

INCOME TAX DUPLICATION IS CHARGED

Macaulay Sees Threat to Confederation in New Bill

FEAR that taxing procedure might "break up Confederation" was expressed in the Legislature yesterday by Leopold Macaulay (Conservative, South York) during discussion in committee of the new Provincial income tax bill.

Claims Duplication.

Clauses taxing incomes derived in Ontario by non-residents aroused Mr. Macaulay's opposition, when he said there was far too much duplication of taxing, and added: "You are simply going to aggravate the situation. The first thing you know, we're going to get in a jam with other Provinces and get to the point where we'll break up Confederation, and we won't be able to do business across Provincial borders." He suggested an intra-provincial reciprocal arrangement.

Replying, Hon. Harry Nixon, Provincial Secretary, remarked that the time would come when "we will have to go further in getting after these people who have been given privileges to exploit the wealth of the Province and have taken that wealth somewhere else."

Mr. Macaulay's protest failed, and the clauses passed. The bill was still in committee when the House arose.

The section authorizing an appointed officer to take necessary measures to secure desired information from a citizen brought a sharp protest from Colonel H. W. Price (Cons., Parkdale), who said: "Nothing is more reprehensible than an officer taking a citizen by the neck and saying: 'I want certain information and I'm going to get it.' Private citizens, after all, have some rights."

Hon. Paul Leduc, Minister of Mines, replied: "I have found in my experience that most of these officers are reasonable. They know what they want, where it is, and how to get it."

Opposition members pointed out that family corporations were not taxed under the bill, and Mr. Macaulay said the Opposition "intended to challenge that principle."

PROTESTS TORY PAPER HEADLINES

"Misleading, Unfair," Charges Premier in Legislature

FORMAL PROTEST

Premier Hepburn formally protested in yesterday's Legislature against Telegram and Mail and Empire headlines, which, he said, unjustly linked his name with a blackmailer.

The headlines, said the Premier, were most misleading and most unfair to himself.

A Year After.

The blackmailing effort against him, he said, came a year after Henry Walker (convicted last week of attempted extortion against the Premier and others) had brought him the payroll padding charges which were laid against the Henry regime.

"There was no proof then (when Walker's highway charges were laid against the Henry regime)," he said, "that Walker was a blackmailer."

When he did find Walker was a blackmailer, he reminded the House, he had had the courage to take him into court.

The Premier's statement briefly revived the bitter Legislature scene of Thursday, when Leopold Macaulay charged that the Premier knew in 1934 that Walker was a blackmailer, but had continued to use Walker's charges against the Henry Government. The protested headlines arose out of this statement.

Refers to Headlines.

The Premier arose when the Legislature met and referred to "the headlines which appeared in the Telegram and the Mail and Empire."

"As a result of these eight-column streamlines," he said with a grin, "I don't know whether Walker or myself was the blackmailer. I am charged with concealing facts which would have indicated Walker was an extortionist and a blackmailer. Up to that time there was nothing to show that Walker was not an ordinary citizen trying to bring wrongs to the public's attention."

The Premier repeated that there was no possible doubt but that there had been irregularities in the department mentioned, though there was no intention to defraud.

"There was no proof then that Walker was a blackmailer. The blackmailing effort came a year after. These streamlines are most misleading, most unfair to myself. When I did find he was a blackmailer I had the courage to take him into court."

Leopold Macaulay answered that

the headlines had been turned against him in 1934 with charges of graft and corruption.

"When I went into the Public Accounts Committee to defend those charges," he said, "I didn't know what you knew, that he had come to you that morning and demanded money."

Macaulay's Reply.

It was the then Liberal Leader's duty to come to the Public Accounts Committee, Mr. Macaulay said, "and say this man, on whose charges we find the Highways Department was rotten and corrupt, we find to be rotten and corrupt."

Yet affidavits, said Mr. Macaulay, from this man and Foley (Vincent Foley) were later used to turn the Elgin nomination in a "bear-garden."

"We didn't know what you say now," said the former Minister.

"The actual blackmail," said the Premier, "took place months later when he threatened me."

Mr. Macaulay again mentioned that Walker had demanded \$1,000 before he would give the testimony before the Public Accounts Committee.

"My friend is not an amateur in politics," answered the Premier. "He knows that it's not uncommon for a man to lead you up to the hurdle and then demand money. The man was an extortionist, not a blackmailer."

The Attorney-General put in that the man was not then an extortionist under the Code, but a "chiseller."

"I don't agree with that," said Mr. Macaulay. "I'd rather take my law from the Prime Minister than the Attorney-General."