

Will Form Committee In House on Education

Education's role in the social structure of the Province received Legislature recognition yesterday with the announcement by Provincial Secretary Nixon that a standing committee on education will be drafted at the 1942 session.

The announcement received applause from both sides of the House, and came less than twenty-four hours after such a step was advocated by Charles M. Macfie (Lib., South Middlesex) in his Budget debate address.

Leopold Macaulay (Cons., South York), lauded the Appin farmer's suggestion as the House opened discussion on school law amendments. He declared that the democratic ideal, as opposed to totalitarianism, must be inculcated in youth during the formative years and that education demanded the fullest possible consideration of the House. Members were unable to go into technical details of school laws when legislation was placed in the ordinary way before the members. Representations on legislations could be heard by a committee also, he said.

"I was impressed by the suggestion of the member from South Middlesex," said Mr. Nixon, who is Acting Minister of Education during the absence, from illness, of Dr. Duncan McArthur. "The Prime Minister authorizes me to say now



CHARLES M. MACFIE.

that such a committee will be set up at the next session."

Mr. Macfie advised the House that Dr. McArthur, two years ago, when he discussed the question with him, expressed sympathy to the proposal.

HEPBURN FIRM, WON'T REDUCE COMPANY TAX

Ontario Will Retain 5
P.C. Rate, He Declares;
Denies Pledge Broken

FINDS NO COMPLAINT

Retention of the 5 per cent corporation tax rate is essential if the Ontario Government is to keep out of the borrowing market, Premier Hepburn said yesterday in reply to Opposition demand that the rate be returned to the 2 per cent level existent prior to last year's increase.

"We intend to keep out of the borrowing market," the Premier added and denied that, in the 1940 budget he made a definite commitment to revert to the old rate.

The Legislature gave second reading to the Corporation Tax Bill, which re-enacts the 5 per cent rate. "This act," charged Leopold Macaulay (Cons., South York), "causes a violation of the Premier's pledge a year ago that the 2 to 5 per cent increase would be for one year only."

Boards of Trade and business generally, at that time, indicated their willingness to sacrifice for a year on the ground that it would not be a permanent feature of the budget policy, he said. He predicted that the 2 per cent rate, through the speed-up of war industries would equal the increased revenues that the 5 per cent rate returned, so the Government would not suffer much loss in revenue by adopting the lower rate.

Mr. Macaulay said he did not for a moment believe that all taxes on corporations were passed on to the consumer. But taxes upon manufacturers and retailers, upon farm implement makers "is passed on to the consumers of the goods they manufacture or sell," he said.

Premier Hepburn, in reply, said the \$12,600,000 surplus is being used to retire debentures and to build a considerable amount of roads. The Province was again pledged to a balanced budget and with the surplus, it is planned to spend \$6,000,000 on the Geraldton-Hearst Highway, and to complete the two-lane highway to Oshawa from Toronto.

Quebec, he said, was going to re-enact the 5 per cent rate. "I have yet to have one complaint in regard to the continuation of the tax," he added.