

# TAX REFUND TO PENSIONERS IS INDICATED

**A**N ATTEMPT by the Opposition to have military pensions exempted from the Provincial income tax was rejected by the Government last night, but Premier Hepburn indicated his Administration might make refunds to returned soldiers whose pensions were taxed.

## Amendment Defeated.

A fight over taxation of military pensions was precipitated by Wilfrid Heighington (Conservative, Toronto-St. David) shortly after the House dissolved into Committee of the Whole.

By 44 to 15 the Government downed his amendment to the act, which would have exempted all soldiers, whether Imperial Army or Canadian

Army, from making a return on the tax.

The Government, explained Premier Hepburn and Hon. Paul Leduc, were forced to follow the Federal Income Tax Act. It was impossible to change the schedules, as was suggested, and the only alternative they had was to set up their own collection machinery, at a cost of \$750,000 per year, they said.

Premier Hepburn promised that he would give consideration to making a refund of taxes collected from such pensions.

The Government also defeated two motions to increase exemptions on ordinary incomes.

Both were proposed by Arthur Ellis (Cons., Ottawa South), who first urged that exemptions for householders and married men be increased from \$2,000 to \$3,000; and, secondly, that exemptions for single persons be increased from \$1,000 to \$1,500.

## "Cannot Accept Amendment."

Several charges that the Hepburn Government was treating returned soldiers unfairly were flung across the floor of the House by the Conservative members.

The Committee of the Whole had worked through part one of the act, and were starting on part two when Mr. Heighington voiced his objections to Section 4, Subsection C, dealing with taxable incomes, and which reads:

"The income of officials of Great Britain or any of its self-governing colonies whose duties require them to reside in Ontario and who are not engaged in any business or calling other than the duties appertaining to their official position."

He asked the House to consider his amendment, exempting soldiers. Immediately Hon. Paul Leduc was on his feet. "We cannot accept the amendment," he said.

Mr. Heighington—That is a rather startling statement to make to this House. Taxes were being paid in huge sums by every citizen in the country to maintain pensions for soldiers, for men who had been wounded in the succor of their country. Now, the Government came along and proposed to "nick a little off."

Mr. Leduc—May I ask my friend if these pensions are exempted under the Federal Act?

## Heighington Cites Case.

Unfortunately, said Mr. Heighington, such was not the case, but "another man's wrong" did not make this Government right, he said.

He knew of a soldier with the rank of captain, who had lost the sight of both eyes. This man received a pension well over \$1,000, but now was to lose a part of it to this Government.

"I feel so strongly that this Government is pursuing an erroneous course that I must press the amendment," he said.

Colonel Fraser Hunter (Liberal, Toronto, St. Patrick) protested to the Government that soldiers did not want to be exempted from paying the Federal tax. That they had voluntarily surrendered a right of exemption at a conference in Ottawa several years ago.

For patriotic reasons they had voluntarily given it up because they were told and realized that the Government of Canada was in a tight position financially.

Further heated debate from the Opposition side of the House prompted Mr. Hepburn to declare: "This House knows full well that we must follow the Federal bill in order that the Dominion may collect the tax without any additional expense. Our alternative is to set up our own machinery at a cost of \$750,000 per year."

## Leaders Spar Verbally.

Mr. Heighington: "That just shows one of the fatal weaknesses of this bill." A Crown authority such as the Legislature of the Province of Ontario should not be forced into such

a position. The Premier's answer was "hopelessly inadequate."

No Government should be placed in the position where it had to follow exactly the laws enacted by another Parliament, he insisted.

Mr. Hepburn rose to interrupt that the Henry Administration had done just such a thing in another piece of legislation.

The Conservative speaker insisted he had not finished his point when the Premier interrupted him.

Mr. Hepburn—You seldom make a point.

Mr. Henry—That is just one of the common wisecracks of the Premier. It is beneath the dignity of a Prime Minister. The intelligence of the member from St. David (Mr. Heighington) is well known. He makes so many points they get beneath his skin.

Mr. Hepburn—I couldn't get one beneath your skin, not even with a pickaxe.

## Refund to Be Considered.

Mr. Leduc—You cannot expect the Dominion to make collections if we have exemptions which they have not. You have the assurance of the Premier that he will take into consideration refunding this tax.

The Hepburn Administration was just as sympathetic, he said, as any Government to the needs of the soldiers. The Federal authorities, however, would have to make out separate forms and keep separate books, and go through involved, expensive procedure to make such allowances, he said.

Mr. Kidd—Just another instance this Government is not taking care of returned soldiers.

The Government had refused point blank to consider the amendment, he said.

"And gave its reasons," heatedly declared Mr. Leduc.

The Minister of Mines sat back in his seat and muttered: "I'm sick and tired of professional patriots."

There was a standing order with this Government that special preference should be given soldiers, J. J. Glass (Liberal, Toronto St. Andrew), declared.

The vote was taken and the amendment defeated.

## Further Exemptions.

Arthur Ellis (Conservative) carried on for the Opposition by first charging that the Provincial Treasurer, under the act, had "uncontrollable discretion" and that the people were "at his mercy."

Later he proposed an amendment increasing the exemptions for householders and married persons from \$2,000 to \$3,000.

"My honorable friend knows very well," said the Premier, "that he has us at a great disadvantage. It is a great field day for my friends opposite and they can make what political capital they like.

"But the fact remains that we must follow the Dominion Act or set up our own machinery. All this talk is futile."

Mr. Ellis insisted that it was his privilege to force a vote on every section if he so desired; that was his privilege, he said, and the Premier

agreed with him.

He did not believe it was necessary to follow the Federal act in this respect, but only necessary to follow it in essentials.

The Ontario Government was allowing an exemption for the amount of a taxpayer's Dominion income tax. W. A. Baird, Toronto Conservative M.P.P., noted.

The Government, he said, should approach Ottawa with the suggestion that they take a similar exemption in their tax.

The House rose at 11 p.m. and adjourned on the motion of the Premier.