

A BRIEF REVIEW
OF THE
REVENUE, RESOURCES, AND EXPENDITURES
OF
CENADA,

COMPARED WITH THOSE OF THE NEIGHBORING
STATE OF NEW-YORK:

WITH AN EXAMINATION INTO THE CAUSES WHICH HAVE PRODUCED THE
PRESENT EXTRAVAGANT SYSTEM, AND SUGGESTING A

REMEDY:

DESIGNED TO

RELIEVE THE INHABITANTS OF THIS PROVINCE

WHOLLY FROM

DIRECT TAXATION,

AND AFFORD A

LARGE ANNUAL SURPLUS,

FOR THE

IMPROVEMENT OF THE COUNTRY.

By **William Hamilton Merritt.**

ST. CATHARINES:

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To the Freeholders of Lincoln and Haldimand.

Having been honored with your confidence, for five successive Parliaments, during which time my attention has been particularly directed to the extent of the public Improvements in the adjoining States, and the effects produced thereby, I was naturally led to an examination of the means by which they were accomplished, as well as to a comparison of the resources and expenditures of the two countries.

With a view of drawing attention to the peculiar advantages we enjoy, the following remarks are submitted for your consideration. If you believe, upon investigation, that this province possesses resources sufficient, without the aid of direct taxation, to furnish not only a liberal allowance for all the ordinary purposes of Government, but if properly applied, to place a large annual surplus at the disposal of the Legislature, for the improvement of the country, impart that information to others, and lend your individual efforts to bring about so desirable an object.

In the mean time, accept this as an earnest of the obligation I feel, for your uniform support on all occasions.

WM. HAMILTON MERRITT.

St. Catharines, December, 1844.

REVIEW, &c.

Few persons have an opportunity of examining, much less understanding, the extent of the resources of Canada, the amount of revenue collected, or the manner in which it is expended. This may, in a great measure, be attributed to the method in which the Public Accounts are made out—the items of expenditure for each department being charged under separate heads, under the authority of “CIVIL LIST,” various “ACTS OF UPPER CANADA,” and “ORDINANCES OF LOWER CANADA.” And after the most searching investigation, though they may be understood, yet they are distributed through the country so sparingly, that very few have the good fortune to see them; not more than half a dozen copies being sent to the district of Niagara, containing a population of from thirty to forty thousand.

In order clearly and fully to comprehend the amount of revenue, resources and expenditure, at the disposal of our Provincial Government, they should be compared with those of other Governments, similarly situated. The question, then, arises—to what country ought we to direct our attention, so as to institute the most natural and just comparison? Canada, having no standing army or navy to maintain, no negotiations with foreign Governments to conduct, or duties applicable to independent States, to perform, it is not reasonable that they should be selected. The Provincial Government of Canada stands nearly in the same relative position to the Government of Great Britain, as the Government of each of the neighboring individual States, to the Government of the United States. We have precisely the same duties to perform, and no more; the officers composing those Governments, and the three branches of their Legislatures, are nearly equal in number; their legislation is confined wholly to the management of their internal affairs; and, indeed, their commercial, agricultural, and, to a great extent, their civil condition, is similar to our own. It is, therefore, but reasonable, that we should select some one of them, from which to draw the most just and legitimate comparison.

To avoid tediousness, the Governments of the Eastern States are passed over, and the State of New-York has been selected. Table No. 1, in the Appendix, has been compiled from the Public Accounts of the Inspector General for 1842, and the Report of the Comptroller of the State of New-York for the same year. It exhibits a comparison of the revenue of the two Governments, from which it appears, that the net revenue of Canada amounts to \$1,396,942, while that of the State of New-York amounts to \$318,300—leaving an excess in our favor, of \$1,078,642. Also, that the former derives resources from—

FIRST—The entire duties arising from foreign commerce, at the sea ports of Quebec and Montreal.

SECOND—The duties collected at our interior lake and river ports, arising from the trade with the United States.

THIRD—The proceeds from all unappropriated lands.

FOURTH—The proceeds of the territorial revenue.

