

try. So that, taking it in the gross, in the rough, the staple articles of consumption, and of housing, and of fuel for the farmer are those of which this country produces a surplus, which are free within the borders of this country and upon which not one cent of tax is paid. An hon. gentleman said: "What about the nails?" With that infinitesimal cast of mind which characterises him, out of the hundreds and thousands of dollars which are required to buy raw materials for the home, and which are free to the farmer who buys them, the hon. gentleman's mind leads him to look at the few pounds of nails which are necessary to keep the structure together, and upon which a duty may perhaps be paid. That argument, as an hon. gentleman suggests, is clinched.

Mr. LANDERKIN. All our farmers do not wear home-spun.

Mr. FOSTER. No. 3 is the artisan. He does not live on a farm on which he is able to raise what he consumes, but he lives in a village or town; but the articles of food which he buys, the clothing which he wears, the lumber he requires for house purposes, the furniture which he puts into his home, the tools which he uses to a large extent and the fuel he burns, which are the larger items in the expenditure of the artisan as well as in the expenditure of the farmer, are obtained in this country, which produces a surplus of them, and no duty is paid upon them. So, I say, that in this country with its present fiscal system and with its peculiar natural advantages, the system of tariff arrangement under which we live is one which brings the incidence of taxation where it should rest most heavily, upon the man who buys luxuries and has expensive tastes and is willing to gratify them, and least heavily upon the farmer, the well-to-do middleman and the artisan and upon the laboring class. There is this other fact, which I think is one of considerable importance, that the peculiar structure of our tariff arrangement makes this almost a necessity, at least it makes it a possibility, that the raw material which comes in as the material for manufactures is untaxed, and while the manufactured article pays tax, the stimulus given leads to the establishment of new industries, which in their turn gather about them labor and so afford employment to the people, and make in their turn centres for the consumption of the surplus products of the country. Sir, to make that argument just a little stronger, let me say that if hon. members will look into the customs returns they will find that more than 200 articles which enter into the manufacture of goods come in duty free, and that one-third of the total imports for home consumption were, in 1887-88, admitted free of duty in this country. Sir, the comparison is made as well between the debt of the United States and the debt of Canada as it is between the taxation of the United States and the taxation of Canada, and the basis in one respect is almost as unfair as the basis in the other. But, Sir, I have looked through the figures of the taxation borne by the people of the United States, and I find that if you take twenty-one years, corresponding to the life of the Dominion of Canada, in the United States, in Customs and Excise—that is what you may call tax—they have paid at the rate, taking the average of their people, of \$6.64 per head during that period. If you take the amount paid by the people of Canada for Customs and Excise in the same time, the average for its population is but \$4.94 per head, a difference in favor of the Canadian citizen of \$1.70 on the amount of Customs and Excise taxation for the period of twenty-one years ending 1887-88. That is, if Canada, during those twenty-one years, had been as heavily taxed for Customs and Excise as were the people of the United States, they would have paid, taking our average population at 4,000,000 souls, \$142,800,000 more than

Mr. FOSTER.

the people did pay under our reduced system of taxation as compared with that of the United States. If you take the last eight years, from 1881 to 1888, the taxation paid in the United States was \$5.87 per head, and in Canada \$5.74, a difference of 13 cents per head in favor of Canada for that period. For the year 1888, the tax per head in the United States was \$5.51 per head, whilst in Canada it was \$5.66, a difference of 15 cents in favor of the United States, which arises from the fact that the United States, undertaking none of that large class of expenditures such as we have in Canada, and which I mentioned a few moments ago, has from her surplus, with her large population and immense trade, paid a large amount towards reducing her public debt, and, consequently, is reducing the per capita rate of taxation which the people are obliged to pay. But, when you talk of taxation in the United States, you talk simply on the line of comparison of the federal taxes, forgetting that each State has also its taxes, and, if you add the taxation of the different States for 1887-88, which amounts to \$1.08 per head, to the federal taxation of \$5.51 per head, you obtain the total corresponding taxation paid by the people—\$6.59 per head in the United States as against \$5.66 in Canada, a difference in favor of Canada of 93 cents per head of the population. Why, sometimes people think that only a country like Canada, enjoying a protective tariff, has to pay Customs and Excise taxes. If we go to Great Britain, what do we find? We find the taxes gathered there in 1888 were as follows:—

Customs	\$ 85,158,253.36	amount per capita.	\$2.30
Excise	124,551,485.20	do	3.36
Stamps	63,457,777.00	do	1.71
Land Tax.....	5,005,800.00	do	0.13
House Tax.....	9,428,400.00	do	0.25
Property and Income Tax...	70,178,400.00	do	1.89
Total Revenue	357,780,115.56	do	9.64

So there is a tax paid under these different heads of \$9.64 per head of the population in free trade Great Britain. I undertake to say, after carefully looking into this matter, that taking the incidence of taxation in Great Britain and comparing it with Canada, it is much more severe and onerous upon the poorer classes of Great Britain than it is upon the poorer classes of Canada, and it does not have the beneficial effect there in the way of stimulating industries and giving employment to labor as it has in Canada. I find in France the tax per head reaches \$12.86, or a difference in favor of Canada of \$7.20 per head. In Australasia the tax per head is \$12.79, or a difference in favor of Canada of \$7.13. I think you will agree with me that in considering taxation, it is always necessary to have regard to the application of the money which is raised by taxation, and when we come to look into that a little we will find that Canada stands in a position of immense vantage ground in this respect, as compared with the United States of America or Great Britain. In the United States for the last year we find that they made the following payments:

Paid interest on debt.....	\$44,715,007
Pensions.....	80,288,508
Civil expenses.....	22,852,334
Redemption of debt.....	83,084,405
Military.....	38,522,436
Navy.....	16,926,437
Total.....	\$286,389,127

So that for those expenses alone, nearly all of which are for war, or for the results of war, or for the keeping up of the