

APRIL 1

City's Financing Rapped As Tax Act Repeal Seen

The Mortgage Tax Act, a measure which applies only to the City of Toronto, is to be replaced in its entirety, Attorney-General Gordon Conant told the Legislature yesterday. A proposed amendment to the act, by which it was planned to earmark the revenue derived under the act for the building of a new court house in the postwar period, was withdrawn by Mr. Conant.

The Attorney-General told the House that the City of Toronto had collected the money derived under the Mortgage Tax Act and used most of it for purposes other than the purpose intended, namely to defray the cost of the registry office. Up to Dec. 31, 1941, the city had received from the mortgage tax \$805,193, said Mr. Conant.

Mr. Conant read a letter from Mayor Conboy asking the Government to reconsider the proposed disposition of the mortgage tax revenue. The mayor pointed out that there is an outstanding debt

relative to the registry office of \$400,000, against which there has now accumulated a sinking fund of approximately \$275,000, leaving a balance of nearly \$125,000, together with the annual debt charges.

Mr. Conant also read his answering letter, in which he informed Mayor Conboy that the amount received by the city from the tax exceeded the commitment to finance the registry office by a very large sum.

"The city's position in this matter is indefensible. They have spent part of the money on sidewalks, sewers and other improvements. I was anxious that some provision be made for a court house in the dim, remote future, but in view of the existing situation I must alter my views on the act and the amendment. The present taxing legislation will be repealed and the amendment will be withdrawn," said Mr. Conant.

Leopold Macaulay, Acting Opposition Leader, congratulated the Attorney-General on his stand.