Amounting to \$1,159,836, which the latter does not possess.

The cause which has led to the command of these unprecedented resources, may be clearly traced to our connexion with Great Britain. Notwithstanding the inhabitants of this province have been made to feel, that the advantages they had a right to expect from this connexion have, from continued negligence and mismanagement, been withheld, from year to year, they never abandoned the hope that the time would come, when their anticipations would be realized. To this feeling are we indebted for their persevering loyalty. **THEY HAVE NOT BEEN DISAPPOINTED.** The time has arrived: the principle of managing our internal affairs, has been conceded: a sound commercial policy commenced: the high duties heretofore imposed on our products, removed: the credit of the Mother Country extended for our benefit: and those resources which, in the several States, are reserved for their General Government, are placed at our disposal—**ADVANTAGES POSSESSED BY NO OTHER COUNTRY, AND ONLY REQUIRING TO BE UNDERSTOOD, TO BE APPRECIATED.**

Table No. 2, exhibits a comparison of the expenditure of the two Governments. The different objects for which they are made, are enumerated, without entering into minute details. From which it will be seen, that the Provincial Government of Canada, with a population of only one and a quarter millions, expends £242,472; when the Government of a neighboring State, with a population of nearly 3,000,000, expends for the same objects, only £86,503.

This extravagant expenditure has arisen from a variety of causes. The principal one, however, as far as relates to Upper Canada, may be clearly traced to the system of government in operation prior to 1841. Up to that period, the appointments to office were made by the Colonial Secretary in London, or the Governor here. The incumbents never being removed, no motive existed for the development of talent: as a natural consequence, the most ordinary financial capacity was seldom found in any single department.

To prove to what an extent neglect and mismanagement had proceeded, it is only necessary to refer to the Public Accounts at this period—from which it will be seen, that not one farthing of the pro-

ceeds arising from the sale of the Crown lands, the Canada Company's purchase, or the territorial revenue, was ever paid into the provincial Treasury. Some of the most valuable plots of land were purchased from the Indians, for which the various tribes were to receive a certain annual sum; instead of reserving the interest arising from the proceeds, for that purpose. The lands are gone, but the annuities to the original proprietors of the soil, remain a perpetual charge upon the revenues of the province.

So long as the management of the waste lands and territorial revenue were retained by the Home Government, the Legislature of Upper Canada despaired of ever seeing them converted to any useful purpose; but the moment a prospect opened of their being surrendered and placed under the control of the Provincial Government, efforts were made to adopt a more economical system in disposing of the small remnant which was left, and to apply the proceeds in aid of the general revenues of the province. (See Report of Finance Committee, in 1838.)

Another proof of mismanagement is furnished by the Rideau canal. This great work was designed to connect lake Ontario with the ocean, at an expense to Great Britain, of many thousands of pounds, and has been under the control of the Ordnance department in England. Widening the locks at Grenville, and substituting steam power, in place of a tug or towing path, (which was frequently recommended by the Provincial Legislature, and could have been effected at an expense inconsiderable, in comparison to the object to be gained;) would have lessened the price of transportation one half. Instead of which, the whole trade of the country has been thrown into the hands of a few forwarders, who controlled this steam power; and, by combining together, increased the price of freight, up and down, nearly 50 per cent.—thus imposing a tax on the entire upper country, and driving a large portion of the trade through the New-York canal. Canals, on this continent, have, with this one exception, invariably lessened the price of transportation.

We have no right to complain of this—no part of the expense having been incurred by the province. It is mentioned merely to prove the impracticability of any local interest being properly attended to, by a distant power.

The unequal manner in which the duties are collected, at the various ports, is another subject requiring amendment. It appears by the Public Accounts, that the charge for collection, at the

Port of Quebec, is £4,704 7 7	ou am't collected, £72,923 13 10
” Montreal, 2,095 17 3½	” ” 152,403 14 10½
” Coteau du Lac, 726 0 0	” ” 832 10 1½
” Toronto, 400 0 0	” ” 8,000 0 0

Some Collectors exact 5s. 1d. on the dollar, whatever may be the amount; others, by way of short reckoning, and to avoid the intricate rate imposed by our absurd Currency law, count five dollars for the pound sterling. Some are paid by salaries; others a per centage. Although investigation after investigation has been instituted, no beneficial result has yet been attained.

