

STILL ADVOCATES ASSESSORS' BOARD.

Mr. Pettypiece's Bill Respecting Railway Taxation.

PROMISE OF THE PREMIER.

Supplementary Revenue Measure to Affect Railways.

Premier Ross Defends the Policy of Granting Subsidies to Railroads in New Ontario—Education Bill.

Railway subsidies and railway taxation occupied almost the whole time of the Legislature yesterday afternoon, and on both subjects the discussion was of unusual interest. Mr. J. J. Preston of East Durham condemned the practice of granting subsidies to railroads, and hoped the Premier's reply to a recent deputation of farmers could be interpreted as an abandonment of the policy. Premier Ross showed that since 1885 only roads in new Ontario had been assisted, and argued that in thus helping to open up the newer parts of the Province they were adopting a patriotic policy that was appreciated and approved by all classes. Mr. H. J. Pettypiece, in moving the second reading of his now famous bill providing for the increased taxation of railways, expressed surprise at the decision of the special assessment committee to abandon the idea of a Provincial board of assessors. That was the only method of fairly and equitably assessing these corporations, he contended, and showed that it had been adopted with success in many States of the Union. He also quoted numerous figures to show that Canadian railroads were not paying a fair proportion of the taxes. The Premier in a brief reply intimated that in a supplementary revenue bill, which he is preparing, the railways will be taxed considerably more than at present.

The Temperance Bill.

Before the orders of the day were reached, Mr. St. John asked the Premier to inform the House when he would introduce his promised temperance bill. Mr. Ross replied: "No bill will be brought down this week."

Mr. Hugh Clark (Centre Bruce) explained that if any member on the opposite side of the House had left the House on the occasion of the division on the amendment to the budget motion in order to pair his (Mr. Clark's) vote, he had done so without his consent and without the consent of anyone who had his authority. He had been unavoidably absent and would have voted for the amendment if present.

Colonel Matheson asked that the Public Accounts Committee be called to-day and the Premier acquiesced.

Subsidies to Railways.

In moving for a return showing the amount of money paid as railway subsidies by the Province since confederation, Mr. Preston of East Durham said that, while he did not feel justified in saying that the Legislature had, in making these grants, acted with dishonest intention, the principle was, in

his opinion, all wrong. It was not based on sound business principles. When a deputation from the Farmers' Association waited on the Government some months ago, the Premier was reported as having told them that the time for bonusing railways had gone by in this Province. No more popular declaration had been made by Mr. Ross since he became Premier.

Opening Up New Ontario.

Premier Ross, in reply, said the return was partially prepared three or four years ago, and could be completed promptly. It had been the practice of the Legislature of Ontario since 1871, in common with the Federal House and the other Provincial Assemblies, to grant subsidies to railways, and thus aid in the development of the natural resources of the Province, in increasing the population, and in otherwise adding to the wealth of the country. Neither Manitoba nor the Northwest Territories would have attained to a tithe of the progress they had now reached had it not been for the subsidies granted to railways by their respective Governments and the Federal Government. About 1885 Ontario ceased aiding railways in the older part of the Province, and since that time all the subsidies had been for the development of New Ontario.

Benefiting Old Ontario.

He believed that the policy of developing new Ontario was appreciated as much by the farmers of old Ontario as by any other class, and his remarks to the deputation of farmers that waited upon him were not intended to convey the idea that any change was contemplated in regard to assisting railways in new Ontario. He did not think any better use could be made of the credit of the Province than in making the unproductive parts productive and in extending the boundaries of settlement. Ontario must not continue to be a fringe of settlement along the great lakes, and its development must come from the accumulated wealth of the older parts of the Province. That was, he believed, a patriotic policy. Several hundred thousand dollars in bonuses on timber had recently been added to the revenue of the Province, entirely as the result of the building of the Temiskaming Railway, the iron mines at Michipicoten had been made valuable owing to the assistance given to the Algoma Central, and a million acres of arable land had been opened up as the result of the building of the Canadian Northern. The present liability of the Province in respect of railway subsidies was between four and five million dollars, involving an average annual charge of about \$400,000. That charge would become considerably smaller unless fresh subsidies were voted, and in about 40 years it would dwindle down to a very insignificant sum.

