

March 20th.

MAJORITY VOTES HALT QUESTIONS PUT BY SINCLAIR

Public Accounts Committee Turns Down Opposition Re- quest for Answer

COLLECTION OF REVENUE

Controller Controls Only His Department—No Penalties for Non-Payment

Polling a vote of 23 to 7 in the Committee on Public Accounts yesterday, Government members prevented William E. N. Sinclair, Liberal Leader, and other members of the Opposition from publicly securing information relative to stock transactions and reports made to the Attorney-General's Department.

Inquiring into an item of \$620,314 stock transfer tax, Mr. Sinclair piled James T. White, K.C., Controller of Revenue, with questions. When Mr. White handed Mr. Sinclair a statement of returns to his department showing taxes from brokerage firms on the Standard Stock and Mining Exchange, Hon. William Finlayson, representing the Government, maintained that the names should not be revealed. He emphasized that brokerage investigations are still going on and cases are before the courts. Hon. William D. Black, Chairman of the committee, upheld Mr. Finlayson.

Further Protests.

A few minutes later, when Mr. Sinclair tried to get details of a report made by some one in the Controller's Department to the Attorney-General's Department, Mr. Finlayson again raised protests. He objected to the information in the report being given. Then he objected to the date being made public, voicing his previous argument. He stated that if even the date was given out one could link it up with the stock deals by simply looking up stock transactions at that time.

During the sitting Mr. Sinclair maintained that information given by Mr. White conveyed an impression of the Government's financial administration that differed from that given in the Budget presentation.

Does Not Control All Revenue.

Especially did the Liberal Leader declare this when Mr. White stated that, while he was Controller of Revenue, he did not control all the revenue of the Government. In fact, he explained, his office only really had to do with the Treasury Department. He stated that he did not know of any one man who was responsible for all the collecting of revenue.

Mr. White will be further questioned on Monday next, when the committee again meets.

Mr. White was first questioned as to details of how long he had been in office, and the types of tax and returns collected by his department. He stated that the check-up was made as rapidly as possible. But, said he, the Province had not yet been completely covered by a check-up, and the Government had no annual audit of companies in Ontario with stock for sale.

No Lists of Shareholders.

Replying to another question, he told Mr. Sinclair that three years ago lists of shareholders had been eliminated from the annual returns.

"And so another source of information was cut off?" said Mr. Sinclair.

"I don't know if we would use that information," Mr. White replied.

Continuing with his testimony, he stated that no penalties had been collected for non-payment of dues, as "nobody deliberately neglected to pay."

Mr. White explained that certain departments collected their own revenue, and that he did not investigate arrears in those departments.

"We have been operating for only two years," said he. "We don't want to take on more than we can digest. I expect that in time we can arrange to take over that work."

"It wouldn't do for you to come into the House and make that kind of speech," Mr. Sinclair said, and added that one could understand from the Budget report that there was central control and guarantee of collecting arrears.

Mr. Sinclair also inquired if his department was so understaffed that he could not do the other work. Mr. White replied that it would take time to arrange the system whereby his department might take over from other departments.

Who Is Responsible?

"Who is responsible to the Government for the collection of all revenues?" Mr. Sinclair asked.

"I don't think any one is," Mr. White replied. "I certainly am not."

He stated that, as Controller of Revenue, he was Controller in the Treasury Department.

Mr. Sinclair said that one was led to believe otherwise from the Budget speech.

"Oh, no," said Hon. Dr. Joseph D. Monteith, Provincial Treasurer.

"No, no," began Mr. Finlayson, when Mr. Sinclair interrupted with: "All right; we don't want to get in an argument again. We want to stand in right with the Chairman."

Mr. Sinclair asked for one of the returns received by the Controller. He was handed a document bearing statement of tax on certain brokerage companies in the Standard Exchange. Mr. Finlayson protested that it was not in the public interest that the names be made known, as prosecutions were before the courts and investigations continuing.

