

January 20

ACT TO HIT AT PERSONAL CORPORATIONS

Former Ontario Millionaires,
Now in Other Lands,
Would Be Affected

THIRTY ON LIST

Many Now Exempt by Virtue
of Incorporation—Likely
This Session

Wealthy residents of Ontario who have incorporated personal companies in other countries are to be made liable to new and drastic provisions of the Provincial Income Tax Act, it was reliably reported at Queen's Park yesterday.

No such legislation is forecast in the Speech from the Throne, as delivered at yesterday's sessional opening, but the Government is said to have it under advisement with the intention of introducing it before the present House prorogues.

Thirty on List.

Certain Toronto millionaires who were charged by Premier Hepburn during the recent East Hastings by-election campaign with running to the Bahamas and other foreign lands to incorporate companies, for the deliberate purpose, he said, of evading taxation of their native Province, are said to be, chiefly, the targets at which the proposed income tax amendments are aimed.

The Prime Minister, in his capacity of Provincial Treasurer, is said to have a list of more than thirty wealthy Ontario people who, by virtue of corporations which they have launched outside Ontario, are allegedly exempted from paying huge sums of money into the Queen's Park treasury that otherwise might be paid.

Will Deal With Fraud.

If Mr. Hepburn is able before the session ends to return to his duties from Arizona, he undoubtedly will sponsor the drastic legislation in question. He is said to have given it long and careful study, and to be firmly convinced that the people at whom it is directed should "pay up."

Fraser Elliott, K.C., of Ottawa, Federal Commissioner of Income Tax, will, it is reported, be at Queen's Park, the end of the week, to confer with Provincial Treasury officials. The new Ontario policy may be discussed by him, it is said.

The Government is also moving this session to deal more firmly and effectively than heretofore with cases of alleged attempts to defraud under the Succession Duties Act. In the past additional tax penalties have been imposed in such instances, but from now on, it is understood, the Government proposes to mete out heavy fines, with the imposition of jail terms for extreme cases. The Succession Duties Act will also be amended this session so that contributions to charitable, educational and religious institutions shall be exempted when rates for duty are fixed.

Anti-Drug Laws Forecast.

Corporations Tax Act amendments, as forecast in the Throne Speech, are said to be purely of an administrative nature, and to provide, among other things, that companies whose fiscal year does not correspond with the Government's may have certain additional leeway in the filing of their tax returns.

Of the other forecast legislation, the Hydro protection bills, a bill sponsored by the Department of Health "to curtail the use of codeine, phenobarbitol and other habit-forming drugs," were the only measures of marked importance. The Government ultimately may propose some change to deal with the situation arising out of the "buck law" of 1936, but will not, it is expected, propose any amendments until such time as the Game and Fish Committee of the House has deliberated on the question. The Highways Traffic Act amendments may provide for some modified form of the English speed laws in this Province, but nothing definite in that regard has yet been decided by the Highways Department, under Hon. T. B. McQuesten.