

are fairly prosperous countries and we do not hear of them pitching over the precipice of financial ruin. Yet their per capita debts are from two to five times as large as that of Canada. They compare our debt with that of the United States in an ingenious but not in an honest way. In the United States they have federal, state and municipal debts. Every state has its own debt and the interest of that state debt is paid by direct taxation. There the federal debt means simply a war debt whereas the federal debt of Canada means something very different. It includes not only what has been expended for federal purposes, but also every dollar of debt that the provinces incurred; for the Dominion assumed all the debts of the provinces and manages them, while in the United States the Federal government assumes no state debts nor does it manage them. For the state debts the people are taxed directly. I will not, however, deal further with the question except to ask, for what has the debt of Canada been incurred; for what have the debts of other countries been incurred? You are a farmer, you take \$5,000, and you can dispose of it in two ways. You can set fire to it or you can invest it in improvements on your farm. Supposing you do the latter, you would not allow any one to compare your financial conduct and management with that of the man who, right alongside of you, burnt his \$5,000. There can be no question about it. He has spent his \$5,000; you have spent yours; but yours has been expended in a productive way, his is all air and smoke. (Applause). But it would be a great deal worse if he had taken it and used it to burn and destroy his property. Every dollar of the United States debt is a debt incurred for war, and for destruction of life and property, every dollar of it was placed upon the shoulders of the people by that dreadful internecine war that took place from 1860 to 1866, and not one single dollar represents a public improvement, a public bridge, a public harbor or railway; it has all gone for waste and ruin and destruction—(applause)—and they are paying for it now. On the other hand, take the debt of Canada as on the first July 1885 at \$196,000,000 and it does not represent war or the waste of war, every dollar of that debt was a dollar invested in productive public works in your own country, and which today makes this country a country unrivalled for its internal carrying facilities. Is it then, I ask, fair to make a comparison between these two countries? (Tremendous applause). And when they compare the United States indebtedness and that of Canada you can turn to them and tell them that the comparison is unfair because the conditions and results are entirely different between the two countries. (Applause).

THE TAXATION QUESTION.

I shall now ask your attention to the question of taxation. They say taxation has been largely increased and that it presses with undue weight on the average family.

Mr. Blake at Galt and at Toronto, especially where the workmen were before him, declared that they were more heavily taxed than they would be under his administration, and that they would be so while we were continued in power, and he gravely asserted that each working man and his average family was obliged to take from his earnings the sum of \$45 per year in order to pay the taxes the Government imposed upon him. Do you want to do that he asked. If you do then go on and support this Government. If you want to get rid of that heavy taxation then support me and I will put the taxes upon the luxuries of life and take them off the prime necessities of life and relieve you of your burden.

I will analyse that argument and I want you to follow me in that analysis. How did he get that \$45 per family. He got some \$15 by a certain fanciful calculation of what the head of a family pays as the profits charged on taxation by the wholesale and retail dealers, but as that branch of his argument is too absurd to be noticed at any greater length I will not follow it.

The remaining \$30, says he, is paid directly as taxes into the treasury of the Dominion. How did Mr. Blake get at that \$30 as the tax per head of family? Why he got it by taking revenue as synonymous with taxation, whereas there is a great difference between them. Take the accounts and what do you find? In 1885, the revenue was \$32,500,000, divide that by the population and multiply by the number in an average family and it gives about \$30 for the family. But the \$32,500,000, revenue of Canada, is not all taxation, and Mr. Blake should have known it was not, for \$7,412,000 of that sum are earnings from the investments and public works of Canada, not one single cent of which is paid as a tax. It is earnings upon money invested in sinking fund, railways, post offices, canals and divers other sources, but not a cent of it taxation. If, therefore, we take the earnings from the total revenue it leaves some \$25,000,000 which when you calculate it, makes only some \$24.30 for the average workingman's family.

But even this is not all necessary taxation, nor does it all fall upon the average working man.

This taxation is divided into two kinds, a part is wholly voluntary, and the other partly voluntary and partly not, because you have to get the things on which it is raised as necessities. \$8,450,000 of that \$25,000,000 which Mr. Blake calls taxation and which he says is paid by the average family is raised upon tobacco and alcoholic liquors by excise or customs and you as the head of a workingman's family need not pay a cent of it unless you use liquors or tobacco. I am happy to say that there are more than one-half of the people of this country who do not use tobacco or liquors. (Applause). Therefore, I say that \$8,450,000 is altogether voluntary tax-