

debt of Canada for 120,000 of the population of Canada at the time of Union, which is estimated at \$82,000 per annum; and (4) the balance of our present revenue (not including the Customs, Excise, Postage, &c., that go to the Dominion), estimated at \$151,050 per annum. Now, Sir, I have already shown that our maximum population does not exceed 40,000. If we estimate the population of the Dominion on our admission in 1871 at 4,300,000, and the public debt at \$86,000,000, the rate per head would be \$20. Now, \$20 per head for our 40,000 people would entitle us to a public debt of \$800,000; and as our public debt, after deducting Sinking Fund, would be in 1871 about \$1,050,000, the Colony would enter the Dominion with a debt of about \$250,000. So no revenue can be acquired from the third source of revenue on the basis of 40,000 population. Again, if the proposed terms allowed us to enter with the same debt per head as old Canada entered the Dominion, that is \$25 per head, our population of 40,000 would only entitle us to a debt of \$1,000,000, leaving us still in debt \$50,000 on our admission. No revenue still. Let us now take a passing glance at the Newfoundland terms of Union. The debt per head allowed to New Brunswick on her admission was, we are told, accepted on behalf of Newfoundland by those who negotiated the terms, and that was \$27.77 per head. Now 40,000 people at \$27.77 per head would entitle the Colony, on admission in 1871, to a public debt of \$1,110,800, instead of \$1,048,644, our public debt then leaving a difference of \$62,156, on which, on the basis of the third source of revenue, we would be entitled to draw interest at 5 per cent. That difference, \$62,156 at 5 per cent., would yield only \$3,107,—a sum very far below \$82,000 per annum, the estimate in the terms proposed. So it is neither on the Newfoundland basis, nor on a basis of fact, that the Hon. Member for Victoria City has framed the Government scheme of Union. I will now come, Sir, to the real point of issue. I will try, with all fairness, to discover whether there is or is not any ground on which to base the assumption of a population of 120,000. We have been told by the Hon. the Chief Commissioner of Lands and Works, and by the Hon. and learned Attorney-General, that the financial calculations are based on the proportion between the receipts of Customs and Excise in this Colony and the receipts from Customs and Excise in the Dominion of Canada. Now, Sir, from statistics in my possession, I find that the Customs of Canada yield \$8,640,000. That amount, with a population of 4,300,000, would be equal to \$2 per head per annum. Let us now see what the Customs Revenue yields per head in British Columbia. In 1869, the Customs were \$342,126. The difference between the average percentage of Customs duty imposed in British Columbia and in Canada is 7 per cent. less under the Canadian than under our tariff. Now, as we imported in 1869 \$1,775,000, 7 per cent. on that amount would be equal to \$124,250. If we deduct \$124,250 from \$342,126, our Customs receipts in 1869, we shall have \$217,876, the total revenue Canada would have received from British Columbia in case we had been in the Dominion. If we divide this \$217,876 by our population, 40,000, we shall have 5 $\frac{3}{20}$ per head; in round numbers, 5 $\frac{1}{2}$. We can now easily discern the reason why the basis of population has been fixed at 120,000 for financial purposes in the Government scheme of Union. It is apparent that the Government estimate of population has been founded on the conclusion that in British Columbia the Customs would be about \$6 per head, and in Canada \$2 per head, or three times higher here than there; and, therefore, our population of 40,000 ought for financial purposes to be 120,000, or three times greater than it really is. If there were not reasons for the opinion that under Confederation the Customs and Excise of the Dominion, as applied to this Colony, would not perceptibly exceed the rate per head in the Dominion East, I would cheerfully assent, for financial purposes, to the assumption of 120,000 as our basis of population. I cannot, however, conscientiously do so, for with the extension of the Dominion to the Pacific, I hold, will come the equalization of political rights, and the equalization of taxation. The equalization of political rights will be established with the extension of the Dominion; but equalization of taxation, though it may not come in the first year after Union, yet it is bound to come within two or three years after Union shall have been proclaimed. In proof of this assertion, I could direct the attention of the Council to what I deem facts: (1) That as soon as Union shall have been proclaimed, Canadian manufacturers will enter our ports duty free, and that the reduction of Customs receipts from this source will, on the basis of our imports for 1869, be \$58,400 per annum; (2) The reduction of Customs receipts after Union, for Canadian produce entered duty free, and by the increase of agricultural produce in the Colony, will be, on the imports of 1869, \$66,100. Now these two reductions are equal to \$124,500,