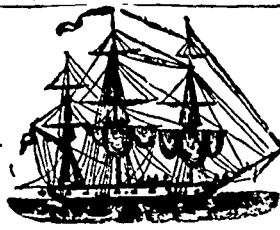


# CANADIAN ECONOMIST.



## FREE TRADE JOURNAL, AND WEEKLY COMMERCIAL NEWS.

Vol. I.]

MONTREAL, SATURDAY, 17<sup>TH</sup> OCTOBER, 1846.

[No. 25.]

### CONTENTS.

- |   |   |
|---|---|
| 1.—The Provincial Tariff.                       | 7.—Miscellaneous Articles.                    |
| 2.—Agricultural Protection.                     | 8.—Intelligence—General and Local.            |
| 3.—Montreal versus the Upper Province.          | 9.—Shipping Intelligence.                     |
| 4.—The Agriculturalists' Interest.              | 10.—Markets.—English, New York, and Montreal. |
| 5.—Chapters from the Experiences of a Merchant. | 11.—Prices Current, &c.                       |
| 6.—Agricultural Report for September.           | 12.—Advertisements.                           |

## THE CANADIAN ECONOMIST.

MONTREAL, SATURDAY, 17<sup>TH</sup> OCTOBER, 1846.

### THE PROVINCIAL TARIFF.

In the nineteenth number of our journal, we introduced, as our readers will remember, the subject of taxation as relating to our Provincial Tariff; and we then laid down the following as our guiding doctrines: that direct and indirect taxation being the same in principle as falling directly upon *income*, (no matter whence derived,) the choice between these modes of levying revenue depending, in our opinion, upon the convenience, the expense, and the practicability of the respective systems, it was our intention, instead of agitating, as some Free Traders in the upper part of the Province seem inclined to do, for the doubtful improvement of direct taxation, "to cling to the *indirect* system which we find in existence, limiting our exertions to the task of eradicating anomalies and correcting defects."

With that purpose in view, we proceed to analyse our present Tariff—intending to expose its defects and to suggest what we consider would be improvements. Of course our readers are aware that we set our faces in toto against duties of every kind whatsoever, except such as are imposed for the mere purpose of raising revenue. We deem it expedient to call attention to this fact, because the *Gazette* in one of its late spiteful tirades of misrepresentation, accused us of never drawing the distinction between a duty for revenue and a duty for protection, while in fact our journal, from its earliest numbers, teems with remarks drawing attention to that very distinction, and affirming that to the first we offer no opposition, while against the latter we declare uncompromising war. Nor have we been sparing of illustrations to mark the difference between a protective and a revenue duty; and we may add, what just occurs to our memory, that the only instance in which the distinction was ever, to the best of our recollection, pointed out clearly in the *Gazette*, was by a letter emanating from the Free Trade Association, and signed "Economist." But, *tempora mutantur*, the Editor of the *Gazette* was then one of us, though he has since, for reasons no doubt satisfactory to himself, seen fit to abandon the principles he then professed,—in vulgar phrase, "to turn his coat." But, quantum suff.—enough of him—let us adhere to our subject—no doubt more agreeable to our readers, as it unquestionably is to ourselves.

The Government of the Province last year required, in round figures, the sum of £520,000 cy. to meet its ordinary expenditure; this year, owing to the additional amount of money borrowed to complete internal improvements, about £20,000 more will probably be required to meet the interest on the Provincial debt. The question then is, how is this amount of money, £540,000, to be raised through the agency of the Custom House, without embarrassing commerce, and injuring certain classes and individuals in the community for the benefit of others, by the imposition of protective, prohibitive, or differential duties?

In the first place,—to enlighten ourselves as well as our readers,—we shall glance at the means by which the revenue of the Province has hitherto been raised, taking for our guide certain statistical documents laid before Parliament during its last Session, from which it appears that the revenue was derived from the following sources:—

1. Custom-House,.....	£119,001 7 9½
2. Excise,.....	20,277 11 6½
3. Territorial,.....	22,871 5 10
4. Light-House and Tonnage Duty,.....	689 5 7
5. Bank Imposts,.....	13,020 17 1
6. Interest on Public Deposits,.....	6,080 13 11
7. Tolls from Public Works,.....	27,501 4 3½
8. Casual Revenue,.....	11,480 11 0
9. Miscellaneous, viz. Fines, Seizures, &c.....	3,413 19 9½

£524,366 16 9½

Such was the revenue of the Province last year, and, as we have already remarked, an additional sum of £20,000 will be required this year, and for the future, to meet the interest on the increased public debt. From what source then is this additional sum to be derived? In our opinion it should be from the Custom House alone, and with a tariff wisely regulated, having no end in view but that of providing for the absolute wants of Government, we conceive that that source will yield the required amount without inconvenience to the public, or injury to commerce.

Let us now examine how the sum of £419,000 (No. 1.) is made up, taking for our guide the same parliamentary documents from which we have already quoted, and which give the following particulars, as well as the authority under which the duties are collected:—

Imperial Acts,—in other words, the Differential Duties,.....	£104,555 11 9½
Provincial Acts 4 and 5 Vic.....	6,787 15 9½
Agricultural Act,.....	1,587 2 7½
Wheat Act,.....	4,481 3 9½
Provincial Act 8 Vic.....	332,548 7 7½

Gross amount of collections,.....	£449,960 1 7½
Deduct for Commission, Salaries, and other expenses of collection,.....	30,958 13 10½

Net Revenue from the Custom-House,..... £119,001 7 9½

We regret that time will not allow us to prosecute our analysis still further in the present number, but we hope to be able to continue the subject in our next, and from time to time, until we fully develop to our readers the views we entertain as to the reconstruction of our Provincial Tariff.

Meantime, we particularly invite the attention of our readers to the following "maxims," laid down by the father of the science of political economy, and which, from their comprehensiveness and perfection, may safely, we think, be adopted by every nation for their guidance in imposing taxes:—

**FIRST MAXIM.**—"The subjects of every state ought to contribute towards the support of the government, as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue, which they respectively enjoy under the protection of the state. The expense of government to the individuals of a great nation is like the expense of management to the joint tenants of a great estate. In the observation of neglect of this maxim consists what is called the equality or inequality of taxation."

**SECOND.**—"The tax which such individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor and to every other person. When it is otherwise, every person subject to the tax is just more or less in the power of the tax-gatherer, who can either aggravate the tax upon any obnoxious contributor, or extort, by the terror of such aggravation, some present requisite to himself. The uncertainty of taxation encourages the insouciance and favours the corruption of an order of men who are naturally unpopular, even when they are neither insolent nor corrupt. The certainty of what each individual ought to pay is, in taxation, of so great importance, that a very considerable degree of inequality, it appears, I believe, from the experience of all parties, is not near so great an evil as a very small degree of uncertainty."

**THIRD.**—"Every tax ought to be levied at the time and in the manner in which it is most likely to be convenient to the contributor to pay it. A tax upon the rent of land, or of houses, payable at the same term at which rents are usually paid, is levied at a time when it is most likely to be convenient for the contributor to pay, or when he is most likely to have wherewithal to pay. Taxes upon such consumable goods as are articles of luxury are all finally paid by the consumer, and generally in a manner that is very convenient for him. He buys them by little and little as he has occasion to buy the goods; and as he is at liberty, too,