

DUTY-FREE BOND FRAUD SUSPECTED

Securities Exempt From Succession Tax Will Be Examined

A TRAFFIC in succession - duty - free bonds whereby the Ontario Treasury is being systematically defrauded is strongly suspected by the Government, and a thorough investigation has been ordered.

Exemptions Granted.

This was revealed in Premier Mitchell Hepburn's Budget speech in the Legislature yesterday when he announced that some of the duty-free bonds had been granted exemption in connection with as many as five different estates, without any proof that they had ever been legally acquired by the estates in question.

After announcing that the Government had during the present fiscal year bought in for cancellation \$921,250 worth of the succession duty-free bonds, Mr. Hepburn declared that when any further presentation of such bonds for exemption was made in future, they would be promptly taken up by the Government to prevent further use or misuse.

"Imagine," exclaimed Mr. Hepburn, "\$921,250 of bonds carrying exemption from succession duty, and the benefit being repeated four or five times! Surely such a thing was never intended when these bonds were issued back in 1909 and 1911. Some years ago, when executors came to settle the bill for succession duty with the Provincial Treasurer, they were never required to bring the bonds up to Queen's Park and show them, or even give their numbers; and it is very difficult today to identify some of the bonds, and almost as difficult to believe that these bonds were ever owned by the decedents, or to find out whether they were simply rented to the executors by brokers for the purpose of defrauding the Treasury of Ontario.

"One of the leading brokers of Toronto, who has conducted quite a business in such bonds for some years past, is said to have sailed last week for Europe, where he will make a conveniently long stay. I hope he didn't take all of his books and records with him. At any rate," added Mr. Hepburn with a smile, "the investigating officers of the Provincial Treasury will be here when he returns."

The succession duty-free bonds referred to by the Premier are exempt also from Provincial taxation of any kind, including the new Provincial income tax. In answer to a question, he said that about \$5,000,000 of the bonds were still in circulation.

Hepburn Names Tory Leader

A. H. ("HOLLY") ACRES, Carleton Conservative M.P.P., was "named" for the Conservative Party leadership yesterday by Liberal Premier Hepburn.

"I like him very much because he is a hard hitter," the Premier said in the Legislature, "and I believe he may some day be the Leader of the Conservative Party."

The Carleton member blushed while the Legislature applauded. A moment later the Premier carried on his argument to attack Mr. Acres's suggestions of increased gas taxes, and a levy on meals and sweepstakes.

SLOT-MACHINE FEE PROPOSED

A bill giving the City Councils in all big Ontario cities the right to charge a license fee on slot machines was brought into the Legislature yesterday by Robert A. Allen, Toronto Liberal M.P.P.

The proposed amendment, Mr. Allen explained later, was designed to give the Council the right to put a license fee on the scattered slot machines and vending machines, which now compete with taxpaying merchants and pay no tax. In a further step along this line, the bill will permit the Council to exempt slot-machine owners from the tax if they are operating a place of business and paying a business tax.

The law purposely avoids conflict with the Criminal Code provision banning certain slot machines by providing that it only affects the legal vending machines.

PREMIER PRAISES CHESTER WALTERS

Calls Him "Greatest Tax Expert"

Chester Walters, Ontario Controller of Revenue, and Thomas W. Gibson, long-time Deputy Minister of Mines, came in for special tributes yesterday when Premier Hepburn brought his Budget Speech down to the Legislature.

The Premier shared any honor for the Budget with his colleagues, supporters, the Civil Service—"and more particularly with Chester Walters, whom I think the greatest tax expert in Canada." The Premier announced he was formally designating his Deputy in the Treasury as "senior official of the Ontario Civil Service."

Mr. Gibson's loyalty, experience and mature judgment, gained in fifty-six years in the Civil Service, are of inestimable value to the Mines Department and Minister, the Premier stated.