

**Hon. Mr. TILLEY** said the percentage he had named was on the whole imports entered for consumption.

**Hon. Mr. MACKENZIE** thought so, and in that case the statement made was quite illusory. He was glad, however, to hear the hon. gentleman inform the House that it was not intended to make any change in the tariff during the present year. He recollected, however, that the leader of the Government and the hon. member for Vancouver (Hon. Sir Francis Hincks) during the recent electoral campaign, had made one of their principal charges against him (Hon. Mr. Mackenzie), and those acting with him politically, that they were free traders, and persons likely to be concerned in the representation of any such city as Hamilton, for instance; and the hon. member for Vancouver then expressed himself in favour of incidental protection. But what would the manufacturers of Hamilton and elsewhere say when they learned there was to be no change, no protection, and the policy announced and the promises made during the election were not to be carried out; and though by the prospective revenue the hon. Finance Minister might be justified in proposing no additional taxation, he was not morally justified in doing so as the colleague of the gentlemen who had made the promises he referred to.

The hon. Finance Minister had made a very interesting calculation to show the pressure of present taxation on the people which he had stated to be about \$4 per head; but this was only the taxation imposed by the Dominion Government without relation to the local taxation. In Ontario there was so complete a municipal system that two-thirds of the expense of the administration of justice, for instance, was paid by the local taxation; and as a matter of fact, the local taxation in that province amounted to \$4 or \$5 per head, and though he could not speak of the other provinces from actual experience he had no doubt that the case was the same there. This was exclusive of the revenue made by the provinces from such sources as its woods and forests, which were practically a taxation on the people and would increase the rate of taxation to certainly not less than \$9 per head altogether.

Then again the burden of taxation must always be proportioned to the means of the people to pay, and therefore no comparison could be drawn between England and Canada in this respect, inasmuch as the realized wealth of the former was fully four times as great as that of the latter. He maintained that the most important thing to be borne in mind in Canada was to make living as cheap as possible, and that severe taxation would result in a falling off in settlement and emigration. He looked with great apprehension to the amount of taxation pending in the future; and he believed it would require all our patriotism, to assist the Government of the day in keeping down the taxation, and keeping it within such bounds as would effectually prevent its pressure unduly.

While looking with hope to the fulfilment of the completion of the Pacific Railway, and while he would use his utmost efforts to assist a wise accomplishment of that project, he did not believe that it would materially assist Canada as a means of transporting the

produce of the West to the East, as he believed it to be impossible that agricultural produce could be transported over 3,000 miles of railway with benefit to the producers. The railway would only be of service as a means of settling up the country; and the produce could then be used in maintaining the increased population which might fairly be looked for with wise laws and a proper land system. He believed, however, that the provisions affecting lands made by the Government in the contract for the building of the railway, would probably hamper settlement; and it was his deliberate opinion that unless those provisions were changed the hon. gentleman would neither have the railway completed, nor have the resources which he anticipated would be derived from it.

He agreed with the proposition in connection with the Post Office arrangements that the entire revenue should be paid into the public chest, and the expenses paid out of that chest. As to the reduction maintained in the Civil Service salaries, he did not understand the explanation of the hon. gentleman, for he believed it could be shown that there had been steady and decided increase in the expenses of the Civil Service. Statements of this kind ought to be based on actual and not estimated expenditures.

As to the ocean postage, he desired to ask the hon. gentleman whether in stating that the receipt would shortly equal the expenditures, he had taken into calculation the proportion payable to the Imperial Post Office authorities.

**Hon. Mr. TILLEY** said he would ascertain that from the Postmaster General (Hon. Mr. Campbell).

**Hon. Mr. MACKENZIE** resuming, said that as to the militia matters in connection with which a decrease was made, he proposed to call the attention of the House to the matter on a future occasion. He believed that there was a strong opinion that a great deal of the expense at present incurred was unnecessary, and didn't attain the objects proposed. During the past year the Government had established a new force in Ottawa, a mere caricature of the English Household troops. In this they had acted entirely outside of the law; and while he would willingly consent to aid the Government in maintaining the defence of the country, he strongly objected to unwise and unauthorized expenditure, which would only create jealousy and ill-feeling.

As to the lengthy reference made to the difference between the exports and imports, he did not think it at all necessary, for every reader of political economy must know perfectly well that the excess of imports over exports never impoverished a country.

As to the public works expenditure, he did not believe that the canal works contemplated could be done for anything like \$20,000,000. No statement in detail had been furnished on this subject, but he was informed that the case of the Baie Verte canal, for instance, it was the opinion of very competent engineers that Mr. Keefer's estimate would be largely exceeded; and he believed the same would be the case in other works.