

At 12 mills on the dollar the townships would thus get about \$100, where they now got \$5.24. This might not be all they ought to get, but was certainly no mean advance, and it was one for which the ratepayers ought to give the legislators credit. Thus far, however, the critics of the government had failed to inform the public that any such advances were being made.

Distribution of Taxation.

Much was being said relative to the distribution of the taxation derived from the railroad companies, and it was certainly very "catchy" to suggest that these corporations should pay after some such style as they were made to pay across the line, and that the municipal taxpayer should get corresponding relief. In his first bill Mr. Pettypiece had suggested that 85 per cent. of the taxation should go to the municipalities, and 15 per cent. to the government. As things now stood the municipalities would continue to receive \$300,000 or more of the \$490,000 odd which these corporations would be called upon to pay. In determining whether or not they were entitled to a larger proportion, it was necessary to take into account the different methods of taxation prevailing in Ontario as compared with those of the States. For example, the different States taxed the municipalities heavily for education, public institutions, agriculture, hospitals and charities, etc., while in this province not only was no such levy made, but the province assumed the greater part of all these charges out of the provincial revenues. In other words, it gave to the municipalities that which the state governments took from them. To illustrate, the estimates of the province for 1904 contained the following items:

Education	\$989,154
Public Institution Maintenance	941,642
Agriculture	237,496
Hospitals and Charities	231,126
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	\$2,500,418

Much of this fund went directly to the municipalities, and was distributed by them in the maintenance of schools, public libraries, agricultural societies, farmers' institutes, hospitals, charities,

etc., and to the list had now been added a generous appropriation toward free text-books in the rural schools. There were more general charges of a like character, such as the maintenance of asylums and universities, agricultural colleges, dairy schools, etc., which were of a corresponding character, so far as the direct benefit to the people was concerned, but the expenditures for which could most conveniently be made by the provincial government. It was true, as had been stated, Ontario occupied a different position from that of the various States, in that it had control of great timber resources, but it was also true that there was a demand that these should be used more sparingly, and that they were no longer adequate, taken in conjunction with the ordinary sources of revenue, to meet the ever-increasing demands being made upon the government in consequence of the continued growth of the province. If the government could not rely upon the Supplementary Revenues act, of which railroad taxation formed an important part, to meet charges such as those to which he had referred, it was apparent that the present system of surplus distribution among the municipalities could not be maintained.

Having shown in detail what the county of Brant was receiving from the Ontario government for what would be the subject of municipal taxation in Michigan or in any other state, Mr. Preston quoted Washington statistics to show what the different States of the Union levied upon the municipalities for education alone.

The following is a summary:

North Atlantic division	\$12,831,775
South Atlantic division	5,148,670
South Central division	6,398,383
North Central division	8,374,009
Western Central division	5,577,752
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	\$38,330,589

Here we had an average of nearly \$1,000,000 per state taken from the municipalities for the support of education, while Ontario was giving to the municipalities about an equal amount. Among the larger state levies for education were the following:

New York	\$3,871,443
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