

which they derived from three-fifths to four-fifths of entire revenues, had been transferred to the central government?

The representatives from Upper Canada having in mind the tax systems of the New England and middle States proposed that each province should be obliged to meet its own local expenditure by resorting to direct taxation. This meant the adoption of the general property tax as a provincial tax—an innovation even for Upper Canada, and out of the question for the other three provinces where the municipalities still leaned heavily on the provincial treasury, and direct taxation had been very slightly developed. So the plan by which the provinces would have been obliged to fall back on direct taxation and develop the general property tax as the States had done after 1789 was abandoned.

It was then proposed that the revenues to be raised by the Dominion by excise duties on tobacco and spirits should be re-conveyed to the uses of the province on which they were levied. By this arrangement it was hoped to retain a local basis and a measure of independence for the revenue systems of the provinces. In the Canadas the revenues arising from these sources were more than sufficient for the support of the provincial governments, but in the maritime provinces, where the people did not manufacture spirits to any great extent, the excise duties were not productive, and thus this plan also, the last which would give a local character to the revenue systems of the province, was given up.