Mr. Whitney remarked that he was afraid the Premier had been speaking in defence of the measure he proposed bringing down with regard to the Algoma Central Railway.

Mr. Ross—That matter, if it should ever come before the House, can be discussed at that time.

Taxation of Railways.

Mr. Pettypiece moved the second reading of his railway taxation bill, claiming that it should be sent further by the House this year than during the previous two years when he brought it up, because of the general attention which had been given to it by the public. He had been surprised when he learned from the Attorney-General that the proposed Provincial board of assessment commissioners was to be abandoned. Such a board alone could make an equitable assessment. He did not approve of the flat rate, because \$100 a mile might be small for the C. P. R. and G. T. R., but would be ruinous for small railways. It was impossible for the municipalities to do the taxing. The ad valorem system was the correct one. In the United States the attempts to tax railways by municipalities during the last 30 years had led to the most ludicrous

results on account of the absurd variation of assessments. Under the ad valorem system the three States of Pennsylvania, Massachusetts and Connecticut collected \$40,000,000 in 1903, while the total taxes on railways in the United States was only \$52,000,000. Wisconsin had adopted the ad valorem system in accord with a recommendation made by the Governor of the State as Chairman of a commission on the subject. Under it the commission, which worked for four years, said that they would obtain \$2,644,000 instead of \$1,700,000.

In Ontario the G. T. R. complained against an increase upon \$56 per mile taxes, while in Indiana they asked the State board to fix their taxes at \$40,000. Mr. Hellmuth before the commission made comparisons between Ontario and New York and Illinois to show that, considering the number of people to the square mile, the taxes in Ontario were much larger per square mile than in the States. There were many other States, however, which in comparison with Ontario had much higher taxes. In Lansing, Michigan, on Friday last the courts had Professors Adam and Cooley before them, two of the recognized authorities on taxes. They increased the assessment of the Michigan Central from \$47,000,000 to \$63,000,000, and the Pere Marquette from \$26,000,000 to \$46,000,000. Last winter 61 municipal Councils voted in favor of the passage of the bill. The people of the Province were at last awake to the fact that they were not only paying their own taxes, but the taxes of the great corporations both here and in the States.

Mr. Hoyle Defends Committee.

Mr. Hoyle said the Assessment Committee recognized that Ontario must have half a million dollars more for revenue. Mr. Pettypiece's comparison with the American States was not a proper one, because in Ontario the municipalities, the Province and the Dominion had all bonused the railways, a policy which had not been followed in the States. The committee did not think it fair that the Province should by a tax on railways provide for a return to the municipalities which had never bonused the railways. The committee had been evolving a system which would be far more equitable than the method by which the hon. member would seek to provide for the increase of the taxes on the railways.

Supplementary Revenue Bill.

Premier Ross said the member for East Lambton deserved a great deal of credit and the thanks of the House for his very lucid explanation of a very complicated problem. He had put the House in a better position to find a solution of what was a matter of great interest to the people and to the Treasury Department. He had argued that the proper way of taxing railway corporations and other large franchise-holding bodies was by means of a Provincial board of assessors, and had shown that that method had been adopted in the United States apparently with satisfactory results. The special committee, on the other hand, had found what they considered a better system, and it might be in this, as in many other instances, that they could show the United States that better results could be achieved in another way than that under which the States were working now. He thought the House would accept the leadership of the committee that had given so much attention to the matter. Mr. Pettypiece had also raised another point, the supplementing of the revenues of the Province and of the municipalities. So far as the latter were concerned, the committee had already made considerable progress in finding additional revenue for them. "I hope," added the Premier, "in a very short time to bring down a supplementary revenue bill which will tax railways more and increase the revenues of the Province." On some future day these matters could be thoroughly dis-