality had carried out the proper assessment for school purposes. The provision to exempt the families of soldiers by municipal by-law was left unchanged.

Mr. J. C. Tolmie (Windsor) regretted that the Government the other day did not see its way to change the clause in regard to the tax as it would be applied to the mothers, fathers or wives of the soldiers at the front. It was said that the exemption could be made by the local municipality, that they had the power, but he believed the Government ought to do it right here. He did not think it should be left to the municipality.

"We are saying to the municipalities," the Provincial Treasurer replied, "we believe the members of your Council are just as patriotic as the members of this Government, and we are just as willing that you should be the judges as to who should be excluded as we here in the city of Toronto."

#### Borrowing Two Millions.

Mr. W. Proudfoot (Centre Huron), referring to the clause giving power to borrow a sum of \$2,000,000, which shall be repayable within a term not exceeding five years, said when they were raising money for only a temporary purpose he did not see any particular reason for taking the power for five years.

Mr. McGarry said they did not intend to raise the \$2,000,000 until the necessity of giving more donations arose and until the exchequer of the Province required it.

#### Government's Intentions.

Mr. Rowell intervened with the remark that there was no provision in the act as he read it requiring that this money should be applied solely for the war.

Mr. McGarry replied that there was no provision solely for the war tax, but to show the intention of the bill he read the preamble. It was the intention of the Government to send to France and Belgium a representative to ascertain the wants of the soldiers in the field, and they would give as the occasion required from the consolidated fund such amounts

as the Government might think wise and expedient in order that they might carry out the spirit of the bill.

Replying to a further question, Mr. McGarry said if the war were over in a week they could not expect the money to be spent for war purposes, but if the war was not over for a year the present intention of the Government was that every dollar of this money would be for war purposes.

## Mr. Rowell Advocates

### Tax on Increment

At the evening session Mr. Rowell advocated raising revenue from land taxation. He remarked that whether they said this was a war tax or not, it was the introduction of a principle of taxation into the Province which they might recognize as important, and one which he feared had come to stay. It would be recalled that in connection with the financial proposals made some two or three years ago in Great Britain, and more recently in connection with some of the western Provinces, they had taken into consideration the question of taking for the service of the public a portion of the increment value of land in urban centres. He had just been looking at the report of Assessment Commissioner Forman of Toronto for 1914, and he found that the land values in that city increased from \$130,000,000 in 1911 to \$291,000,000 in 1915. It was true that in 1915 the area of the city was somewhat larger than in 1911, but making allowances for these, the assessed value had doubled. Supposing in 1911 the Province had passed a law which would take even 10 per cent. of the increment value of the land, and assuming that the assessment in 1911 and 1915 were approximately on the same basis, they would have a gain of \$13,000,000. If five per cent. went to the Province and the other five per cent. to the municipalities the Province would have from this one city alone \$6,500,000. He submitted this was a source from which the Government and the municipality might derive a substantial return for public purposes. He favored local option in taxation.

#### An Emergency Measure.

Provincial Treasurer McGarry declared the war tax was a temporary and emergency one. With reference to the suggestion of the leader of the Opposition, he said this was a transition period with respect to real estate matters in the whole Dominion, and the present would not be an opportune time to effect a change of this kind. When the times were more normal they might be able to deal in a more extensive way with the whole question.

#### Future in Melting Pot.

Mr. Russell remarked that the Premier had stated it was the intention of the Government to take into consideration new sources of taxation, and he felt this was the proper time to vent this view of the case.

Premier Hearst replied that it was the intention of the Government to consider every aspect. Whether it would be wise and proper for the Government in the future to take a portion of the increment value was a matter which would receive attention. They would have the benefit of the experience the Provinces in the west were having on this subject.

Mr. Rowell—Do I understand this bill will be repealed when the war is over?

Mr. McGarry—My friend understands me correctly.

The bill passed through committee.