Dues for One Week.

Mr. Sinclair noted that the statement was one of dues of \$7,062 for the week ending Oct. 27, 1928.

"I don't see why the names should be published," Mr. Finlayson again interrupted.

"If you say the investigation can't go on this way, it won't go on this way, but I ask for a ruling," Mr. Sinclair retorted.

Chairman Black upheld Mr. Finlayson, saying: "His point is well taken; it is not in the best interests to publish this."

"Having given a ruling without knowing what names are here, I'm obliged to submit," Mr. Sinclair replied.

Mr. Finlayson stated he would furnish copies of the statement with the names taken out.

"I don't want a blank form. It's no good to me," Mr. Sinclair retorted.

Mr. Black stated that he understood that names in the document were of companies involved in litigation.

"Does the litigation go back to 1928?" Mr. Sinclair asked.

"The investigation is going back far beyond that," Mr. Finlayson declared. "The whole question is before the courts."

"This is the only place that I'd not

be allowed to put this statement in as evidence," said Mr. Sinclair.

"Oh, you always do make a speech," Mr. Finlayson said, sourly.

Departmental Report.

Questioned as to a report made from his department to that of the Attorney-General calling for Crown investigation, Mr. White stated that he did not make the report, but that some one in his department did. He did not know exactly who had done it. It was done some months ago, said he.

He said the report might have been made by W. A. Orr, his assistant, or by H. R. Boal. Mr. Sinclair noted that in the public accounts Mr. Boal was listed as "Head Inspector of Amusements Tax." Mr. White explained that he was head of all inspectors of the department.

Mr. Sinclair asked what information was conveyed in the report.

Mr. Finlayson protested that it should not be divulged. "If you gave that here it might ruin prosecutions," said he. "Books might be destroyed, witnesses got out of the way."

"What was the first date that the information was given?" Mr. Sinclair then asked.

Mr. Finlayson again objected.

"What objection is there to giving the date?" A. Russell Nesbitt (Conservative, Toronto-Bracondale) asked.

Mr. Finlayson explained that the date could be connected with stock exchanges, and conclusions drawn.

Mr. Sinclair pressed that his question should be answered. Chairman Black ruled against him, saying: "It may prejudice the case."

Appeals From Ruling.

"I appeal from the ruling of the Chair," Mr. Sinclair replied.

A vote by a showing of hands was called. It was 20 to 7 against Mr. Sinclair. Mr. Nesbitt voted with his fellow-Conservatives.

The Liberal Leader asked that it be polled. The poll also was 20 to 7 in favor of the ruling.

At this juncture another flare-up occurred. Mr. Sinclair remarked that he could not hear what the witness was saying, because of the noise that was going on, and that if the Chairman did not keep better order he would discontinue his examination.

Chairman—I have tried to keep good order. I have asked the members of the committee to stop talking, and I now repeat my request. And I would thank my honorable friend (Mr. Sinclair) for the courteous manner in which he has referred to me.

Mr. Sinclair—I will thank my honorable friend (Chairman Black) for the courteous way in which he has given his rulings.

Chairman—I make my rulings according to my best judgment, and if they don't happen to coincide with the views of my honorable friend—

Mr. Sinclair—I happen to be a lawyer, and I know what should be done.

Chorus of Government member "Oh's."

Mr. Finlayson—Lawyers know everything.

Mr. Sinclair—I'm examining the witness, and if order can't be maintained I'm not going any farther.

Chairman—I am trying to keep order and I don't know that you've been helping very much.

Mr. Sinclair—Thank you.

Chairman—Now go on with your examination.

Mr. Sinclair—Thank you.

Checking Up Offices.

Since late in 1927, Mr. White stated, there have been inspectors engaged in checking up the brokerage offices. In the summer months, when race-tracks were being checked, there would be no inspectors, he presumed, at work in the brokers' offices.