

April 1, 1873

first year of Confederation, as merchants withdrew from bond more than was absolutely needed for consumption, because they were not certain that the existing rate of duty would be maintained. In 1870, the amount reached \$71,237,603; in 1871, \$86,947,482; in 1872, \$107,709,116, and in the first half of the current year, \$84,364,291. (*Cheers.*) Then there were exports, and goods entered for consumption in the six months ending December 1872, to the amount of \$126,330,636, as against for the whole of the first year (1867-68) \$129,553,194, or a difference of only about \$3,000,000 between the half of 1872 and the whole of 1867-68. (*Cheers.*) Now, I hold that as an additional evidence of the steady and progressive prosperity of the country.

We come to another statement, and I desire to make it here, because I wish to refer to it at a later period of my remarks. I wish, I say, to call the attention of the House to the rate of duty that was collected on the imports during the first five years of Confederation. The percentage of duties on goods entered for consumption in 1867-68 was 12.25; in 1869, 12.31; in 1870, 13.28; in 1871, 13.52; in 1872, 14.11, and in the first six months of the present year on \$72,841,668 worth entered for consumption a duty of \$6,905,010 was collected, or equal to a rate of 9.47. Now this arises notwithstanding the reduction of taxation in 1871, and the proposition was accepted by Parliament during last session, remitting the duties on tea and coffee.

I would for a few moments call the attention of the House to the operations as far as this Dominion is particularly concerned financially during the five years that have ensued since Confederation. Every hon. member who has looked into the public accounts has read the statement of the auditor there, must have read it with the utmost satisfaction. It indicates that during the last five years there has been taken from the surplus revenue, over and above the ordinary expenditure in payment of the interest on the debt, and very large and extensive expenditures for public works and everything of the kind charged against capital, no less a sum than \$9,522,022, which has been contributed towards the construction of public works out of the revenue. The public debt of the Dominion, as is shown by the statements now before the House, was in 1867, \$75,728,000. The net debt in 1872, five years afterwards was \$82,187,000, making a net increase of the debt of the Dominion of \$6,458,000.

And what have we had in return for this? Just let me say that the increase of debt is just in proportion to the increase of population during that period, and no more. The net debt in 1872, as shown by the census returns of 1871, is just within a few cents in the same proportion as it was in 1867.

What have we done during that period? We have expended half the money necessary for the construction of the Intercolonial Railway, and have finished half of that great work. We have purchased the Northwest Territory, for which the Dominion Government gave 300,000 pound sterling and we have spent 300,000 pound sterling in opening up settlement and establishing a Government in that country. We have spent \$1,500,000 on public

works, chargeable against capital. We have expended \$380,000 on the Pacific survey, to be taken out of the subsidy to be given to the Company, and in addition to this we have assumed \$1,600,000 of the debt of British Columbia, which is represented by a population in proportion to the population that came into the Dominion at the Union. This amount might be struck off, but taking that incurred debt of \$1,600,000 for British Columbia, after we have constructed half the Intercolonial Railway, purchased and paid for it, and spent a million and a half in the settlement of the Northwest and after taking into account the other items which I have mentioned, the debt of the Dominion today is not a cent more in proportion than it was when Confederation took place. (*Cheers.*)

The interest may be stated in precisely the same way, as the percentage of the interest paid is about the same as it was in 1867. The interest is about \$1.22 or \$1.23 a head, whereas the public debt is \$22 or \$23 a head. Let us see what had been done under this state of things. But I must first call the attention of the House to two or three extraordinary expenditures that have been made during that period. We had two Fenian raids, that cost us a very large sum of money during the period—nearly half a million. We have expended \$300,000 or \$400,000 in taking the census, which only occurs once in ten years; and yet the net surplus was over half a million dollars. (*Hear, hear.*)

Now let us see what the taxation upon the people has been, taking the average of the population between 1867 and 1872. I wish to call the attention of the House and of my hon. friends opposite to the mode at which I arrive at this. The direct taxation, the taxation of which I refer, is included in the customs, excise and stamp duties. I do not include the money received from our railroads or the revenue derived from our post office, because if our people are travelling over the Great Western or Grand Trunk they pay their fares and that cannot be considered in the shape of taxation. I therefore say that the taxation is composed of what is charged on the customs or excise and in the shape of stamp duties. This amounted in the five years to \$69,937,057. Divide that by 5 and we have \$13,987,411 per annum. Divided that by our population and it comes to a taxation of \$4.09 per head.

Here I may and I do appeal to my hon. friends opposite, who have had a great deal more experience in this way than I have, because they sat in the Parliament of Canada before we, from the Maritime Provinces, had the honour of a seat here, that under the head of capital formerly and for a year or two after Confederation many items were charged against capital which were subsequently taken from the capital account and charged against income, whereas now we find very few items, except those for the enlargement of the canals or the construction of our railways, which may not fairly be charged against income; and yet the whole taxation for the five years, when we deduct the surplus, average \$3.54 per head of the population of this Dominion. I think hon. members generally—though I know that some of them differ very widely as to the mode in which that taxation was levied, especially for a year or two—will all agree that the pressure of taxation upon the people of the