All attempts to enforce the payment of duties, by increasing the number of officers, ever have, and must continue to prove abortive. It is impossible, at any expense, on this extended frontier, to prevent smuggling, if the duties exceed the expense and risk incurred.—The only REMEDY is, simply to reduce the duties on every article imported, below the cost of smuggling; and then give the informer the whole amount of the seizure. This will lessen the cost of collection, insure information, and increase the revenue. To establish economy and uniformity, the entire management of the revenue should be placed under the control of the Provincial Government.

The same unsatisfactory system of management prevails in the Post Office department. Postages continue high; and large sums are paid, year after year, by the Provincial Government, which are remitted to Great Britain. Commissioners have been appointed from time to time, to revise and improve the system; but nothing effectual has yet been accomplished.

The only apparent remedy is, to place the officers under the control of the Governor and Council, and reduce the postage so as merely to cover the expense of management, without any expectation of revenue.

The CIVIL LIST is a subject of deep interest. It has been asserted, that the assent of the Legislature of Upper Canada was obtained to this measure. It is, therefore, important that it should be well understood.

On the 17th December, 1839, (see Journals, page 17,) a message was sent down by the Governor-General, the Right Honorable Poulette Thompson, containing three stipulations—the second of which was a grant for a permanent Civil List. This was withdrawn, from a knowledge on the part of the Governor-General, that a great majority of the House would not assent to it, on any conditions.

On the 19th of the same month, (page 60,) the following resolution passed, viz:—

“That this House concurs in the proposition, that a Civil List be granted to Her Majesty, for securing the independence of the Judges, and to the Executive Government that freedom of action which is necessary for the public good. **THE GRANT FOR THE PERSON ADMINISTERING THE GOVERNMENT, AND FOR THE JUDGES OF THE SEVERAL SUPERIOR COURTS, TO BE PERMANENT; and for the officers conducting the other departments of the public service, to be for the life of the Sovereign, and for a period of not less than ten years.**”

This resolution clearly shows the intention of the Legislature, except the word “AND,” which, by some means, was substituted for OR, in the original; but it was never acted upon, in framing that bill. Consequently, with the permanent acts of Upper and Lower Canada, the whole revenues of the province are already appropriated: **THERE IS NOTHING LEFT FOR THE ASSEMBLY TO GRANT OR WITHHOLD: THEY ARE, AS REGARDS THE PURSE, POWERLESS.**

From the above it would appear, that a strong disinclination must have existed on the part of the Imperial Government, to concede the management of our affairs, arising from a distrust of the people. Im-

mediately after the close of the war of 1812, it was studiously represented to the different Governors, as they arrived, that a republican feeling prevailed in Canada; and that the inhabitants, if left to themselves, would prefer forming part of the American Union, to continuing their connexion with Great Britain. After the undeniable proofs of their attachment to the mother country, afforded by their gallant defence of the province, before military aid could reach them, one would suppose that such misrepresentations could have no effect. But we find the same calumnies continued to this day, arising from private interest, or a total ignorance of the true sentiments and real advantages we possess.

The population of Canada is composed of the most active, enterprising, and intelligent, from all nations. The cultivators of the soil, the great body of the people, are at least one century in advance of any part of Europe. A natural rivalry ever has, and must continue to exist, between them and the citizens of the neighboring States. The farmer grows the same articles, and competes for the best prices. The merchant contends for the same commerce. The respective Governments, for the same revenue. What the one gains on its transit to and from the ocean, the other loses. Therefore, constant emulation and active competition must ever continue to exist.

Under such circumstances, is it reasonable to suppose that a population thus composed, with intelligence so generally diffused, would voluntarily surrender the striking and substantial advantages they possess? What equivalent could the inhabitants of Canada obtain from the Government of the United States, by surrendering the whole of the revenue they derive from foreign commerce, and various other sources, heretofore named? setting aside the advantages of our trade with Great Britain. So favorable is our position, and so well is it understood, that were a separation from the mother country unhappily to take place, it would neither be the interest nor inclination of the people to join the United States.

