

We are not drawing an overcharged picture of the difficulties which beset us. It is impossible to do so: they are apparent to every observer. The protection in the British markets for our produce, on which we have hitherto relied, is suddenly withdrawn, and the interests which it fostered are left to their own resources—our finances are exhausted, and a heavy debt incurred, in the construction of public works undertaken in the expectation of a continuance of that protection—our Government, so far as we have the means of judging them by their public acts, are destitute of those high qualities which such an important crisis demands, nor is there any master mind on whom the attention of the public is riveted as competent to regulate the political machine—above all, the people themselves whose interests are thus jeopardized, like persons just aroused from the lethargy of sleep, are only partially alive to the necessities of their situation.

Of the truth of this representation who can doubt? And are not these facts sufficiently appalling? Yet this is by no means the climax of our difficulties. Superadded to all these evils, is an intensely vicious system of commercial policy, which has been nurtured in the hotbed of Protection, and is now transplanted into the natural soil of Free Trade, where it can only enjoy at best a sickly vitality. That system has produced those discriminating and regulating duties which have operated, and continued to operate, so injuriously on the trade of the province, and so unjustly on its inhabitants; and simultaneous with the growth of that system, has been the spread of the British Navigation Laws, which have been productive of similar results.

Why do we point out these evils? It is that the remedy may be applied. That remedy is to be found in the entire removal from our commercial code of all duties which are intended to favour one class of producers or consumers, at the expense of other classes, and in the utter extinction of every preference now accorded to the British shipowner or manufacturer over those of other nations. These points gained, we may hope to “pluck from the thorn, danger; the rose, safety.”

But we revert to the question with which we opened these observations, and ask, How is public opinion to be aroused? The most efficacious means, it strikes us, are the public press, public associations, and public meetings. All these levers of agitation should be simultaneously brought into action, and to the result of their combination we look with hope. In our last number we adverted to the subject of a GENERAL CONVENTION, from all parts of the province, to take into consideration the present critical position of our commerce: and we entertain the opinion that such a measure could hardly fail to be productive of advantage. But we await the response from other sections of the country before going into details. We have done our duty in directing public attention to the subject; it is for the public now to do theirs.

### TAXATION.—THE PROVINCIAL TARIFF.

The public mind being now fully awakened, through the efforts of this journal and our coadjutors in the press, to the necessity of claiming from the mother country relief from her differential and navigation laws, so far as they affect this colony, we conceive that the time has arrived for taking up the consideration of a collateral and dependent subject, viz: that of revising our *local tariff*, with the view of adapting it as a whole to the single object which should be kept in view in imposing taxes, whether direct or indirect, upon a people,—that object being simply and exclusively to raise a sufficient sum of money annually to meet the exigencies of Government, with the least cost and inconvenience to the general body of the people,—in other words, to the tax-payers. To this subject, therefore, we now intend, from time to time, to devote an article,—trusting that the press generally throughout the Province will assist in disseminating our views, and elucidating the difficulties which surround and obscure the question.

At the threshold of our enquiry, we conceive it will be useful to throw out a few general observations on the question of taxation in the abstract,—believing that by coming to a clear understanding beforehand as to the principles and objects of taxation, we shall be more likely to carry our readers and the public along with us when we come to apply those principles to our local tariff, in order thereby to secure the objects which we seek to attain.

In the first place, then, defining the word, we understand a tax to mean that portion of the capital or income of individuals taken from them and retained by Government for the uses of the state. In the second place, it may be either *direct* or *indirect*. It is said to be *direct* when it is *immediately* taken from income or capital—as, for instance, a tax upon fixed property, or upon income; and *indirect*, when it is levied upon articles imported for use or consumption—as, for instance, a tax upon tea or sugar, in which latter case the word *duty* is generally used in preference to tax.

