

DREW ATTACKS DEATH DUES BILL AS 'BLACKMAIL'

Persecution Not Purpose
of Succession Duty
Changes, Says Hepburn

PROGRESS IS SLOW

Conservative attack, charging a denial of democratic rights in the bill to amend the Succession Duty Act, ran into a persistent Government defense in three crowded hours of hammer-and-tongs debate yesterday in the Legislature, which left the measure with but one out of twenty-seven sections approved in House committee stage at adjournment.

In large measure the debate was but a repetition of the argument which saw passage of the parent bill in heated sittings at last September's special session. Then, as in the current session, there was a measure of unanimity in matters relating to the conduct of the war, a unanimity which quickly dissolved before admitted unequivocal disagreements over the effect of terms in the death dues bill.

Tenor of the debate was indicated at the outset by Conservative Leader Drew when he opened a prolonged and unsuccessful plea to have the bill referred to the Legislature Legal Bills Committee, where, he argued, its terms could receive the benefit of deliberations by a smaller committee which is empowered to call in outside legal help.

"As I said when we sat at the September session, no matter what may be intended (and he assured that he did not impute improper motives on the part of the Treasury), it is an instrument of legalized blackmail," he claimed, in support of his motion.

Holds Censure Unfair.

He decried the wide powers which the amendments placed in the hands of the Treasury—powers which at the same time did not allow the right of access to the courts or of appeal from the Treasurer's decisions. He stressed repeatedly that in Britain the succession duty measure there gave right of appeal.

"The act destroys the fundamental rights established under Magna Carta and the Bill of Rights," he charged at one point; and again: "It is just as dangerous to the democratic system as any act in force either in Germany or in Russia."

"I am in complete disagreement with my honorable friend," Premier Hepburn told him, and throughout the Liberal benches there was a ripple of applause.

To suggest that the act "smacks of legalized blackmail is manifestly unfair," the Premier said. He defended officials of the Succession Duties Branch as "men of outstanding qualifications who do not persecute and do not seek to persecute. They only seek the right to investigate where fraud is suspected," the Premier added.

He referred to several cases in which the Government had reopened estates and collected from them large sums. "It was not money for ourselves," he argued. "It ill becomes the Leader of the Opposi-

tion to charge the Government with legalized blackmail. We are trying to carry out the affairs of the Government and are dealing with estates such as these."

"What a Field Day."

Both the Premier and Attorney-General Conant claimed that, if right of appeal to the courts was granted in the act, it would open an unlimited field of litigation, which in all probability would drag cases through the courts for years and would definitely seriously imperil Provincial revenue.

"My friend waxes eloquent about denying the right of access to the courts," said the Premier. "It was found necessary in setting up these boards (Securities Commission, Liquor Control Board, Insurance Branch and others of a like character) to protect them from litigation. What a field day it would give for lawyers. We deal annually with about 12,000 estates in the Succession Duties Branch. There would then have to be 12,000 lawyers. Oh, what a fine time they would have!"

Again the Premier declared the Crown did not seek to persecute. In the collection of death dues, he said, the Government was but a distributing agency, distributing the taxes, for example, as a municipal subsidy to relieve real estate taxation.

"We have collected \$25,000,000 from estates which successfully eluded collection under the former administrations. Moreover, we have a mandate of the people to collect these taxes. The committee of the whole is the proper place for discussion. We are not going to throttle discussion. We want wide-open discussion," said the Premier.

Invites Discussion.

Directly after the House went into committee stage, Colonel Drew moved that the bill be referred to the legal bills committee. The Premier as quickly asserted that the motion was out of order and that such a motion should have been made in second reading. "I don't want to throttle discussion on this bill," he added.

Suggested procedure was that Colonel Drew should move that the Committee of the Whole rise, and if the motion carried, to move before the House proper to refer the bill to the legal bills committee. Consequently, for two hours, the debate ran presumably on the motion that the committee rise, but covered largely the principle of the bill. In the end, the motion was defeated.

Colonel Drew's final plea was: "One of the greatest objections to the bill would be removed if the Attorney-General was prepared to adopt the British practice of allowing right of appeal."

Refers to Britain.

Colonel Drew stressed that in Great Britain, despite the urgent need to obtain every cent of revenue, there was regard for the rights of the individual to appeal to the courts. He was not arguing against the provision which made it possible for the Province to collect revenues from this source, he pointed out, but no matter what the law was, no individual should be denied right of access to the courts.

"Is that the case with the Income Tax Act passed by the Dominion?" asked Premier Hepburn.

The Opposition Leader said the Premier was completely misinformed if he thought that doing away with commissions and one-man boards would create a field day for lawyers. The courts and not commissions or boards set up by Governments, should be the refuge of the individual, he claimed. In Great Britain the right was not denied the individual of going to the courts to seek redress.

"Was there any recourse when you were Securities Commissioner?" asked Premier Hepburn.

"No, but I recommended it," replied Colonel Drew. "I held that the Securities Commission should not deprive the individual of his rights."

Poor Man's Chances.

Colonel Drew argued that the bill should go to legal bills committee in order that such expert advice as may be called by either side, could be heard. That was the reason for the existence of these committees, he declared.

Attorney-General Conant said that the creation of boards and commissions was brought about by the need of having bodies which could adjudicate on problems.

"To put it boldly and bluntly, a poor man hasn't a chance in the world to enforce his rights because the enforcement is so long delayed and expensive that he cannot undertake it," he said.

"The first board created was the Workmen's Compensation Board, and it is interesting to note that there is not a single board of any importance that was not set up by a previous administration. What is the reason for these boards and commissions? Certainly not one of the Prime Ministers of the past had any desire to deprive citizens of their rights. It was to provide inexpensive, speedy settlement of claims. That is the principle which governs us today. It would not be necessary if it were possible to have these rights determined by expeditious and inexpensive access to the courts."

"Is the Attorney-General prepared to follow the British act and permit the right of appeal?" asked Colonel Drew.

"We are not dealing with that point," said the Attorney-General. "It is not a matter for consideration at this time."

Former Premier George Henry said the Premier had given the impression that he was the only treasurer who had ever attempted to get all the revenues to which the Province was entitled. It was a Conservative Administration, he said, which ten years ago amended the act to permit of investigations being made into closed estates.

Better Than Judges.

Leslie Frost (Cons., Victoria) said that he believed the refusal of the Government to allow recourse to the courts to appeal valuations made by the Treasury Department would drive money and citizens out of the Province.

"In the last twenty years I believe we have collected two hundred millions in succession duties," he said, "and in the future they should be a great source of revenue if we don't kill the goose that lays the golden eggs."

Premier Hepburn said that he believed the treasury officials, trained in finance, were better able to judge valuations than any board of judges. "How many judges can read and understand a financial statement? As for forcing people with money out of the Province, when I came into power I wrote to the Secretary of State for the Bahamas and asked him how many Canadians had established holding companies there. I was surprised to get three pages of names back. So this Government can't be accused of starting the trek."

The Premier said that the tax rate in Ontario was lower than in England and in many States of the Union, and that it would perhaps be difficult for those who wished to move away to find a suitable spot.

Colonel Drew, who had left the Chamber, returned to his place and