

efficiency which unfortunately existed during that year was removed in 1864, and that, therefore, we are not obliged now to propose to enter the Confederation in an inferior position, in this respect, to that of our sister colonies. (Hear, hear.) The revenues of each of these provinces are, as the House is well aware, collected under different systems of taxation, suited to the local industry and the wants of their several populations. It is, therefore, manifest that one of the first duties of the General Legislature will be to consider the modes by which the burden of taxation can be most easily borne by the industry of the whole country, and to assimilate the several sources of revenue which are now in existence in such manner as will least interfere with the profitable exercise of the industry of the people. It would be entirely out of place for me, sir, to attempt on this occasion to indicate what the policy of the General Government may be, but one thing must be evident to all, and that is, that where the taxation is about equal per head, the adjustment of it cannot be attended with any injustice to the people of any of the several provinces. Reductions may be made in our customs, on the one hand; and, perhaps, on the other, some portions of our commerce may be relieved from the exactions to which they are now subjected. Apart from the advantages which will manifestly flow from the free trade which will hereafter exist between us, it must be clear to every member of the House that the credit of each and all the provinces will be greatly advanced by a union of their resources. A larger fund will be available as security to the public creditor, larger industries will be subjected to the action of the Legislature for the maintenance of public credit, and we will also see removed some of those apprehensions which have latterly affected the public credit of this country. (Hear, hear.) It must be evident, for it is proved by the fluctuating quotations of the securities of these provinces in London that the apprehension of war with the United States—which has, unfortunately, affected the prices of Canadian bonds—has not to the same extent effected those of New Brunswick and Nova Scotia, which are less exposed to hostile attack; and we may therefore hope that the union, while it affords us greater resources, will, at the same time, carry with it a greater sense of security. (Hear, hear.) I must now enquire whether the proposed system of general and local governments, as regards the interests to which I have already alluded, is likely to work beneficially,

and this brings me to the consideration of the question of the means that will be at the disposal of the general and local governments. It must be admitted that having the power of taxation in their own hands, it will be the fault of the General Legislature if any embarrassment is felt in meeting the expenditure of the General Government. Before, however, passing to the consideration of the means at the disposal of the local governments, I would take this opportunity of replying to the honorable member for Hochelaga, in reference to the export duty on timber in New Brunswick, and the royalty in Nova Scotia on the produce of the mines. This has arisen from the circumstance that in the former province it was found both expensive and inconvenient to attempt to levy their timber dues in the forest, and they therefore adopted the plan of causing them to be paid in the form of an export duty upon the clearances of vessels at the custom house. If, therefore, provision had not been made for securing to New Brunswick the payment of these dues, that province would have been deprived of the large amount which its territorial timber contributes to the revenue, and the General Legislature would have been required to increase the proposed grant to that province by an amount equal to those dues—somewhere about \$90,000 per annum. In the case of Nova Scotia—not possessing any public lands or timber to any extent—her territorial revenue is almost wholly derived from her mines, and collected in the form of royalty. Her representatives at the Conference pointed out that if the policy of the General Government should be to impose an export duty on her coal, it would virtually oblige her either to relinquish the royalty, which now forms a large source of her revenue, or submit to be placed in a most disadvantageous position in competing in the American markets with the coal of that country. For these reasons an exception was made in the case of both of these provinces, such as has been alluded to by the honorable member. (Hear, hear.) In the case of Newfoundland, an arrangement has been made whereby the whole of the territorial rights of that colony have been ceded to the General Government, and I will take the opportunity, when adverting to the means of supporting the Local Government of that colony, to explain the manner and the consideration for which these rights were so ceded. (Hear.) I now propose, sir, to refer to the means which will be at the disposal of the several local governments to enable them to administer