

M'GARRY HAS CLUB FOR LIFE COMPANIES

Government's Plan to Circumvent Obstacles

NEW POWER LEGISLATION

Various Amendments Affecting Public Utilities in Province—Changes in Compensation Law—Full Day of New Government Bills.

Hon. T. W. McGarry has designed a novel scheme of circumventing the insurance companies that refuse to pay the Provincial tax. Pending the decision of the courts on the litigation now in progress, it is proposed to levy a flat tax of \$25,000 on all insurance companies, but the Lieutenant-Governor in Council may, if the company pays a rate of 1½ per cent. on its gross income, remit any balance of the \$25,000 remaining. When introducing the bill in the Legislature yesterday, Mr. McGarry said that Judge Middleton in the course of the recent trial asked counsel for the insurance companies if they were not fair objects for taxation. The counsel had to admit that they were, but declined to advise the Government as to what would be a fair tax. The amendment to the corporation tax act will not affect the arrears of last year, and that will have to stand in abeyance until the decision of the Privy Council is given.

Confident of Judgment.

"We have come to the conclusion that we can hold the judgment," said Mr. McGarry, "but lawyers will understand that no one can tell what the Privy Council may do." The meaning of the bill is that when the company is filing its annual report with the Province it may make application for a reduction of the tax to the basis of 1½ per cent., which is the amount provided in the existing act. Whether a tax on gross income is direct or indirect, the flat rate of \$25,000 will leave that question no longer in doubt.

An Eye For an Eye.

A new feature in the corporation tax law will be one providing for reciprocity in the charges made by Ontario and other Provinces and States. Where an Ontario company is doing business in another community and is treated in respect to taxation as a foreign corporation and thereby discriminated against when compared with domestic corporations, the Provincial Treasurer is given power to impose in Ontario a tax against corporations of that Province or State equal to that imposed against Ontario corporations there.

New Power Legislation.

Hon. W. H. Hearst this year is sponsor for the power legislation. Sir Adam Beck being no longer a member of the Cabinet, it becomes necessary for a member of the Government to introduce this legislation. In explaining the bill the Premier said it provided in the first place for the payment of salaries to the members of the Hydro-electric Power Commission, other than the Chairman, who now received a salary from the Government, these salaries to be paid by the municipalities which seek this legislation. A new expropriation clause will cover special cases, and is made retroactive to the 1st of March. Power is to be given to the Commission to sell lands that have been purchased but are now no longer required.

Centralized Inspection.

A new provision is to be adopted

with regard to electrical inspection. Instead of the municipalities appointing electrical inspectors, to be approved by the Hydro-electric Power Commission, the Commission will take full charge of this work and appoint the inspectors itself. The Premier explained that this would meet cases of small towns and villages that were not able to employ an inspector all the time, and other places would not permit their inspector to do outside work. The Province will be divided into inspectorates with competent inspectors in charge. This change has been asked for by the Board of Control of Toronto.

Local Commissions.

The public utilities act is to be enlarged to apply to every municipality that has a contract with the Hydro-electric Power Commission, not only cities, as at present. In cities of over 100,000 the Commission to be established for the construction and maintenance of works shall consist of three persons, one to be appointed by the Municipal Council, one by the Hydro-electric, and the third may be the Mayor, although this is not obligatory. The independence of these Commissions is to be secured by a clause declaring that no member of any such Commission shall be a stockholder or have any interest in a company selling supplies or material to the Commission or be interested in a company selling electric power. The meaning of the act is to be made clear with regard to the binding nature of contracts upon municipalities. Where a Municipal Council enters into an agreement with the Hydro-electric Power Commission, that agreement will be binding upon a Public Utilities Commission or other body having its origin in the Council or in the municipality, such as Water Commissioners, Boards of Education, etc., and they will not be able to contract with outside concerns.

The expropriation clause in the municipal act is to be amended to provide that lands may be taken without paying money into court. The right of action is given the Commission for violation of agreement.

In reply to a question by Mr. Rowell, the Premier said that no salaries were being received by the members of the Hydro-electric Power Commission except the Chairman, who was paid \$6,000 by the Government and a similar amount by the municipalities.

Compensation Law Changes.

Hon. I. B. Lucas brought in the measure to make necessary amendments to the workmen's compensation act. While the amendments were mostly of a technical character, found advisable by the Commission in its work so far, he explained that the most important provision was one changing the law respecting workmen injured outside the Province. In cases where a company is doing business outside of the Province and an employee is engaged on this work for more than six months and is injured, he will receive his compensation under schedule 2 of the act, that is, the part relating to individual liability. The difficulty had been, said the Attorney-General, that it was almost impossible to keep track of the payroll of a company whose men were engaged outside the Province. There were also some changes in the assessment clauses, involving no departure in principle. "The Commission is still feeling its way," said Mr. Lucas, "and will make no change in the assessment for this year."

And More to Follow.

Mr. Rowell remarked that the Government had produced a fairly heavy bill of legislation for the House to digest, and would like to know from the Premier what else had to come down.

The Premier replied there were still to come an educational bill, one dealing with good roads and certain changes in the Hydro-radial law.