

# HERE ARE THE FACTS

**If the Conservatives under R. R. Bell should be elected, his promise to veto the sales tax amendment to the constitution would also block the old age pension amendment, and the proposed old age pensions would never be paid.**

## Won't Let Tax Views Block Agreement: Frost

By GEORGE BAIN

There is little likelihood that Ontario will say no to the proposed constitutional amendment which would let the provinces levy an indirect sales tax of up to 3 per cent. Premier Frost has said that it is not the intention of his government to use such a tax should the provinces be given the right to it. He has intimated that if Ontario were to levy any new consumer tax, it would be, in any event, a direct tax.

The provinces now may use only direct taxes. Five do. The proposed constitutional amendment would let them tax merchants to the extent of 3 per cent on annual business turnover. The tax would be recovered from the consumer in higher prices.

Although Ontario does not want the right to levy an indirect sales tax, it will not stand in the way of its being made possible. One reason was suggested by the Premier when, on the final day of the recent session of the legislature, he said:

"We have to exercise care that our views on, say, sales taxes . . . do not adversely influence a broader question, namely, that of constitutional procedures suited to a great country like our own."

The Premier's view has been that, to oppose this amendment which some provinces have requested, might be to jeopardize the chances of getting agreement on a formula for handling constitutional changes generally.

There is no argument among the provinces that on matters relating to such fundamentals as language, schools, religious and minority rights, there should be no right to amend the constitution without unanimous consent.

There has been considerable difference of opinion, however, on how to approach amendments dealing with less basic matters. Some have put forward the view that such amendments should be permitted with the approval of a simple ma-

ority of the provinces, without regard to population. Others would continue the necessity for unanimous consent to all amendments.

Ontario has put forward a middle-of-the-road proposal; that parliament should be able to make general amendments to the constitution with the concurrence of two-thirds of the provinces, representing a majority of the population.

This would make it impossible for one province to use a veto. It also would ensure that any amendment would have to have the concurrence of either Ontario or Quebec, which between them have a majority of the population.

In the case of the proposed amendment, which would permit the provinces to use an indirect sales tax, unanimous consent has been required in the absence of any other formula. Premier Frost has taken the stand that Ontario would be going against its own proposed formula if it were to exercise a veto against something which several other provinces have requested.

In the House, he said the Ontario Government was anything but enthusiastic about an indirect sales tax. Ontario has other preferences as to new sources of revenue for the provinces. But, he added: "I understand the federal government and the other nine provinces are generally in agreement. If we were to impose the veto we would run quite contrary to the formula which we have proposed for constitutional amendments."

He also pointed out that his government already has agreed to a second amendment which would permit the operation of a new federal-provincial old-age pension scheme. It is completely in favor of the proposal, he said.

"I imagine what the feelings of this chamber would be if one of the provinces were to veto this proposal," he said. "That is the question you must consider. Suppose one of the provinces vetoed that proposal. That is the position we are in at the moment."

**Read what Mr. Frost, Conservative premier of Ontario said recently, as reported in the Globe and Mail, Conservative Toronto Newspaper. Premier Jones agrees with Premier Frost of Ontario.**

# VOTE LIBERAL

## AND PROTECT THE OLD AGE PENSION