The result of the management of the waste lands of the Crown; the increased price of transit on the Rideau canal; the unequal expense in collecting the revenue arising from Customs; the high rates of Postage; and the imposition of a permanent Civil List—all bear ample proof, that the power of controlling the internal affairs of this colony, has heretofore been exercised to our disadvantage; and that the reluctance to concede that power to the provincial authorities, arose from a misapprehension of the true interests and feelings of the inhabitants. Now that we have every assurance, that this obstacle has been removed, it is desirable that the respective powers of the Imperial and Provincial Governments should be clearly defined, that each may cheerfully concede to the other all they are entitled to exercise. There should be no more cause for a misunderstanding between the two countries, than between any one of the adjoining States and their General Government. Great Britain retains the entire control of our trade, with which we cheerfully comply; and in return, she concedes to us, practically, the entire management of our internal affairs. In either case, to be effectual and permanent, this control will

admit of no limit. The respective powers of the two Governments being well understood, our dependence will be limited to trade and commerce only. IN ALL OTHER RESPECTS, WE SHOULD BE ELEVATED TO A PERFECT EQUALITY WITH OUR FELLOW SUBJECTS IN BRITAIN, AND WOULD, IN REALITY, FOR ALL PRACTICAL PURPOSES, FORM AN INTEGRAL PART OF THE EMPIRE.

The advocates of the union of the two provinces, among other beneficial changes, anticipated very great reductions, by dispensing with one of the two Governments. But there appeared great reluctance, on the part of the first United Legislature, to disturb the Civil List, and existing acts, until time should test their efficiency or defects. That time has arrived. Experience has already shown their defects, and proved, that the expenses of our United Government are unprecedented. The appointment of competent Commissioners, to examine and report thereon, could not fail to produce a satisfactory result.

It is not by any puerile attempts to reduce working salaries, and save a few pence from A, B, or C, that an effectual saving can be made. A comprehensive, judicious, and durable financial reform, in every department of the Government, must be matured and brought into operation—the FIRST STEP in the attainment of which, is to diffuse general information, by publishing once in each year, a report from the Inspector General's office, shewing the receipts and expenditure of each separate department of the Government, under their proper heads, and embracing every subject relative to the finances of the province, as proposed in the report of the Finance Committee before alluded to, in 1838, and in the bill entitled, "An act to prescribe the manner in which the Public Accounts shall be laid before the Legislature."

SECOND—To separate the Provincial from the District revenue. By the present centralizing system, the revenues, from the gulf of St. Lawrence to lake Superior, are paid into different departments at the seat of Government; are again disbursed, and a part paid out for local purposes, in the same districts where collected—thus passing through an additional number of hands, and creating unnecessary expense, as hereafter exemplified in the present Division Court act.

THIRD—To confine the receipt and expenditure of the District revenue to fewer persons, with increased responsibility. The revenue, by direct taxation, is assessed by one person, collected by a second, an assessment roll made out by a third, and the money paid into the hands of a fourth, [the Treasurer of the district,] who is allowed a commission of 5 per cent.

The revenue from distilleries, inns, shops, &c., is collected by a fifth person, [the Inspector,] who is allowed \$3 per day for travelling, 12½ per cent. for collection, under £1,000, and five per cent. for all over—the money is paid to the Receiver General, and a return made to the Inspector General.

Ferries are leased by the Governor and Council; prices regulated by Magistrates, and amount paid to the Receiver-General, by a sixth party, [the lessee.]

Marriage License fees are collected by a seventh party. Persons, appointed in each township, formerly remitted them to the Governor's Private Secretary, who retained them as his perquisite. Now they are paid over to the Receiver General, and form part of the provincial funds.

Militia Fines are collected by an eighth party, [the commanding officers,] and paid to the Receiver General.

