

## No Use Complaining, Say Firm Officials, if Money Is Needed

### STUDY EFFECTS

Officials of Ontario banking institutions, insurance houses and other large corporations accepted word of proposed corporation tax increases philosophically last night. Unable to predict the effect the measure would have on their businesses until they could study the bill in detail, most of them were inclined to the view that, if the Government needed more money, there was no use complaining.

Insurance companies consoled themselves with the fact that Ontario taxes, even with the proposed increases, were lower than those in most other Provinces and, while they disagreed with the principle of taxing insurance premiums, they were prepared to meet the situation.

Almost all large companies prepared to hold board meetings Thursday morning, at which the bill would be discussed fully and the probable effects of the measure studied. Until this had been done, officials said, it would be impossible to venture any opinions.

G. Cecil Moore, managing director of the Imperial Life Assurance Company, did not believe the tax was "a very drastic one." Insurance companies had always looked to Ontario to keep down taxation because they were already taxed too highly, he said, but it was evidently a case of the Government needing money and there was not much the companies could do about it.

#### Sees It as Temporary.

"Repeatedly we have had Government officials admit that our arguments are right," he said, "but their reply is always: 'We need more money; you have it; and you're going to be taxed whether you like it or not.'"

A. N. Mitchell, president of the Canada Life Assurance Company, subscribed to the same view. The fact that the tax was described as a "surtax," he said, seemed to indicate that it was being applied only as a temporary measure to meet an emergency situation. If such were the case, he believed, most companies would be found willing to help out.

"Taxing insurance companies on their premiums collected," another insurance official said, "is the same thing as taxing bank deposits, because the cost must come back to the policyholder, whose premiums are nothing more or less than savings. It is a bad principle and Ontario Governments have recognized that fact for years. That is why they have kept the tax down so that it ranks among the lowest on this continent."

The tax was not expected to have any serious effect upon the Bell Telephone Company, according to one official. Because it operated under a Dominion charter, he said, it paid most of its taxes to Dominion and municipal authorities. The amount paid to the Ontario treasury was comparatively small.

#### Nothing Else to Do.

J. E. Coulter, general manager of the Canadian Pacific Express Company, said he could not pass judgment on the measure until he had had an opportunity to study it, but he, too, was inclined to philosophize.

"We don't like paying these taxes any more than any one else," he said, "but is there anything else to do?"

The increase from 2 per cent to 5 per cent on net incomes of all ordinary incorporated companies was regarded as drastic by F. D. Tolchard, general manager of the Board of Trade, but he also qualified his comment by adding that no final opinion could be expressed until the bill had been studied.

"The taxation committee of the board will be called as soon as we have full details," he said. "On the face of it, the increase seems rather drastic, but it's pretty hard to express an opinion until we've had a chance to look into it."