

Constitutionality Of Income Tax Bill Assailed by Price

Former Attorney-General Claims Delegation of Power to Ottawa Is Indefensible

THE constitutionality of the Ontario Government's proposed income tax bill was questioned in the Legislature last night by former Attorney-General W. H. Price.

Reading Delayed.

The former Attorney-General made his point at a little before 11 p.m. Speakers to the bill from both sides of the House had used up most of the afternoon and all of the evening in protracted debate. Conservatives still delayed a second reading by rising one by one, to demand that the Government say why it needed the income tax levy.

The bill was unconstitutional, Colonel Price hazarded, because of the delegation of powers to Ottawa for the collection of the tax.

"I doubt," he said, though he admitted the value of such a means of collection, "whether that will stand up in the courts, because it is a delegation of power from one Government to another."

The former Attorney-General refused to be pressed into a more definite statement.

"I'm just pointing it out," he said. "What do you think about it?" asked Riverdale's M.P.P., Robert Allen. "I'm not giving free opinions," grinned the former Attorney-General.

"Just a Schoolboy."

At one time the former Attorney-General declared that Premier Hepburn was "just a schoolboy as far as finance was concerned."

"He thinks he can do these things (balancing the budget) by a wave of the hand, but it's a man's job, a big man's job," Mr. Price said.

At 11.10 p.m. the House adjourned, but Acting Premier Harry Nixon warned the Opposition that there would be night sessions until second reading had been given the bill.

Questions Finances.

"Where's the statement—that's the burden of our tale," Colonel Price admitted, as he took up the repeated Conservative demands for a statement of Government finances.

The Colonel supported his demand with a speech which struck at all weak points in the Liberal structure.

He touched in witty fashion on the abolition of agriculture development board sessions; on the repeated scheduling of a special session; and on the "quarrelling among yourselves," at the post-election Ottawa conferences.

"Wasn't that an edifying spectacle at Ottawa?" he asked the Government.

The former Attorney-General said he read the papers; read how the Government was collecting more money; stiffening its revenue collections; making cuts in the Civil Service—"and yet you come here and want to levy an income tax."

"We ask the supporters of the Government—why don't they insist on a statement."

"Steam-Roller Tactics."

"Steam-roller tactics" on the income tax bill will weaken the Government, Wilfrid Heighington, idol of the "young Tories," maintained as the Legislature reconvened for last night's sitting.

The young Conservative member made an avowed attempt to get the Government to debate the principle of the tax bill. He challenged the Liberals with the statement that, they had no mandate for such legislation and had a mandate for rigid economy and reduced taxation.

The Government, Mr. Heighington said, would not have garnered the vote of the municipalities in 1934 on the program now proposed.

"We would like to hear some defense in principle," he urged. "We are assembled here to discuss a matter of exacting \$15,000,000—or \$5,000,000—from the pockets of those who are not here and have us to represent them."

"Why isn't it good sense to introduce this legislation?" Mr. Heighington queried.

He quoted Premier Hepburn and The Globe to answer his own question. The Premier had warned of the dangers of a great tax burden. The Globe had asked tax-making bodies to preserve a sense of proportion.

Further, said Mr. Heighington, taxes had been increasing, and the national income had fallen since the depression.

"Who was in power then?" queried Mr. Nixon.

"That's what I've been waiting for," the speaker snapped, as he gave the Liberal benches a tongue-lashing for answering arguments with a reference to past records.

"You're on trial now—not the Henry Government."

"But that man seems to want us to take a short time to correct thirty years of maladministration," observed Arthur Des Rosiers, little French-Canadian member for Russell.

Sees Justification.

It was 9 o'clock when Dr. L. J. Simpson rose to follow Wilfrid Heighington (Conservative, Toronto St. David).

"This bill, while it is an important one, needs no further explanation," said the Minister of Education. "The members on this side of the House have gone into it fully."

The Opposition had been demanding a reason why the Government should find it necessary to introduce such a bill, he said. "The facts of the matter are that money is needed, and hence this bill," was his answer.

He charged the Henry Administration with being "incompetent, inefficient, and filled with reckless, drunken, stupid extravagance, extended over a long period of years."

Mr. Price—I think the honorable member has far overstepped Parliamentary debate."

The Education Minister offered to withdraw the word "drunken," and continued: "The other side of this House is almost Leaderless. The present Leader is leading in the House simply because no one else has been found to take over and put the party

on its feet."

Sees Account Juggling.

The results of the election on June 19, 1934, were "not so much an election, but a rebellion, and in fact almost complete annihilation," he said.

It would have been complete except for third parties. The Province, perhaps, owed a debt of gratitude for the situation as it turned out, for, had it been otherwise, Ontario might be in a position similar to a sister Province who had no opposition whatever in its Legislature, he said.

"Why are you here?" he demanded of the Tory members. "The answer is—because you were in three-cornered fights."

Debt charges today had spiralled upward until they amounted to forty cents on the dollar. How could a business man carry on on such a basis? he asked.

"That, Mr. Speaker, was the plight we found ourselves in in the summer of 1935."

Never once had the Henry Government balanced its Budget, but it had frequently juggled its figures, he said.

He extended an invitation to W. A. Baird (Conservative, Toronto High Park), to cross the floor of the House and vote with the Government for the income tax bill. Mr. Baird had once said he was in favor of the principle of taxing incomes.

"I think that if he is going to be fair he should come across and support us in this bill," Dr. Simpson said.

"There is no desire on the part of this Government to soak the rich, but we are anxious to give them opportunity of sharing the burden of operating this Province.

"When we succeed in balancing our Budget and pegging our debt, industry is not going out of this Province, but will be coming back to us in increasing greatness," he said.

He quoted the London Free Press, a Conservative paper, as saying that it considered that Premier Hepburn was working in the right direction in levying a uniform tax.

"Consider well before you vote against this bill," he warned the Opposition. "The people of the Province are concerned; they want to see this Province go back to a pay-as-you-go basis.

"What about getting away from party prejudice for a while and supporting this measure, which you know in your hearts is for the welfare of the people?" he concluded.

Tax Weakness.

The weakness of the proposed income tax is its failure to allow taxpayers an exemption for the revenue from real estate, G. C. Elgie, Toronto-Woodbine member, told the Legislature.

The new Conservative member from East Toronto made a serious appeal to the Government for reconsideration of this clause. Give taxpayers, he urged, the real estate exemptions granted under the old municipal income tax.

"Not to exempt revenue from real estate is to discriminate against it," said Mr. Elgie. "Take this bill back into Cabinet and give real estate men a chance. If they fail it will be the greatest blow that could be delivered against employment."

Owners, said the Toronto member, would not build on real estate to pay an additional levy.

Mr. Elgie opened fire at 9.30 p.m. with the admission that an income tax, justly applied, was about as far a tax as any.

"But what the people want," he said, "is to know why this tax is being levied."

The Toronto member suggested it might be well for the income-tax revenue to be earmarked for relief purposes.

As another alternative, he suggested that the Dominion Government should collect all the taxes on one form and apportion it to the Province. "There isn't any objection to that," he said, with a dig at all-Liberal pre-election slogans, "now that we're one family."

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