Fines imposed by the different Courts, are paid to a ninth party, [the Sheriff,] and sent to the Receiver General.

Penalties and Fines, under various laws, are paid to a tenth party, [the Magistrates,] and expended on roads; or paid into the District Treasury.

The revenue from Commerce, duties on Customs, and Auction duties, are received by Collectors appointed by the Governor General, and paid to the Receiver General, forming, as they should, a part of the provincial funds.

The alteration proposed, is, simply to appoint, as at present, in each district, ONE Inspector, to perform the same duties for the district, as the Inspector General for the province—to whom returns should be made of every farthing of money collected and paid out within the same: he should, also, make out duplicate returns of all monies collected for the provincial revenue; and forward a detailed report once a year, to the Inspector General, as well as the Municipal Council, shewing the receipts and expenditure of every branch of the provincial, district, and township revenue, within his jurisdiction—to be circulated for general information.

One Treasurer, to whom all district moneys should be paid, and by whom they should be disbursed.

The Assessors in each township, to make a return to the district Inspector. The Collector in each township, to account to the district Treasurer for all sums collected and paid for the use of the township, not forming a part of the district funds. The Inspector and Treasurer to be paid a per centage, to insure diligence.

The provincial revenue should consist of duties derived from commerce, and from no other source, viz:—Duties on imports, tolls from public works, and auction duties; to be expended in payment of interest on, and the gradual reduction of, the provincial debt, officers of the Provincial Government, administration of justice, expenses of the Legislature, and contingencies; and for no other purpose. [See Table No. 3.]

The district revenue to embrace every description of internal tax not named in the provincial revenue. The proceeds of land, and territorial revenue, should form a separate and distinct fund—the proceeds of which, ought to be appropriated wholly for Education.

This division of the revenue, and the objects to which it is appropriated, should be clearly defined by Legislative enactment, which would materially lessen the duties of the Executive Council. Their attention should be confined to the faithful execution of the laws, and originating, maturing, and carrying into effect, such improvements as

would best promote the general welfare of the country. On their industry and ability to attain this end, would their tenure of office depend. Defining those duties by law, would also enable the Government to curtail the expenses of several departments, and abolish others altogether.

To commence with the first—the EXECUTIVE COUNCIL. This has been composed of a President, two Provincial Secretaries, two Attorney Generals, two Solicitor Generals, one Receiver General, one Inspector General, one President of the Board of Works, and one Commissioner of Crown Lands—in all eleven members. Whereas, the Cabinet of Great Britain is composed of no more than thirteen members—only five of whom have charge of departments connected with the internal affairs of the kingdom, viz :—The Lord Chancellor, First Lord of the Treasury, Home Secretary, President of the Board of Trade, and Lord President of the Council. The duties of the remainder relate to Foreign affairs, Colonies, Army, Navy, &c., which are not applicable to a Provincial Government. If, with a House of Commons composed of 600 members, a population of 27,000,000, and a revenue of £50,000,000, five Executive Councillors have proved sufficient, in the mother country, for the guidance of their internal concerns—surely, with a House composed of only 84 members, a population under 1,500,000, and a revenue of £365,605, four or five Executive Councillors would be ample for the management of the internal affairs of Canada : say, the President of the Council, (to be a legal gentleman,) one Provincial Secretary, one Treasurer, (or Receiver General,) one Inspector General, and one President of the Board of Trade, or Board of Works—four in all. It has been frequently suggested, that the President of the Council should also fill the office of Speaker of the upper House. The duties of the one situation could be performed when his services would not be required in the other.

SECOND—THE LAND GRANTING DEPARTMENT. This has been referred to, as a reproach upon all former Administrations. The amount of loss to the province, will never be ascertained. It is believed that the whole expenses of the Canada Company, in managing their numerous and extended transactions, which are not confined merely to the disposal of lands, are under 10 per cent. Surely, therefore, 10 or 15 per cent. should be amply sufficient for the management of the public lands ; and the balance of the proceeds, being 85 per cent., should be paid into the Provincial Treasury.

