

the expenditure and the revenue. Entering upon this subject, I am aware the House will acknowledge that it is one surrounded with a great many difficulties. The Government will try to achieve this object with all the energy which they possess. We have endeavored to establish this equilibrium in such a way as that the increased taxation may fall in the lightest possible manner on the industry of the country. The mode we intend to pursue will press very lightly. At present there is a subject which has long engrossed the attention of political economists in England and the United States, that is, the raising of revenue by a stamp duty. This is a duty collected with the smallest possible expense; it is one which is readily paid, and the sum is so small that nobody will feel it. A tax on stamps does not press seriously on any branch of industry. These duties have for a long time existed in England, and have lately been imposed in the United States. I have not heard a single murmur against them; for that reason we may fairly consider that the introduction of a stamp tax into this country will be immediately advantageous. The introduction of that system will enable us hereafter, if circumstances should unfortunately require it, to increase taxation to secure a larger amount of revenue. I have the advantage of possessing the information collected by the Hon. Mr. Holt on this important subject. I have given my best attention to the statistical results; and also to the reports submitted by Mr. Langton. There appeared to me one of two courses to take: either stamps must be attached to every document in the country, or we must limit them to commercial documents. I did not see my way otherwise than to draw a line between commercial transactions and the general system of stamps. Looking into the whole question, I came to the conclusion I will forthwith have the honor to submit. All commercial transactions in England and the United States are now subjected to taxes. I propose to submit a law to bear less heavily than in England or the United States.

Hon. Mr. HOLTON—Do you confine your system to commercial transactions?

Hon. Mr. GALT—Yes. The American Congress imposes this tax of stamps on every draft or order not exceeding \$100. The stamp duty is five cents on each draft; for every \$100, or a fraction beyond that, five cents additional are imposed; in the case of bills when drawn in sets of three, two cents each are imposed; for every additional \$100 two cents additional are imposed. My scheme imposes only three cents for every \$100, instead of five cents, as by the American system. [Hear, hear.] It is to be remarked that it is not intended that stamps should be required for any promissory note under \$20. Upon every promissory note not exceeding the sum of \$100 there shall be imposed a stamp duty of three cents, and for triplicates of bills of exchange, one cent on each. I estimate, from the returns of the banks, that the sum of \$91,179 will accrue to the revenue from the imposition of these stamps. No doubt a certain amount of revenue, though not a large amount, will arise from notes not negotiated through the banks. The amount will not bear any proportion to that accruing from stamps on

bank documents. I estimate the sum in the latter case at no more than \$10,000, bringing altogether to the revenue from this source the sum of \$100,000. If we had included all the mortgage deeds and the various transactions by powers of attorney, the amount of revenue from stamps would be very much greater. I think the probability is that from no other source the raising of revenue would be more acceptable to the public than from the one I propose.

Hon. Mr. McDOUGALL—What portion of the public?

Hon. Mr. GALT—The public in general: We cannot affect to make our Legislation only for a particular class. No stamps will be imposed on checks on banks, bank notes, municipal debentures, Receiver General's orders, money orders, and Commissariat Bills.

Hon. Mr. ROSE—Do you propose to have no stamps on cheques?

Hon. Mr. GALT—None whatever. There is a much more important subject now to engage the attention of the House—that of the excise—the duties on spirits, malt liquors and tobacco. I think that the feeling of the country will be in favor of imposing increased burthens on these articles. I believe the Government, in asking for increased duties, by taxes on spirits and tobaccos, will be in accordance with the moral sense of the country. Circumstances, before the breaking out of the American war, rendered it impossible for any Government to impose an excise duty of any large amount on these articles. Under a duty of 6 cents per gallon on spirits, a considerable amount of smuggling was carried on. In one respect, increased taxation in America enables us to avail ourselves of the powers we possess for the purposes of increased taxation. I do not pretend to say that the fact of increased taxation on spirits will much reduce consumption; but I shall regard a diminished consumption with very great satisfaction, even if the revenue suffer by it. (Hear, hear.) It may be interesting to the House to have laid before them an idea of the production and consumption of liquor in Canada. Taking the population at two millions and a-half, the consumption of spirituous liquors is between a gallon and three-quarters to two gallons per individual.

Hon. Mr. CAUCHON—That is not much.

Hon. Mr. GALT—It is a very considerable quantity.

Mr. DUNKIN—Including women and children.

Hon. Mr. GALT—The consumption of spirituous liquors in Canada in 1863, was 3,661,000 gallons. That spirit is subject now to a tax of 15 cents per gallon. I have received from Washington the rates imposed by Congress on spirits. Now, the duty is 60 cents per gallon in the United States; but from the 1st July next to the 1st January 1865, it is to be \$1 per gallon; after January 1865, it is to be \$1.25 a gallon. In considering this duty, we must have regard to the depreciation of the currency. In that view the present duty of 60 cents per gallon will be seen to be somewhere under 40 cents per gallon in proportion. The Government, of which I am a member, consider it their duty to levy to as high a rate as it is possible on spirits before they approach any other subject of taxation. We think therefore that an additional duty of