

LOWER EXCISE LEVY ON IMPORTED LIQUOR APPROVED BY HOUSE

Resolution Seeks Reduction
Where Sales Are Made by
Government Agencies

OPPOSED BY SINCLAIR

K. K. Homuth and W. G.
Weichel Strongly Favor
Plan

The Ontario Legislature took the stand yesterday that the reduction of the excise tax and duty on all malt and spirituous liquors would nullify to a great extent the activities of the "short-circuiting" bootlegger, and, accordingly, adopted a resolution suggesting to the Dominion Government that it make "cuts" in tax on all liquor where sales are made to Provinces operating Government-control systems.

The resolution was introduced by Karl Homuth (Independent Labor, South Waterloo), seconded by W. C. Weichel (Conservative, North Waterloo), vigorously opposed by Liberal Leader W. E. N. Sinclair, on the ground that in framing it the House was "meddling" in Federal affairs of finance, and, before the vote, was amended slightly by Premier Ferguson so as to make it coincide with the terms of a resolution passed at last summer's Interprovincial Conference at Ottawa. Its text follows:

The Resolution.

"That in the opinion of this House a very substantial reduction should be made in the excise tax and duty on all malt and spirituous liquor where sales are made to Provincial Governments or agencies created by the said Governments for the administration of the law, where a method of Government control has been adopted, in accordance with the terms of the resolutions passed at the conference of Provincial Governments held in Ottawa on June 7, 8 and 9, 1926, and presented to the Dominion Government."

Evoked Stirring Debate.

As expected, the motion for its adoption evoked some stirring debate, in which the Prime Minister and the Liberal Leader repeatedly crossed swords. Mr. Sinclair ridiculed the Government for "knocking at the door of Ottawa for help for its Liquor Control Bill," while Mr. Ferguson taunted the Liberal Leader for his "reticent attitude" on the question. Considerable election campaign argument was relished; and the crowded galleries had a good day of it.

Aims at Bootleggers.

"The only idea in my mind," said Mr. Homuth, in speaking to his resolution, "is to try and eliminate the distillers of illegal liquor and the bootleggers throughout the Province." Referring to the early introduction of Government control as "the dawn of a new era," he added that the only way of getting a successful administration of the act was to cut the price of liquor down as closely as possible and eliminate just as closely all elements of profit from sale.

Aim at Lower Prices.

"We are now going to have," he said, "a law that will do away with the deceit and hypocrisy upon which the old law was based, but we are not going to get rid of the bootlegger unless we remove from the sale of liquor this element of profit by which the bootlegging business is maintained. One thing we must see to: that whatever reduction is made be passed on to the people."

Confident About Euler.

"I have been asked if the Federal Government will co-operate if we pass this resolution along to it. I believe it will. Every day it finds fresh ramifications in the liquor traffic—fresh evidence of bootlegging traffic on a tremendous scale. I think Mr. Euler will co-operate with us. I know him well. I believe that when he recognizes an evil he has no hesitation in bringing in a remedy for it. So I'm sure that when he sees this duty is wrong he will take steps to have it reduced. I hope that every member of the House will see fit to support this resolution with a view to doing away with one of the greatest evils of the present time."

Mr. Weichel's Views.

W. C. Weichel, as seconder, mentioned the recent election and the statements of Government supporters that Government control would eliminate the bootlegger to a certain extent, and added that it behooved those members of the Legislature who had used that argument to support the resolution before the House. Mr. Weichel said that in 1911 the excise tax per gallon of liquor had been \$1.60, while now it was \$9. In view the said, of the fact that the Ontario Government was trying "to create better conditions," the time had come to ask the Federal Government to co-operate with Ontario in this regard.

Mr. Weichel said there had been too much inequality in recent years. The rich man had been able to buy good liquor at a Government vendor's, but the poor man had been getting his supply from the bootlegger—obnoxious stuff, that sometimes resulted in deaths. In European countries, where wine was cheap, said Mr. Weichel, there was the greatest sobriety.

It was the speaker's belief that, if the Federal Government reduced the excise duty, the Provinces of the Dominion with Government-control systems operating—particularly Ontario—should reduce their liquor prices in proportion to the reduction in the excise.

"If that is not done," warned Mr. Weichel, "we will have bootlegging just as we had it before."

Premier Ferguson Speaks.

