

BEER PERMITS FOR C.T.A. AREA NOT PENDING

Liquor Control Act Will Be Enforced, Says Hepburn

Premier Hepburn, late yesterday in the Ontario Legislature, denied inferences that he was granting new permits for beer and wine sale in Canada Temperance Act territory, but stated the Liquor Control Act will be enforced in those counties.

The statement followed newspaper flare lines, stating the Premier might open liquor stores in the affected areas: Peel, Perth and Huron Counties and Manitoulin Island. The Premier called them "misleading."

"The Brampton decision decided the Canada Temperance Act was ultra vires," said the Premier. "It was decided our law officers should enforce the Liquor Control Act in those districts. The Government is not thinking of opening new stores or granting new authorities."

The Premier's announcement that the L.C.A. would now be enforced in Peel, Perth and Huron is considered more nearly a legal formality than a change in liquor control policy. When the Supreme Court at Ottawa decided last summer that the C.T.A. was still law in those counties Premier Hepburn said the court-discarded L.C.A. would not be enforced. Because the Province decided to appeal, the Liquor Board did not cancel the existing authorities in the affected counties.

Yesterday's announcement meant that Ontario agencies would now enforce the Ontario liquor law in Peel, Perth and Huron on the basis of the ultra vires decision. No applications for new authorities are pending in this area, it was learned, and aside from the legal formalities, officials predicted there will be little change.

Drys Plan Action

Brampton, Feb. 26 (Special).—Premier Mitchell F. Hepburn's announcement that the Liquor Control Act will be considered in force in the Counties of Peel, Perth, Huron and Manitoulin Island, created a furore here tonight.

Temperance forces were shocked by the announcement, while hotel-keepers rejoiced at the prospect of being put on an even footing with the hostelrys of York and Halton, in which beverage rooms are operated.

"I don't think that the Province can

issue licenses in Brampton," was the opinion of R. W. Lent, Town Solicitor of Brampton, and Crown Attorney A. G. Davis, K.C., was of the same opinion. "Good," said George Bowers, proprietor of the Cooksville Inn. "I hope all the hotel-keepers in the county get licenses. I can't say where we stand until I hear from the Personal Liberty League."

Standard hotels in the county are located as follows: Port Credit 1, Cooksville 1, Streetsville 1, Brampton 3, Claireville 1, Bolton 1, Palgrave 2, Caledon 1, Alton 1, Inglewood 1. Complications arise in other municipalities than Brampton, however, over the matter of local option. According to J. S. Deck, now member of the Milk Control Board and former Mayor of Brampton, "The majority of Peel municipalities went dry by local option, beginning in 1914 when Brampton voted to stop liquor sales. Some other municipalities voted at the same time, and others a year later. Those municipalities now under local option are Brampton, the townships of Caledon, Albion, Chinguacousy and Toronto Gore, and the Village of Bolton. Those not under local option are: Toronto Township, Streetsville and Port Credit."

Aside from the legal aspect of the Premier's decision, members of the Peel Temperance Federation are pre-

paring for action as soon as they can assemble. George Downey, Bolton, declared tonight that he "didn't think much" of the announcement, and Rev. S. H. Soper, pastor of St. Paul's United Church, Brampton, said that a Government that undermined the authority of law and order by such drastic acts could not be supported.

Refund Guarantee Urged for Tax Bill

A CONSERVATIVE-C.C.F. attack in the Legislature late yesterday pointed out that the income tax bills now pending in the House do not guarantee refunds to the municipalities after this year.

Hamilton Resolution.

If these refunds stop, the Opposition contended, the already burdensome property rates would have to be jumped. The protesting members suggested that a bill should guarantee the refunds to the municipal treasuries as long as a Provincial income tax is levied—and otherwise asked for some statement from the Government.

The only assurance he could give them, said Municipal Affairs Minister David Croll, was the assurance contained in the clauses of the pending bills permitting the Government to make refunds after 1936—plus the good faith which the Government had shown in dealing with the municipalities.

What started as a back-benchers' fight was spreading when the House rose. Colonel W. H. Price insisted on adjourning debate to preserve the Conservative right to argue out the reimbursement provisions at a future session.

A formal City of Hamilton resolution and an appeal for a mass municipality attack on the income tax featured the Opposition fight. The Hamilton resolution was presented by Sam Lawrence, C.C.F. member for Hamilton, and said the city was opposed to the tax bill unless it set out adequate and definite compensation for the future.

"I think the municipalities have been asleep, because they don't know what is going to happen and you can't tell them what's going to happen. I think the municipalities should have

fought the income tax from the beginning," said Arthur Ellis.

Mr. Croll countered with the statement that he had informed all municipalities of the tax plans in January and had not received one complaint.

William Duckworth, Toronto Conservative M.P.P., opened the fire by asking what security guaranteed refunds from the present Government or future Governments to the municipalities. In Toronto, he said, the little taxpayer was anxious to get this guarantee and the knowledge that his property tax would not go higher.

The fight over reimbursements came after the Government had introduced its two bills supplementing the income tax and carried the first through second reading. Arthur Ellis attacked the provision of this bill which gives certain income-tax payers a municipal vote, but there was little other argument.

The Province lost the business tax revenue in this measure, Mr. Croll pointed out, but could afford this loss because it knew just what it would be. The desired exemptions against real estate income, he said, had been denied for the same reason—because the Province had no way to gauge their total and because there was an allowance for depreciation, interest, taxes, insurance and repairs.

The Minister indicated amendments would be brought down which would care for partnership returns.

Mr. Croll used the lack-of-statistics argument again when he defended the second bill, which will give Toronto and other income-tax collecting cities a 1936 refund equal to their 1935 levy. The Government, said Mr. Croll, had no gauge to measure the amount of tax which would come in from cities not heretofore levying the tax. After 1936, he said, it would know what these centres paid in income-tax revenue.

"We are then in a position to reimburse to these municipalities the amount of taxes collected," the Minister promised; but he added the qualification that that must be as the Government saw fit.

ONTARIO BONDS YIELD 2.5 PER CENT.

The average interest rate on Ontario bonds floated since the present Government took office has been 2.5 per cent., a reply tabled by Premier Hepburn in the Ontario Legislature yesterday afternoon revealed. The information was asked by Arthur Ellis (Cons., Ottawa South.)

The return stated that on Aug. 30, a \$37,500,000 issue had been sold at 2½ per cent. interest to A. E. Ames & Company, the Canadian Bank of Commerce, Dominion Securities, the Royal Bank, and Wood-Gundy & Co., at 98.782. The same group paid 98.85 for a \$10,000,000 issue last August. In June, of last year, the Government got 100 on a \$20,000,000 issue, and in November of that year 97.85 on \$15,000,000.