

RAILWAY TAX IS TO BE DOUBLED.

Municipalities Will Get Share of the Revenue.

ASYLUMS ALSO BENEFIT.

Bank Agencies Will All Have to Pay a Tax.

Opposition Scores Government for Change in Attitude on Railway Taxation Bill—Conveyancing Measure of Mr. Carscallen Killed.

The present tax on railways over 150 miles long is doubled. Last year the tax yielded \$191,990. The increase under the new bill is estimated at between \$180,000 and \$190,000. Taking it at the latter figure, the railway tax will hereafter yield \$381,990 yearly.

Rural electric railways running on highways will be taxed. Hitherto they have contributed nothing to the Provincial revenue.

All city or town agencies of banks will pay a tax, instead of only one agency paying it, as formerly.

After deducting charges for the expenses of collection and of the Railway Commission, and one-half of the amount realized, the rest of the money received from railway taxation will go to the municipalities of the Province, which will, however, be required to contribute a portion of it toward the maintenance of poor asylum patients from their boundaries.

The foregoing are, in brief, the features of an act to amend the supplementary revenues act, which was introduced in the Legislature by Hon. Mr. Matheson yesterday.

The Opposition attacked the Government on their inconsistency in supporting the Pettypiece bill, Premier Whitney having voted in committee in favor of adopting the bill in its entirety. The present bill, it was shown, adopted the business principle held by the Liberal party, of taxation on mileage.

Temiskaming Commission Powers.

Hon. Mr. Reaume introduced a bill to amend the Temiskaming & Northern Ontario Railway act. It empowers the Temiskaming Railway Commission to lease branch or spur lines not exceeding ten miles long, and to sell, lease or otherwise deal with mining rights along the right of way and on town sites.

Mr. MacKay's Amendment.

Mr. Hoyle's bill respecting prospectuses was referred back to Committee of the Whole for amendment, upon which it was reported and read a third time. The amendment was that suggested by Mr. MacKay, requiring a prospectus to be handed to purchasers of stock by agents making verbal representations.

The report of the Committee on Public Accounts was presented by Mr. Carnegie.

Mr. Currie obtained leave to introduce a bill to confirm by-law 544 of the town of Picton.

The university act, 1906, was read a second time, it being understood that discussion would be taken in committee.

Conveyancing Bill Killed.

In moving the second reading of his bill respecting conveyancing, Mr. Carscallen (Hamilton) pointed out that

much litigation ensued from the unskillful preparation of deeds, wills and mortgages. The bill did not affect anyone who was not working for hire. The measure was simply intended to protect the people.

Mr. MacKay would not dispute the principle of protecting the public. A conveyancer, not a solicitor, might make a blunder whereby a man might lose his farm, and the conveyancer would not be responsible. The bill, however, in its present form might work injustice.

Premier Whitney thought the matter too serious to be dealt with by a committee in the closing days of the Legislature. It should be carefully considered by the Government. He knew of no influence through which more injury was done to the people, but it was utterly hopeless to enlist the people at present in the question of conveyancing. The average young lawyer was annoyed at the errors arising out of the present system, but as he grew older he recognized that he was largely indebted to it for his business.

Mr. Carscallen had no desire to press the bill in the face of opposition, but was grateful that the Premier agreed with its principle. He moved the discharge of the order.

On the request of the Attorney-General Mr. Lucas withdrew his bill to amend the devolution of estates act.

Bank Agencies Taxed.

In the course of his remarks in introducing the amendment to the supplementary revenues act the Provincial Treasurer said that the first clause of the act provided that every agency in cities or towns of a bank would pay the tax of \$25 a year. Under the present act, no matter how many agencies a bank had in municipalities of the nature mentioned, only one agency paid the tax.

No Tax on Earnings.

Proceeding, he referred to the report of the railway taxation commission (appointed by the former Administration), which was presented last session. That report, which in many respects was very valuable, recommended that railways be taxed three per cent. on their gross earnings in the Province. The Government had given considerable attention to this matter, and their own opinion and that of many authorities was that such a tax could be successfully challenged by the railways. On that basis the tax meant indirect taxation on the people, something, he held, that could not be imposed by the Province under its powers. He quoted several authorities in support of this contention, including the late Hon. Mr. Hardy.