"I am sure," said Premier Ferguson, "that the House is indebted to the honorable member for bringing this important matter to its attention. For it is one of the features of liquor administration, and it goes to the very root of the problem."

He declared that he believed the Dominion Government was interested more in the social and moral well-being of a Province than in the revenue collected from imported liquor. He went on to outline the amount of revenue affected by the proposal. Federal revenue from tax on spirits amounted in 1924 (the last figures available) to \$8,000,000. Of this \$4,500,000 was obtained from Ontario. Quebec contributed a little better than \$2,500,000. "So it appears," he added, "that Ontario consumes more spirits than Quebec under the present system, as evidenced in these figures."

Sees Small Revenue Loss.

"The amount of revenue that would be lost to the Dominion," Mr. Ferguson emphasized, "is so trifling in comparison with the great evil that it seems that if the matter is brought sufficiently to the attention of the Dominion Government it will sympathize with the view brought forward by my honorable friend."

The tax, said he, was so excessive

that the bootlegger could afford to take great risks and losses and still be able to salvage something.

Then he pointed out that this matter of excise reduction had been considered at the Interprovincial Conference in Ottawa in June, and the representatives of the Provinces there had, in a resolution, taken a stand that the Dominion Government should be approached in the matter and urged to do something in the way of a reduction.

He noted that last year the Ontario Government, on a sale of liquor through dispensaries that totalled \$5,000,000, had a net profit of \$1,000,000, and had paid Ottawa \$2,300,000.

Proposes Amendment.

He declared that the Government would be prepared, and he thought the House, as a whole, would also be willing, to accept Mr. Homuth's motion if it was amended to have the excise reduction to apply only to liquor imported for Government liquor agencies under a system of Government control, and he proposed such an amendment.

Sinclair Protests.

At the very outset of his remarks Mr. Sinclair expressed the belief that from Federal matters Ontario could very well hold itself aloof. The present Government at Ottawa was, he contended, "eminently fitted to take care of its own financial matters."

"I think," said he, "we are going considerably out of our way in passing a resolution from his Legislature to the Federal Parliament. I wish to register a protest on that ground."

Arguments Hard to Reconcile.

The Liberal Leader, in caustic vein, referred to the election campaign statements of the Prime Minister and Attorney-General Price, quoting excerpts from their platform appeals to the effect that Government control would banish the bootlegger. It was difficult, he said, to reconcile those arguments with the recent admission from Mr. Weichel that the bootlegger apparently was here to stay.

"Are you taking the position," inquired Premier Ferguson, "of not trying to help eliminate bootlegging?"

"My honorable friend seems very anxious to know my position," replied Mr. Sinclair. "Let me say that the people of this Province were a good many years finding out his position."

Further criticism of the Government's campaign argument brought from the Prime Minister the query: "Don't you think reduction of this tax would help to reduce bootlegging?"

Doubts Value of Tax.

"I can't say," declared Mr. Sinclair. "But I doubt very much if it will. For as long as human nature is as it is, people will violate your law as well as any other's law."

In "knocking at the door of Ottawa for help for the Government Control Bill," the Ontario Government, concluded Mr. Sinclair, was unquestionably overstepping its jurisdiction.

Price Cites Precedent.

Col. Price, speaking next, declared that every Province had made the same representation to Ottawa in the matter. Mr. Belanger wondered if this had been done by resolution in any Legislature. Col. Price believed the British Columbia House had adopted such a resolution.

This plea for a reduction of the excise tended, he went on, to do away with bootlegging. He appealed to the House: "Let us try it."

Urges General Approval.

He gave further figures on the excise. It was \$1.80 a quart on liquor, \$14.85 on an Imperial gallon of alcohol. He felt that the members, irrespective of party, should approve the move as "a good thing."

"Never mind our old scores," he added. "We're over that."

"No! No!" came a shout from the Liberal benches. "Don't forget your old speeches."

Conflict Indicated.

A. Belanger (Liberal, Russell) took a hand in the discussion to show that "two principles are in conflict."

"If we're going to open the gates of discussion on matters exclusively of Dominion jurisdiction," said he, "where will it all end? On the other hand, I don't like to oppose the measure."

The motion did not come from a Government member, he said. Was the Government going to stand behind it? The situation was somewhat similar to that resulting from the introduction of Mr. Raney's amendment in the debate on Tuesday, which hoped that Government-control legislation "would be based on principles of true temperance, with especial regard for the protection of the youth of Ontario."