

March 19

Henry and Nixon To Address House Before Vote Taken

Early Morning Recess Follows Agreement Between Two Leaders — Nesbitt Attacks Budget

BACK-BENCHERS HEARD

At 1 o'clock this (Friday) morning the Budget debate in the Legislature was suddenly adjourned on an agreement reached by Premier Hepburn and Opposition Leader George S. Henry.

As a result of the surprise move the Legislature will sit this (Friday) evening.

Only two more speakers, Mr. Henry and Provincial Secretary Nixon, are to be heard before the division.

Nothing of a sensational nature had been voiced since the House sat at 3 yesterday afternoon. If anything startling has been held in reserve, it was expected to come from Mr. Henry, and from Mr. Nixon, who was believed to be ready to announce prompt implementation of the various recommendations contained in the Madden Royal Commission report on the recent rioting in the Ontario Reformatory, at Guelph.

Back-Benchers Heard.

With one or two exceptions, yesterday's and this (Friday) morning's contributors to the wind-up of the debate came from the back-bench brigade. At midnight the line-up of speakers had been: A. R. Nesbitt, Cons., Bracondale; Dr. M. T. Armstrong, Lib., Parry Sound; Goldwin Elgie, Cons., Woodbine; Douglas Campbell, Lib., East Kent; Hon. George H. Challies, Cons., Grenville-Dundas; Harold J. Kirby, Lib., Eglinton; Samuel Lawrence, C.C.F., East Hamilton; Dr. A. C. Trottier, Lib., Essex North; L. P. Wigle, Lib., Essex South; H. N. Carr, Lib., Northumberland; W. J. Gardhouse, Lib., West York, and W. L. Miller, Lib., Algoma-Monitoulin.

Sees Services Neglected.

If revenues from three items, liquor, income tax and succession duties, were added together, the total would show an increase of \$7,000,000 over the 1936 revenue from these sources. Russell Nesbitt (Cons., Bracondale) declared, in resuming his adjourned Budget address. This was the amount of the alleged surplus for the present fiscal year, he declared.

Mr. Nesbitt maintained that if an extra \$7,000,000 had been dug out of the pockets of the people on these three items alone, then he was justified in assuming that essential services were being maintained, but such was not the case.

"We find that the increase in debt which we have noted and which is in part admitted, with enormously increased current expenditures, and with greatly increased revenues, the starvation of essential services has reached very large proportions, in fact disgraceful proportions, in many departments," declared the Bracondale member.

In 1934 the present Prime Minister promised a 50 per cent. reduction in the Provincial debt, continued Mr. Nesbitt. That promise, in the light of experience, proved about as reliable as the promise to reduce the cost of administration by a like amount.

Summing up, Mr. Nesbitt said

that the Government had dismissed hundreds of worthy civil servants; had neglected vital services; had failed to keep any of its pre-election pledges; had undermined the dignity of the Legislature and had introduced the vicious spoils system into the civil service.

Charges Political Strategy.

Goldwin Elgie (Cons., Woodbine) argued there was a lot of "political strategy" in the Government's Provincial subsidy scheme. "It placates to some extent," said he, "the municipalities which were robbed originally, and it is a pretty strong bid for votes in all municipalities. But I don't think the people will fall for it. Their faith has been shaken. As the matter stands, the subsidy is only a one-year arrangement. A Government which broke faith once, on the income tax rebates, will do it again." Protesting the so-called income tax "steal" from the City of Toronto, Mr. Elgie said that this municipality had pioneered in the levying of income tax. The Dominion Government followed suit, and after the habit became pretty general. "An income tax is sound in principle," said he, "and may be equitable in application. But it was too handy a source of revenue for the present Government to overlook, and the municipalities were sacrificed on the altar of Government expediency. To make the sacrifice less painful the Government gave assurance that the victims would be reimbursed for 1936, and year by year thereafter on a basis equally fair. But Toronto's refund for 1936 was based on her income tax returns for 1934, one of the 'lowest' years in history. Consequently, in 1936, she was 'short' to the extent of approximately half a million dollars, and the subsidy for 1937, which has been handed out, or promised as a sop, will fall far short of what a municipal income tax would have produced."

Farmers Get Benefit.

Douglas Campbell (Lib., East Kent) in a forceful speech devoted almost entirely to agricultural problems and their application particularly to West Ontario, estimated that Kent County had benefited to the extent of approximately \$200,000 through legislation passed by the Hepburn Government since assuming office.

Mr. Campbell took occasion to announce that the Department of Agriculture is installing a modern seed clearing outfit in the experimental farm at Ridgetown. It would prove of exceptional advantage to many farmers in his area, he said.

If the people of Ontario knew of the political juggling that went on in connection with the financial affairs of the Province there would be almost a rebellion, contended George H. Challies, Grenville-Dundas, Provincial Secretary in the Henry Administration.

Mr. Challies said he could not reconcile Liberal statements of fifteen months ago that no more Quebec power was needed by Hydro with Hydro's actual purchase of 400,000 horsepower from that Province. In a lengthy discussion of various angles of the new power contracts, Mr. Challies tangled on different occasions with Attorney-General Roebuck, who happened

to be leading the Government forces at the time.

A direct charge that farmers' sons from near-by districts and young men from "across the river" were given liquor and brought to Point Edward to start the recent riot there in connection with the strike at the Holmes Foundry, was made in the Legislature last night by Sam Lawrence (C.C.F., Hamilton East).

The Hamilton member urged Attorney-General Arthur Roebuck to launch an inquiry immediately into the origin of the trouble.

Dr. A. C. Trottier (Lib., Essex North), in discussing the separate school legislation, said if the rest of the Province had the spirit shown in Windsor in dealing with the matter, there would be less controversy in the press. It was more a political split than a religious one, he argued.