

Committee Debate On New Tax Bill May Finish Today

Placing of Authority Regarding Penalties Draws Tory Fire During Session

ONTARIO'S first Income Tax Bill will emerge from committee at the Ontario Legislature today, it is expected, following almost three hours' debate of its provisions yesterday.

Authority Criticized.

Under fire by Opposition members from three or four angles, the bill was stoutly defended by Hon. Paul Leduc, Minister of Mines, who is piloting it through the House. Today, when it comes out of committee, the House will resume the Debate on the Speech from the Throne, with A. Russell Nesbitt (Conservative, Toronto-Bracondale), and Dr. A. D. Roberts (Liberal, Sault Ste. Marie) in the main roles.

Wilfrid Heighington (Conservative, Toronto-St. David) and Arthur Ellis (Conservative, Ottawa South) led yesterday's attack on the bill in committee, criticizing chiefly the authority vested in the Lieutenant-Governor-in-Council in connection with the provisions and penalties embodied in the bill.

"Prior to the Federal election," began Mr. Heighington, "we heard great promises of the harmony that would exist across the length and breadth of the Dominion, if a Liberal Government were returned at Ottawa. We have seen that promise go the way of all Liberal promises, as we witnessed the recent outbreak of serious friction within the Liberal ranks. And

we have seen the part played by the statesman just out of school who has been distinguished by being made Minister of Labor.

"I now ask what agreement, if any, has been entered into with the Dominion Government, for the collection of this new tax, and for its expenditure when collected? Is it logical, I ask, for us to pass this act when no agreement has been made whereby we can promise our constituents that they will get back, in some form or another, the money which they are now asked to come to a wicket and pay over? The people of the Province are entitled to some assurance on this point."

"Are you afraid," interposed Hon. David Croll, Minister of Labor and Public Welfare, "that we will give an N.S.F. cheque?"

"I would rather trust the funds to the Federal Treasury than to hand them on to the Provincial Government without any guarantee of how they are to be used," retorted Mr. Heighington.

"This money," Hon. Mr. Leduc rose to explain, "will eventually form part of the Consolidated Revenue Fund of Canada. I don't believe for one minute that any member other than the member for St. David's has any sincere doubts as to the use to which it will be put."

How, Mr. Ellis next wanted to know, was the Receiver-General going to know whether the tax had not already been paid to the Provincial Treasurer as permitted under the bill?

G. C. Elgie (Con., Toronto-Woodbine) added his request that the revenue from the new tax be earmarked for relief purposes. He also wanted more detailed information as to the

dates when payment would be required. And Mr. Ellis doubted whether "any House has the power to vest in the Lieutenant-Governor-in-Council the authority which this bill so confers."

Mr. Leduc explained that only such powers had been given the Lieutenant-Governor-in-Council as were required to make the bill conform to the Dominion Act. Regarding the dates of payment, he felt safe in saying that they would be the same as the dates for the Dominion tax. He added that Ottawa might change the in-

terest and penalty rates on the Federal tax.

William Duckworth (Cons., Dovercourt-Toronto) thought that the interest on instalments—6 per cent.—was excessive, and W. A. Baird (Cons., Toronto-High Park) protested that any farmer who was unable to pay his tax promptly would be subject to a penalty which, with interest at 6 per cent. and an additional penalty on unpaid balance at 4 per cent., would total 10 per cent.

"I represent a farming constituency," interposed Morgan Baker (Liberal, York North), "and I say that not one farmer in 10,000 will be paying income tax as levied under this bill. If there is one single farmer whose income reaches the point where he is liable to this tax, he will be the happiest man in Ontario."

Final amendments to the act modified the original clauses transferring Ontario powers to the Ottawa Controller of Income Tax. These were designed apparently to answer the constitutional issues raised by the Conservatives. With the exception of three causes allowed to stand until today for discussion, the bill was passed by committee.

EXTRA COUNSEL ASKED FOR TRIAL

Roebuck to Consider Jarvis Trial Proposal

A suggestion that an independent counsel be retained to be associated with Joseph Sedgwick of the Attorney-General's Department as Government counsel in the new trial of Aemilius Jarvis, was offered the Government yesterday in the Legislature by Hon. W. H. Price, former Attorney-General.

When Mr. Price asked what arrangements had been made regarding the new trial, which the Federal Department of Justice had granted the former Toronto investment dealer, who, in 1924, was convicted of conspiring to defraud the Government in bond transactions, Attorney-General Arthur Roebuck replied that the members of the court had been chosen.

"But no counsel has been chosen yet," he added. "However, it would be my wish that Mr. Sedgwick represent the Provincial Government."

"Now that the case is about to be reheard after ten years," said Colonel Price, "may I be permitted to remark that it would be wise to have a leading counsel associated with Mr. Sedgwick?" He offered the name of J. C. McRuer, K.C., for consideration.

Mr. Roebuck said he would give the suggestion "serious thought," but explained that he favored Mr. Sedgwick for the appointment because he felt that the case called for a counsel "who is actually and sincerely opposed to the new trial."

Furthermore, Mr. Roebuck said he was not quite sure it was a proper thing for the name of an independent associate counsel to be suggested to him on the floor of the House, and in any event he was not sure that Mr. McRuer was available.