

LEGISLATURE VOTES, 59-16, FOR BUDGET

Hepburn Strikes at Special Privilege—Defends Acts of Administration HAS NO APOLOGIES

Swinging to the left—declaring himself in opposition to special privileges—making no apology for his income tax, which puts the tax burden "on the shoulders best able to carry it," or for his succession duty administration which was "breaking up the big estates." Premier Hepburn put his Budget through the Legislature early yesterday evening in his boldest speech since last fall.

Large Majority.

Desk-thumping Liberals carried the Budget motion through by a 59 to 16 vote, with Farquhar Oliver, U.F.O. member, and Sam Lawrence, C.C.F. member, voting with the Government.

Friends of the Premier shouted approval of his address from the galleries and the floor of the House. Critics called the address "a beautiful campaign speech." All along the line it was admitted that the Premier was more nearly in his old fighting trim than since before the Dominion election.

Free of a manuscript as he prefers to be, he finished a speech for the first time this session without a sign of weariness. When they heard the Premier speaking as he used to speak Liberal followers were more hopeful that he would not retire, and there was no talk of retirement in the lobbies last night.

Answering former Premier Henry, who had argued that a public debt was not disastrous, the Premier said that when the Province goes into the money market, "we pay a toll to those who exploit money." He explained at length his objections to brokerage house tenders on Ontario bond issues. He had sincerely tried, he said, to call for competitive tenders. Banks had quoted identical prices on tenders for one of his early issues, 3.58.

"Saved Millions."

"There is no doubt in my mind there was collusion among the finance interests. As a result of the determined attitude on the part of this Government (in demanding a lower rate), the interest rates were almost cut in half."

"I agree that the time is nearly due to go in and fund our obligations," the Premier went on. He said he was thankful that a 4.5 Henry regime issue soon fell due. He was confident it could be funded at a heavy saving.

"We have saved millions in interest charges."

The Premier quoted former Premier Henry to justify his critical stand on public tenders for bond issues. "I am inclined to agree with the Leader of the Opposition that you are better advised to sell your bonds across the counter than by tender, because two or three big bond houses have to get together and set a price. You are better off if you set your own price."

A few minutes later the Premier was attacking the former Premier, but without the rancor he had shown Colonel W. H. Price. "My friend opposite is a Conservative by heredity, tradition and conviction, and so"—here the Premier began to smile—"he increases the tax on the children's examinations."

"That's Tory policy—keep the children in ignorance." The House laughed and applauded.

No Apologies.

"They don't subscribe to an income tax. They believe in special privileges. Toryism can endure only so long and then you have a social or economic revolt among the people. I belong to the Reform school because Reform gave us democracy and—better still—free schools." The Premier said his Reform Government had put through the income tax and stiffened the succession duties.

"And for those two acts I have no apology to offer."

"There has been argument back and forth as to whether this Government has made progress," the Premier admitted, as he turned to the Opposition attacks on his Administration.

The Premier shot a barrage of figures showing what it was costing his Administration to collect the revenues. It had cost \$12.38 to collect \$100 of amusement tax in 1934; it cost \$3.48 in 1935-36. It cost \$1.21 to collect \$100 of corporations tax in 1934; it cost 89c in 1935-36. It cost \$1.42 to collect \$100 of succession duties in 1934, and it cost 84c in 1935-36.

"And I'm pleading guilty to getting some of the best accountants in Ontario in the Treasury Department, irrespective of politics," the Premier said, as he finished telling how his own Treasury Department had cut the costs of tax collection.

"Men who can do what some of the men you (the Opposition) put there could never do—read a financial statement."

Duty-Free Bonds.

Before he finished his speech Premier Hepburn replied to Conservatives who had criticized his short-term issues; flayed former Treasurer W. H. Price for issues bearing high interest and exchange; and promised his Government would carry on for the interests of the Ontario people.

On the matter of succession-duty free bonds, Mr. Hepburn told the House that evasions of the Succession Duty Act were numerous and extensive under the Henry Government, and only when his Administration took office were the full potentialities of this source of revenue realized.

"In one case I might mention," he said, "while the owner of the estate lay on his death-bed, his would-be heirs, instead of assembling reverently at his side, were scurrying around madly in their effort to find succession-duty free bonds to stick in his estate."

CHANGES SOUGHT IN HIGHWAY ACT

Highways Minister McQuesten yesterday introduced a bill in the Ontario Legislature containing a number of amendments to the Highway Traffic Act. Chief among the amendments are provisions intended to standardize regulations respecting the control of traffic by signal lights.

Toronto's system of traffic control is accepted as the model, with the exception that a new provision requires a motor vehicle to come to a full stop before a right hand turn is made on a red light. It is also provided that all new traffic systems installed in the Province must first have the approval of the Department of Highways.

Another section will require that all trailers and semi-trailers having a gross weight in excess of 3,000 pounds must be equipped with brakes.

HIRE LAWYERS ON SALARIES, NOT FEE BASES

While his followers in the Legislature heartily pounded their desks, Premier Hepburn promised yesterday that the Ontario Treasury will not be "raided and pillaged" any more by fee-hungry lawyers attached to Commissions or probes.

The ban on the listing of any more "bills for legal services" in the public accounts came less than twenty-four hours after P. M. Dewan, Oxford Liberal M.P.P., had stirred the House with a speech criticizing the long-time practice of paying big fees to lawyers assigned to the Province's legal jobs.

"The Province is up in arms about the fees paid to lawyers," the Premier told the applauding M.P.P.'s. "The people think it must stop. It is going to stop. We are not going to allow the Treasury of the Province to be raided and pillaged by lawyers—whether they belong to this party or not."

Later the Premier indicated that the ban on special legal assignments may mean the building up of a larger salaried staff of solicitors at Queen's Park, to take care of legal work and help at the Assizes. Their salaries for a year would amount to the fees charged the Province by some lawyers for a single case.

The Attorney-General, the Premier pointed out, had appeared for the Province in person at the Supreme Court, and would carry an Ontario appeal to the Privy Council. This is understood to have been a reference to the pending appeal of the Canada Temperance Act.

But sending Arthur Slaght to settle the Niagara railway arbitration had been well advised, the Premier said. That was no job to send a "boy" to, and the Province had saved \$100,000 over what it was ready to offer, and \$2,000,000 over the railway's claims, after Mr. Slaght presented the Ontario case to the arbitrators.

"The former Administration had hired Mr. Tilley," the Premier said. "We knew Mr. Tilley and his charges. We had against us some of the finest counsel on the continent. I asked Mr. Tilley to take the job and he said he would at \$200 a day. Mr. Slaght is the head of a very big organization and he could probably command the largest fee in Canada. In neglecting his business—tied down there for several weeks—Mr. Slaght didn't make any money. It was a case where I didn't think it wise to send a boy to the mill."

ONE-MAN TRAMS HIT IN MEASURE

Would Amend Railway Act

A bill aimed at elimination of one-man street cars was introduced in the Ontario Legislature yesterday by T. A. Murphy, Conservative member for Toronto-Beaches.

In the form of an amendment to the Railway Act, the measure provided a street railway or electric railway car shall be operated by at least two men.