

second reading of the income tax bill. He refuted Hon. George Henry's charge that industry would leave the Province.

The Government, he said, was anxious to put the Province on a pay-as-you-go basis, and this was to be accomplished by the income tax. The tax would also aid in balancing the Budget. If these two objectives were reached then business would return to the Province.

"I humbly suggest to the Opposition that they repent and admit their responsibility toward passage of this bill," he said.

W. A. Baird (Conservative, High Park), who had previously admitted that he believed in the principle of taxing incomes, declared that he had no option but to oppose the bill until the Government tabled a statement showing the exact financial condition of the Province.

There were rumors, he said, that there was a division of opinion even in the ranks of the Liberals regarding this bill. He noted, however, that the Acting Prime Minister (Mr. Nixon) was able to hold "60 per cent. of his followers" on the vote on the first resolution.

The bill had been treated by the Government "in a most neglectful manner," he said.

Such a measure should never have been introduced until after the Budget had been handed down, he said. That in itself was a valid reason for opposing the measure, for, until the House could see the Budget address, they could not tell what the financial position of the Government was, he said.

He voiced the Opposition's first public opinion regarding the error in printing the income tax bill. He noted, he said, that the measure had been printed and brought in without the King's authority being recorded.

"In all possibility the bill may have to be introduced again and go through all stages," he said.

"No, no," said a member of the Government.

"In any event, it is most extraordinary," Mr. Baird replied.

Hon. G. H. Challies (Conservative, Grenville-Dundas) interrupted the debate and argued briefly with Mr. Nixon, who said:

"I can think on no better bill on which to go to the country, and when you vote against this bill I'll take the record down into your riding."

The Minister, said Mr. Challies, could go right ahead; he had been down in his riding once, and he (Mr. Challies) hadn't had anything to do about it.

Mr. Nixon—Well, I'll accept your invitation, anyway.

Mr. Baird rose to his feet again to continue his debate.

Demands Financial Statement.

He demanded that a nine months' financial statement, supplementary to the five months' statement of public accounts, be placed before the House. This had been promised by Premier Hepburn during the last session, he said, quoting a news item from The Globe.

Mr. Nixon assured the House that such a statement would be brought in in due course. "I can assure my honorable friend that there was no surplus at the end of the nine months," he said.

Mr. Baird insisted that there was "something behind" the "reluctance" of the Government to show their financial position.

Until he received such a statement, he said, he had no option but to vote against the bill.

Arthur Ellis (Conservative, Ottawa South) accused the Government of "deliberately withholding" their financial position.

"I believe it will be a shock to the Province when it learns the net debt and when it ascertains the deficit since this Government has been in office.

The Government, he said, had promised to reduce taxation and had specifically promised to reduce taxation on gasoline. "What are you going to do about this?" he demanded.

Mr. Nixon—I sincerely hope, Mr. Speaker, that we will be able to drastically reduce the tax on gasoline

Mr. Ellis—I think you should carry out your promises, and not start off the second session of Parliament by increasing taxation; otherwise I must conclude that your promises were dishonest.

Mr. Nixon—Does my honorable friend realize that this is a substitutionary tax, not a new one, and that he will probably pay less under this than he did in Ottawa?

"Nice, Sensible Tax."

That was not right, said Mr. Ellis; he expected he would pay more. He went on with his debate.

"There are 505 municipalities which will get no reimbursement. I think you will have the whole 505 down on your doorstep saying: 'If my next-door neighbor can get a reimbursement, why can't I?'"

"It is a nice, sensible tax," he said, sarcastically, "that half of your municipalities get their income tax back and the other half do not." Such a system would lead to "chaos."

He flayed the proposal to collect income taxes on net rentals, and charged the Government was soaking the little fellow, not the rich one.

Mr. Hepburn—You don't soak many little fellows with an income tax, don't worry."

One of the great theories of the Hydro-Electric development in Ontario was that it would induce industry to come to this Province, said Mr. Ellis.

"What do you think you are going to do to industry of this Province when you are burdening it as no other Province burdens industry?"

"I have seen it happen in the City of Ottawa. Business has gone to Quebec for self-preservation. So, in my humble belief, I think it will happen to this Province."

He was unalterably opposed to the measure, he said, and introduced an amendment that the bill should not be given second reading, but should stand for future discussion until such time as the Government brought in a statement showing their financial position.

The amendment was ruled out of order by Speaker Hipel. He did not have the ruling at his fingertips, said the Speaker, but would bring it in at the night session. There was plenty of precedent for such action, he said.