Present Railway Tax Doubled.

The Government had, therefore, decided, and the bill he now introduced so provided, that the taxation of railways should be on the same principle as now, but should be doubled. With the tax the Government proposed, and the present taxes to which they are subject under the municipal and assessment acts, he thought the railways would probably be paying their fair share of taxation in comparisons with other bodies and individuals. It was not proposed to increase the tax on railways under 150 miles in length, which is now \$15 per mile for single track and \$5 per mile for each additional track. On railways over that length the tax would be, as he had stated, doubled, making it in organized territories \$60 per mile for single and \$20 per mile for each additional track, instead of \$30 and \$10, and in unorganized territory \$40 and \$10, respectively, instead of \$20 and \$5 as now. The new act also provides, the Treasurer stated, that the tax shall apply to electric railways over 150 miles in length and running on their own right of way. This would cover the case of projected electric lines of the length stated, and of existing steam railways which might later be electrified.

Rural Electric Lines Taxed.

Hitherto, Hon. Mr. Matheson proceeded, there had been no tax on rural electric railways running on highways. There was a provision in the old act that the Lieutenant-Governor in Council might impose an inspection tax of \$10 per mile

on such roads, but this had not been enforced. The new bill would tax these roads at \$10 per mile for single and \$20 per mile for double tracks. To Hon. Mr. Ross the Treasurer said the bill imposed no additional tax on street railways.

How Tax Will be Divided.

The effect of the tax would be an increased revenue of between \$180,000 and \$190,000 a year from the railways. As to the disposition of the tax, it was proposed to make the municipalities, to a certain extent, partners with the Province in supporting the unfortunate poor patients in asylums. In the first place the Government will take \$30,000 from the total to cover the expenses of collecting and distributing the tax and to meet the charges of the proposed Railway Commission. Half of the remainder will be credited to the cities, towns, villages and organized townships and unorganized territory of the Province in proportion to population on the basis of each last Dominion census taken prior to collecting the tax. On the last Dominion census this would give each municipality a credit of about eight cents per head. A town of 5,000 people would thus get \$400. Out of the amount put to the credit of a municipality, but not from any other source, the Province asked a contribution of ten cents per day towards the support of poor patients sent from that particular municipality, or \$36.50 per year for each of such patients. A municipality of the size he had mentioned, contributing at the rate named for the support of four patients in one year, would thus give \$146, or, say, \$150. That amount would be deducted from the proportion of the tax credited to the municipality, and at the end of the year the municipality would receive from the Treasury Department a check for the balance—\$250.

The Dominion Census the Basis.

The Dominion census was taken as the basis of the distribution, because it would be impracticable to take the municipal assessment rolls. That would be an inducement to the assessors to pad the lists. It would also mean delay in receiving the returns. The population in unorganized territories could not be obtained any other way than by the Dominion census. The Lieut.-Governor in Council is empowered by the measure to say what the population is in cities like Toronto, for instance, where new territory is added after the last payment. It is also provided that the distribution shall be at a flat rate. Thus, supposing that the amount received permitted of a distribution on the basis of eight and a quarter cents or eight and one-sixteenth cents per head, it would be made on the basis of eight cents. This flat-rate method would save time, trouble and expense. In concluding, Hon. Mr. Matheson said the Government had tried to be fair to all the interests concerned, and believed the measure was one which would be acceptable to all.

Complete Conversion.

Mr. Graham expressed his gratification that the Government had adopted a practical business principle as laid down by their predecessors. He had not expected the conversion of his friend the Hon. Provincial Treasurer to be so complete, but he had taken the whole plunge, and not stood shivering on the brink. The distribution of money to the municipalities was a mere display of fireworks. It aimed at holding up to the municipalities the idea that money was being collected for them. The circumlocution did not affect the matter in the least. The Government must accept the responsibility of caring for the people as a whole, and even all the asylum patients came from one municipality the Province must take care of them. The Government should have the courage to devote what was necessary directly to this purpose, without making a show of paying the money to the municipalities and then taking it away from them again.

Hon. Mr. Hanna said he had always held the view that the asylums should benefit from money to be raised from railway taxation. There was a disposition among the municipalities to get