

February 15

Tory Debt Legacy Forces New Levy, Claims J. J. Glass

Proposed Income Tax- ation Said Scientific and Equitable

J. J. GLASS, Toronto Liberal M.P.P., pounded at the Conservative benches in yesterday's Legislature with the statement that juggled Conservative finance of past years was forcing the Hepburn Government to pass an income tax.

Government Strategy Seen.

His hour and a half speech, it was reported, was Liberal strategy, designed to carry the tax debate over to Monday. On that day the Government hopes to have the Premier back and ready to carry the fight to the Opposition.

Announcing that a night session will be probably called on Monday, Acting Premier Harry Nixon adjourned the House at 4.30.

Before the adjournment, Mr. Glass had laid down a bombardment of finance figures, showing Ferguson and Henry Government debt increases. An income tax, said the member, was the proper means to levy the revenue the Province must have to get ahead of this debt.

Once the Toronto M.P.P.'s enthusiasm was too much for him.

"We are going to pay all current expenditures out of current revenue—unless this Province goes bankrupt, and we are unable to do it," he told the House.

The last phrase set Opposition and Government benches in laughing uproar.

"Should it not be the aim of Governments," asked Mr. Glass, "to create a surplus to pay off some of the debt? This income tax is the most scientific means of taxation. Only those who are able to pay the tax are assessed. This tax will not hurt the interests of the Province."

"Orgies of Spending."

The Hepburn Government, Mr. Glass submitted, was working its way out of a morass of juggled budgeting and "orgies of spending" of past years.

"Why this taxation?" queried the Toronto member. "I'll tell you why this taxation. We were left with a legacy of debt, with a legacy of deficits, that had to be taken care of

to preserve the honor of the Province."

Mr. Glass said that the Government would in time arrive at a point where it could peg the debt. Credit would improve and permit profitable refunding and eventually a surplus would permit debt reduction.

"That's the goal," he said, "this Government is heading for."

Former Premier Henry, said Mr. Glass, "never had a surplus, and during that time carried on the most extravagant government in the history of this Province."

Conservative crossfire held up the speaker repeatedly. Arthur Ellis of Ottawa, repeated the persistent Opposition request for the figures on debt increase under the Hepburn Government. Mr. Glass told him it would come at the proper time, "and you won't like it and the public will."

A Liberal speaker on Thursday told the Opposition what the funded debt was as of Dec. 31, Mr. Nixon broke in:

"Do you want it as of last night?" asked the Acting Premier.

Five minutes later Hon. George Challies in the Opposition, demanded and received withdrawal of a statement from Mr. Glass on highway work prior to the 1934 election. No Conservative could get a job after the election, added Mr. Challies.

"The work had ended," explained Minister of Highways T. B. McQuesten.

"No, no," said Mr. Challies. They had signs in my riding saying 'Grits at work'—not 'Men at work.'"

Leopold Macaulay, Highways Minister when Henry Walker was chief witness at the hearings of the highway charges of 1934, broke into the debate.

"The last people who talked about bribery in highway work are facing a blackmail charge at St. Thomas," he said.

Mr. Glass ended up with an itemized record of Hepburn Government economies beginning with the reduction of Ministers' salaries and the sale of Ministers' automobiles and ending up with the famed "yacht on Timagami."

BUSINESS TAX TO BE REFUNDED UNDER NEW ACT

Toronto Borrowing Power Amended Upward

Complementary legislation to the Ontario Income Tax Bill was introduced in the Legislature yesterday by Hon. David A. Croll, Minister of Welfare.

The new bill provides amendments to the Ontario Municipal Acts. Highlights:

The City of Toronto is empowered to borrow up to 12 per cent. on the first \$200,000,000 of assessment and up to 8 per cent. on any over that amount.

The Province will make a refund of the amount of business tax collected from persons also paying income tax.

The Treasury will reimburse municipalities for their losses involved in the abolition of the municipal income tax.

The act stipulates that business assessments will be returned only to individuals, not to corporations.

Voters in municipalities are protected under the change. A citizen may secure a certificate from the Clerk of the municipality which will entitle him to cast a ballot.

On Monday the Government will bring in another measure dealing with municipalities that have not levied an income tax.

The refund of business assessments is in keeping with the provisions under the Assessment Act, whereby only that portion of their income in excess of the business assessment was taxable under the municipal income taxation laws.

Repeated fears had been expressed by Toronto civic officials that their borrowing powers would be slashed under the new income tax legislation. Ever since 1889 Toronto has been limited in the issuing of debentures up to 12½ per cent. of the first \$100,000,000 of its assessment, plus 6 per cent. over that amount.

The new provisions place the city practically in the same position.