Whether direct or indirect taxation is the best mode of raising

revenue, it is not at present our purpose to inquire. The indirect system has always prevailed in this colony—the public mind is accustomed to it—and, even though the opposite system of direct taxation could be shown to be better, that is, cheaper, more convenient, and at the same time *practicable* in a colony situated as this is, still we are of opinion that it would be bad policy at the present moment to agitate for such a change, believing as we do firmly, that the public mind could not be convinced of the superior advantages of the latter system, if any, for the next ten or perhaps twenty years.

Instead, therefore, of losing our time in agitating for a dubious advantage, we think it wise to cling to the system which we find in existence, limiting our exertions to the task of eradicating anomalies and correcting defects.

Taxes, whether direct or indirect, are necessarily paid out of income; and, the latter arises in *all* cases from one or more of the following sources, viz.:—First, rent; second, profit; third, wages. Every individual in the community, it is clear, whatever be his station in society or his wealth, must derive his income from one or more of these sources; and, therefore, it is obvious that in the abstract it can make no difference to him, whether he contributes to the maintenance of his Government by parting with a portion of his income in the shape of a penny the pound on his sugar, and twopence the pound on his tea, or whether he contributes in the same ratio in a direct tax upon his income. The two systems are manifestly the same in their effects upon income, from which source alone taxes can be permanently paid.

But it is sometimes alleged that indirect taxation is unjust to the poor, as making them contribute in an equal ratio with the rich on the primary articles of consumption which they require for daily use, such as sugars, teas, apparel, and such like; and the validity of this charge against the system we are obliged to admit. But direct taxation, we conceive, is liable to quite as grave a charge of injustice to classes and individuals.

For instance, supposing a system of direct taxation were adopted, how would the tax upon income be graduated so as to fall with *equal justice* upon every member of the community? To impose the same tax upon income derived from property or stocks, and upon income derived from professional, mercantile, or mechanical industry, would be manifestly unjust. The same tax upon a lawyer, or a doctor, or a merchant, or a shopkeepers' income, as upon the holder of real property or an income derived from Government stocks, would be manifestly unjust, because the *stability* of the sources of the respective incomes is not the same. The income on the one hand is, comparatively speaking, settled and permanent; while, on the other hand, that of the merchant or shopkeeper is liable to a thousand casualties—the merchant may be in affluence to-day, and a bankrupt to-morrow.

Hence, we say, the levying of the same amount of tax upon the incomes of the various productive and non-productive classes, would be attended with injustice to many, if not all. Who then, will undertake to frame a scale so graduated as to fall with equal justice upon every class of the community,—a scale that will provide for fluctuations of income, arising from loss of health, and every other conceivable cause, without which a scheme of direct taxation must manifestly be defective and unjust?

Our intention, in making these remarks, is to show that both systems, to a certain extent, involve injustice to individuals and classes; and, that the utmost the human mind can effect, is to come as near perfection in either system as may be found practicable. We shall continue this theme, from time to time, in our future numbers, till we go over the whole subject.

*Free Trade in the Treasures both of the Body and of the Mind, the Interest and Duty of Christians.* A Sermon, preached in June, 1842, by Joseph Hutton, LL.D. London: Chapman.

The celebrity of the preacher and the interest of the subject render it a superfluous task to recommend this sermon. We shall merely extract one passage, descriptive of the accordance of the intercourse of nations with the manifest designs of Providence,—its force and beauty require no comment to point them out:—

“Look at the surface of the earth,—how evident is it that to unite the various tribes that dwell upon it is a primary object of the great Creator! See how the ocean—the dissociating an ancient classic calls it, but never in poetry or prose was an epithet more erroneously applied—unites the most distant realms, and the most different climates, and renders the interchange of their productions not merely possible, but easy:—

“This band remotest nations joins.”

Well has the Psalmist, in speaking of the great and wide sea as full of the riches of God, adverted to the blessings of navigation—“there go the ships.” They are works of human art, it is true, but there cannot be a doubt that they exist by divine appointment, and that the sea was as much designed to carry man over its surface as to nourish the scaly brood within its depths. Over the vast plain of ocean we wend our easy way to every point of the