

## TAXATION AND FINANCE.

It is also strongly urged by the advocates of Confederation, that the pecuniary engagements of Nova Scotia were so heavy at the time "The British North America Act" was passed, that whether confederated or not, she would have been forced to largely increase her taxation. Assuming, for the moment, this allegation to be true, the increased burdens would, after all, only be temporary, inasmuch as by strict economy in the expenditure, and the increase of revenue incident to a steadily-growing population, the Government would, in a very short time, be in a condition to return to a low tariff, under which great public works were completed, and the Province has flourished. On the contrary, while Nova Scotia remains under the operation of the Act referred to, she can look for no reduction of taxation, but must necessarily be exposed to an increase of those protective duties which have already been adopted by the Parliament at Ottawa, and will be inevitable to meet the large expenditures contemplated by the Canadian Government, which have not been provided for in the adjustment of the present tariff. Nor does it at all follow that if increased taxes would be necessary on the part of Nova Scotia, if out of the Union, that these would be imposed, as in Canada, upon the manufactures of England. Indeed, there would have been no difficulty in raising a considerable amount of revenue upon other articles of general consumption, without, to any appreciable extent, diminishing the comforts of the people, to say nothing of the raising of money by other modes of taxation than upon importations from abroad.

It can easily be shewn that the Province of Nova Scotia, if left in possession of its Revenues, would now be in a position to amply provide for the payment of Interest on her Public Debt, for the support of Civil Government, Militia, Education, &c., leaving a large sum applicable to the local services of the country.

The gross estimated expenditure for the financial year, 1866, the largest ever authorized by the Legislature of the Province, amounted to £326,035 sterling, and the gross revenue, for the same period, was £341,771 sterling.

But it will be said, in reply, that the interest on the Public Debt has largely increased since that time, and that the Customs and Excise Revenues for 1867 (no data have yet been published showing the exact amount derived from other sources\*) exhibits a falling-off for the year.

Assuming both these statements as correct, the Account would stand thus:—

INCOME.		Sterling.
As per Report of Committee of Public Accounts for year ending 30th September, 1866		£341,771
Deduct alleged falling-off of revenue for 1867 as compared with 1866 .. .. .		25,509
		£316,262
EXPENDITURE.		
As per Estimate for 1866 .. .. .	£326,035	
Add increased liability for interest, assuming the debt at largest figure yet published, but not authenticated (see Papers X and Y) .. .. .	35,292	361,327
And there will appear to be a deficiency of .. .. .		£45,065

But then it must be borne in mind that the grants of 1866, which were greatly in excess of any previous year, included large sums for permanent public

\* The falling-off, if any, in these must be trifling, inasmuch as the Customs and Excise Duties constitute the chief sources of revenue.