

April 1

## SINCLAIR ATTACKS CORPORATIONS TAX AS PUBLIC BURDEN

Will Lead to Increased Prices for Commodities, He Says

### SECOND READING GIVEN

The corporations tax passed its second reading in the Ontario Legislature last night, only after William E. N. Sinclair, Liberal House Leader, had raised his voice in warning that the impost would be borne by the ultimate consumer, in the long run, through increased prices for commodities.

After Hon. E. A. Dunlop, Provincial Treasurer, had explained the act and twitted the Opposition for deploring Government expenditures in gross, while urging increased expenditures in detail, Mr. Sinclair expressed his criticism of the corporations tax. He noted that the tax would not apply to partnerships or individuals doing an even greater volume of business than companies.

#### Reaching Out for Revenue.

"I thought," he said, "that the Government boasted that taxes were for services rendered. You give equal services to individual business men as to limited companies. This tax is not for services rendered. It is a reaching out by this Government for more revenue."

Referring to the Provincial Treasurer's statement that the corporations tax was in line with those imposed in other Provinces and States in the Union, Mr. Sinclair said, in a vein of irony: "My honorable friend is adopting too much American legislation. The first thing he knows the patriotic party of which he is a member will be dumping him over."

"Go ahead and spend money. The people will be the judge. This Government will be criticized by the public for increased taxation at this time. Every tax on business and industry is an additional burden on the people as a whole. The corporations tax will be passed on to the public. The bill affects the people of the Province and will result in an increase in the cost of commodities. I know that this act will pass in spite of what I may say. But, as one of the Opposition, I believe I should express my view in no uncertain terms."

#### Cite No Specific Item.

In explaining the bill, which levies a tax of one-tenth of 1 per cent. on the capital of corporations, Mr. Dunlop claimed that, although the tax did not apply to individuals and partnerships, they did not enjoy limited liability. The Opposition, he said, had been free in criticizing the gross expenditure of the Government, but failed to put its finger on any specific expenditure which it would have eliminated. On the other hand, the Opposition, in several particulars, advocated policies which would mean an increase in expenditures.

In this connection the Minister called the attention of the Opposition to measures to increase Government revenue from secession duties and its attitude regarding old-age pensions and an extension of the provisions of mothers' allowances. He referred to a press clipping to the effect that Canadian manufacturers would declare \$28,000,000 in dividends for April, which, he felt, refuted claims that Ontario manufacturers could not meet the corporations tax. The Provincial Treasurer also mentioned that other Provinces and States imposed a similar tax.

## FERGUSON LAWS HOTLY CENSURED BY TORY MEMBER

Fred McBrien Terms Hydro Arbitration Legislation Unfair, Vicious

### HOUSE IS STARTLED

While two members of the Conservative ranks on Monday attacked Government legislation in the Ontario Legislature, it remained for Fred G. McBrien (Conservative, Toronto-Brockton) to criticize last night in the most vigorous terms laws which for six years past under the Ferguson administration have covered the assessment of damages as between the Hydro Commission and property owners. "Unfair," "vicious" and "iniquitous" were some of the terms which the young Tory member used to describe what he felt about the laws under which arbitration cases against the Hydro had been tried in recent years. The legislation proposed by the present Government would be 100 per cent. better than that which has previously existed, he said.

#### Discuss Amendment.

The incident arose during discussion in the House of the amendment to the Power Commission Act, which seeks to simplify the method of arbitrating compensation claims by property owners against the Hydro Power Commission.

William E. N. Sinclair, Liberal Leader, was engaged in a discussion with Hon. J. R. Cooke, acting Hydro Chairman, when Mr. McBrien leaped from his seat and launched his onslaught against the laws governing compensation cases in the past, and accused the Opposition of having "been asleep at the switch" for not criticizing the laws before.

Under the old laws, he said, a claimant's damages against the Hydro might be entirely eaten up by the costs of fighting the claim. He recalled one case in which he had appeared on behalf of a property owner. The tribunal deciding the award had included a former Prime Minister of the Province. And the highest-priced valuers obtainable had been retained on behalf of the Commission.

#### "Hasn't a Chance."

"I submit that if powerful organizations resort to these methods a claimant hasn't a chance," he declared.

In one hearing the cost of a stenographer had amounted to the price of the claim.

Following the iconoclast from Brockton, Mr. Sinclair said: "If we have been asleep at the switch in this matter, we have been sleeping with the honorable member. He could not have made such a speech as he has under the old regime. If I had made such a speech the Liberals would have been accused of being enemies of Hydro."

He pointed out that as a result of Liberal criticism the present amendments to the law established a fairer system of arbitrating compensation claims than in the past.

## LIBERAL MEMBERS GUESTS OF LEADER AT HAPPY MEETING

Rumors of Dissension Set at Naught by Pledges of Loyalty

### GLOVES OFF FOR TORIES

Will Tell Series of Picnics How They Vilify Him

Complete unanimity prevailed in a decision of Liberal members of the Ontario Legislature to go forward in a united front under the leadership of Mitchell F. Hepburn, M.P., Elgin West, and newly elected Leader of the Ontario Liberal Party, who gave an informal dinner to his elected followers at the Prince George Hotel last night. Speaking to The Globe, following what was termed a get-together of friends, the energetic and forceful Western Ontario Parliamentarian, whom the rank and file of Liberalism has placed at its head stated each member had expressed himself as unanimously supporting the will of the convention of last December as to its choice of Leader and its enunciated policies.

#### Harmonious Meeting.

"Harmonious," was the word by which Dr. George A. McQuibban, prominent Liberal and sitting member in the Ontario House for Wellington Northeast, described the gathering. All Liberal members of the House were present, Dr. McQuibban said, with the exception of William E. N. Sinclair, K.C., and Dr. L. J. Simpson, both of whom were unavoidably absent through previously arranged engagements. Dr. Simpson, however, met Mr. Hepburn during the afternoon, and Mr. Sinclair was engaged in the House, which was sitting on many legislative matters.

"The expressions of support which I have just received from the members will surely put at rest any rumors that may have existed as to the desire of the party to go forward in a united front," Mr. Hepburn smilingly said, when interviewed. "It will tend to relieve any who have had dubious feelings as to existing unanimity among Liberal members of the Legislature, and among the rank and file of Liberalism, who are, after all, the backbone of our great party."

Declaring that his opponents had subjected him to an unwarranted campaign against his leadership since he was elected by the convention, Mr. Hepburn felt that no better answer could be given than that evident in the whole-hearted encouragement which he had received at the meeting.

"I have been subjected to an unwarranted whispering campaign and have faced a relentless propaganda of vilification by Toryism and the Tory press since I was honored with the convention's appointment, and I want to take this occasion to throw back in their faces the continued intimations that Liberalism in Ontario was not united," he declared.

"They stated at the outset that I would lead the party from the sidelines during this session, and they criticized me for such action, which, they said, I would take. Now that they have found that I have not done as they predicted, they are saying that I should have done this very thing."