

The Vancouver Island Road Tax is a purely municipal matter, and so the Government has blundered in mixing up municipal with provincial revenue. The Yale-Cariboo Road Tolls are estimated as a permanent source of revenue at \$50,000. This is another mistake, for the Road Tolls are falling off every year. In 1868 they were \$67,825; in 1869, \$46,500; and in all probability will be much less in 1870; and as mining diminishes in the upper country, year by year, so will the Tolls. If ever the proposed Railway be built, away go the Tolls altogether. Besides that, the present Road Tolls are oppressively high. On the receipts of last year, they are equal to \$150 per waggon load of 6,000 lbs., or 2½ cents per lb.,—an enormous tax that no one in his senses would ever think of regarding as permanent. If any toll at all were levied permanently, it could not be fixed at a higher rate than one-sixth of a cent per pound, or \$10 per load of 6,000 lbs., from Yale to Cariboo. At that rate the Road Tolls, instead of yielding \$50,000 per year, would only produce \$3,333, which for all practical purposes might as well be abolished, for the cost of collection would exceed the receipts. For another and all-important reason, I think a great mistake has been made in entering the Road Tolls as permanent revenue after union. It is this: the entire people of the upper country have determined to abolish the Road Tolls as soon as possible. No compromise will be accepted. So, under this head our future revenue cannot be estimated higher than \$3,333, or nothing. The revenue from Land Sales is also put higher than we are justified in fixing it. In 1868, the receipts under the head of Land Sales were only \$1,200; in 1869, \$5,564; and as permanent revenue, for all time to come, under union, at \$6,000. Now, as it is alike our policy and our interest not to make Land Sales a source of revenue, I do not think that we would act judiciously in considering the terms of union if we estimate a higher amount of permanent revenue from this source than the receipts of 1869, \$1,200. Neither Land Revenue nor Rents appear to be as uncertain in their returns as Land Sales; so I will pass on to the items of Miners' Certificates, \$11,000, and Mining Receipts, \$12,500. Here again it appears to me another mistake has been made. Such gold mines as are worked in British Columbia will be worked out. Such diggings are sure to be deserted in a very few years. The white miners will retire, and the Chinese will take their place. When the Chinaman leaves, the mines are worked out. I can, therefore, see but little hope of permanent revenue from the gold mines. Already the mining revenue has begun to fall off. In 1867, Miners' Certificates yielded \$13,645; in 1868, \$11,535; in 1869, \$10,500; and is likely to be less in 1870, although the estimate is \$11,000. In 1867, Mining Receipts were \$22,208; in 1868, \$15,756; in 1869, \$11,500; and yet for 1870 the estimate is \$12,500. At the utmost, from all departments of mining, we cannot, in my opinion, estimate higher than \$10,000 as permanent revenue, and but little of that amount will ultimately be drawn from gold-mining. Now, Sir, with respect to Spirit Licences, which have been estimated by the Government at \$25,000 as permanent revenue, there could be no greater blunder made. The Hon. gentleman who framed these terms seems to have had no notion whatever of the systems of taxation that obtain in the Dominion, and has consequently repeated his mistake of mixing Municipal taxation with Provincial. In the Dominion there are three forms of Government, viz.: Municipal, Provincial, and Dominional, and each has its own system of taxation. Here we have but Provincial and Municipal Governments, with their respective systems of taxation. Now it appears that consideration has only been given, in framing these terms, to taxation under the Customs and Internal Revenue Laws of the Dominion. But Provincial Taxation ought also to have been considered, and the starting point should have been the equalization of our Provincial Taxes with the Provincial Taxes of the Eastern Provinces. This is made very apparent with respect to Spirit Licences. Here the Provincial Government levies \$200 per annum on retailers in towns, and in the country \$50 per annum. In Ontario the retail spirit licence is \$20 per annum in cities, \$17 in towns, and \$10 in the country. In estimating our future revenue from this source, we are not justified in placing it higher than the rate of Ontario, and that would reduce the receipts from Spirit Licences from \$25,000 to about \$6,250 per annum. The excess above the latter amount, if levied, ought to be levied for Municipal purposes. The Trade Licence here is also estimated too high. Now, after careful study of these sources of Provincial Revenue which it is proposed that the Colony, after union, shall exclusively possess, I cannot make the permanent receipts higher than \$50,000 per annum. The difference, therefore, between my estimate of Provincial taxation and that of the framer of these terms, is \$101,050, or as \$151,050 is to \$50,000. If a larger amount than the latter be levied by our Provincial Government after admission, our taxes will be out of proportion to the taxes in the Eastern Provinces for Provincial purposes. Before propounding what I consider ought to be the financial