

WAR TAXATION GROWS TO MEET ONTARIO NEEDS

Race Track Taxation Raised to \$1,250 Per Day — One Cent on Amusement Tick- ets — Treasurer Claims Province Has Surplus on Year

Announcement of increased taxes on race tracks and a levy on tickets of admission to such places of amusement, as moving picture shows, theatres, concert halls, skating rinks, baseball and lacrosse parks and circuses was made in the course of Hon. T. W. McGarry's exhaustive financial statement in the Legislature yesterday. From these sources it is estimated that a revenue of \$450,000 per annum will be derived. The tax on race tracks will be raised from \$500 to \$1,250 per day, while a toll of one cent will be taken from patrons of the type of entertainment mentioned. Six race tracks are affected, namely, the Woodbine, Dufferin Park and Hillcrest, all of Toronto, and Hamilton, Fort Erie and Windsor.

Collecting the New Tax.

While the Provincial Treasurer did not specifically state the method of collecting the tax on patrons of amusements, it is understood that a system similar to that prevailing in Montreal will be adopted. This means that the theatregoer or baseball fan will hand over the amount of the tax in addition to the regular admission fee. It is expected that the one-cent levy will be enforced for some time at the beginning, but as experience shows the tax may be graded according to the price of the admission fee. This is apparently what the 25-cent maximum tax which may be brought into force by regulation or order in Council has in view.

In the course of his Budget speech, which brought forth congratulations from the other side of the House, the Provincial Treasurer hinted that there might come a time when the Provincial authorities would have to differ from the Finance Minister at Ottawa with regard to the method of taxation. He alluded to the generally understood plan that the Province imposed direct taxation, and said that after the war the Province of Ontario would firmly assert its desire to have a clear field for the imposition of those taxes within the compass allotted at the time of Confederation.

The Treasurer stated that the total ordinary receipts for the year were \$12,975,732, and the total ordinary expenditure \$12,704,362, leaving a net surplus of ordinary receipts over ordinary expenditure of \$271,000. The total estimated receipts for the fiscal year ending October 31, 1916, are \$12,892,378, the total ordinary expenditure \$10,142,451, and the total capital expenditure \$10,931,536.

It is expected that Mr. C. M. Bowman, the Liberal Whip, will criticize the Budget this afternoon.

Treasurer Considers New Revenue Sources

Alluding to taxation, Hon. Mr. McGarry said there might come a time when they would differ from the Minister of Finance at Ottawa with respect to the method of taxation. At Confederation the people of Ontario were given the right to impose direct but they were denied the right to impose indirect taxation. There was an understanding in most

minds that the Dominion Government would adopt the indirect method, but during the present year a direct tax has been put on profits on business. "I do not find fault with that tax," said the Provincial Treasurer. "I commend that tax. I say on behalf of the Government of this Province and the people of this Province that any imposition that the Minister of Finance at Ottawa finds it necessary to make in order to pursue this war to a successful conclusion we entirely agree with: but when the war is over there will come a time in the history of this Province and also a time in the history of the Dominion when we must regulate our financial dealings for the future, and among those financial dealings nothing will be more important than taxation of the people. We desire that that will be as fairly imposed as possible, but we wish to have a clear field for the imposition of those taxes within the compass which has been allotted us by Confederation. When that time arrives it will be the duty of the Government of this Province to see we are given the right to impose within the limitations of the British North America act, and make such taxation as we feel necessary.

No Radical Change.

"I do not believe, nor does this Government believe, that the present is the time to change radically our system of taxation.

"We have decided that we must have more money, not because we had a deficit, and not because we expect a deficit next year, but because we wish to have money with which to give and give willingly and liberally for the object of terminating this war at the earliest possible date.

Will Tax Amusements to Add to Revenue

"We have decided that there are certain forms of amusement which must pay a greater tribute to the exchequer of this Province. It is our intention to bring in legislation imposing upon all race tracks doing business in the Province a tax of \$1,250 per day. The tax at the present time is \$500 per day. In that way we will receive, instead of \$40,000, \$100,000 per year.

"In addition to that we intend taxing the people who like to spend the evening at the picture show or some other amusement. After carefully considering this legislation, after having taken, so far as we could, an inventory of the amount of business which these people are carrying on, we have decided to place a tax upon the patrons of these shows which may be paid by the owner of the show, but it will be on the patrons of places of amusement."

This, he stated, means theatres, moving picture houses, amusement halls, concert halls, circuses, baseball parks, skating rinks or other places which come under the category. He added that that tax of one cent might be increased to 25 cents by regulation and order in Council. Taking that tax at one cent, he estimated they would receive about \$350,000 in the Province. In other words, it was reckoned there were 35,000,000 admissions to the various places of amusement. Excluded from the operation of this tax would be all entertainments for a philanthropic, religious or patriotic purpose. He would give further information with respect to these two sources of taxation when the bills are brought down in the House.

No Income Tax Now.

With reference to talk about taxation of income, the Provincial Treasurer declared: "Until such time as the Government of Ontario is able to meet the representatives of the municipalities, and able to arrive at an agreement whereby the municipalities will give us a clear field for taxation of income, until that moment arrives we cannot impose any taxation." The Minister also stated it had been sug-