The remedy is simple. Either curtail the expense of the present department, to 10 or 15 per cent. on the proceeds, or employ the Canada Company to sell them at that rate, and appropriate the balance, for the benefit of Education.

In most of the adjoining States we find, that one of the first objects of the Government has been, to create a fund out of the proceeds of land, (the first and only resource of a new country,) for the support of common schools. Here, although about fifteen millions of acres have been disposed of, under the supervision of the Home Government, not one farthing has been reserved for that object. The reason

assigned for withholding the control and appropriation of those lands, was, that they should be reserved for the benefit of our fellow subjects in Britain. The plan here proposed, will attain that object ; inasmuch as it secures for their children, the means of education, as they arrive among us. The casual and territorial revenue is recommended to be set aside for the same purpose, until the annual proceeds from the sale of lands yield £50,000—the amount now appropriated, from year to year, out of the revenue derived from Commerce. This grant, however, is subject, at any time, to be discontinued. No permanent fund has ever been provided for this object, and NO TIME IS TO BE LOST, as the public lands are rapidly being disposed of, and none but the utterly worthless will remain with the Government.

Third—The CROWN LANDS OFFICE has ever been a dead weight, as proved by the system adopted by the Canada Company ; and, as recommended by the Finance Committee of 1833, should be abolished. The REGISTRAR'S OFFICE, also, might be dispensed with ; as a record can be kept in the Secretary's, or Surveyor General's department, as heretofore in Upper Canada.

Fourth—ADMINISTRATION OF JUSTICE. Prior to 1836, an efficient and economical system, (which, with a few amendments, would have given perfect satisfaction,) existed in Upper Canada. The Court of King's Bench held a session once a year, in each district, at an outlay from the Provincial Treasury, of LESS THAN £4,000 ; one District Court, four times a year—the expense of which was sustained by the district, and fees from suitors, WITHOUT ANY CHARGE ON THE PROVINCIAL REVENUE ; a Court of Requests, in each township, once a week, or twice a month, WITHOUT ANY CHARGE UPON EITHER PROVINCIAL OR DISTRICT FUNDS.

In 1837, our present expensive system commenced, in Upper Canada, by the establishment of a Court of Chancery, two Circuits per year in each district for the Court of King's Bench, and substituting what is now called a Division Court for the Court of Requests.

The entire expense of the Administration of Justice, in Lower Canada, is paid from the provincial funds, as formerly : consequently, in 1842, for a population of 1,250,000, nearly £67,000 was paid for that object ; and from the District funds, in Upper Canada, for a population of half a million, about £30,000. Whereas, in the sister provinces of Nova-Scotia and New-Brunswick, with a population of from 3 to 400,000, only £5,000 is required from the provincial funds ; and in the State of New-York, for 3,000,000 inhabitants, the charge for the same purpose, does not exceed £4,500.

The unprecedented expenditure, for this branch of the public service, must shortly correct itself, and lead to an entire change of the system. The expense of litigation should be incurred wholly by the suitors themselves, in all actions of debt, and the officers of the Court paid from fees, and not out of the public chest. In many districts, scarcely a criminal case occurs, yet two Assizes are held each year, and the district is charged with the additional expense ; and the province also, for the payment of Queen's Counsel and other officers—all

of whom may be dispensed with, by returning to the system existing prior to 1836.

The extension of the jurisdiction of the Division Court to £10, renders the District Court nearly useless. Costs are not allowed, in the latter, in cases of contract under ten pounds, and the jurisdiction is limited, in all cases where the damages are not liquidated, to £15: consequently, for most objects of litigation, this is a £5 Court—being confined between £10 and £15—for which each district incurs the expense, every three months, of summoning Jurors, paying Sheriffs, Criers, Constables, and all the paraphernalia of a Court of competent jurisdiction; and no good reason can be adduced, why it should not be extended from the limit of the Division Court to £125, in all actions of debt, subject to an appeal.

The Division Court has jurisdiction from one shilling to ten pounds, and is a far more important tribunal than the District Court; inasmuch as it costs the province £5,173 15s. 5d. Sterling; which, being reduced to currency, by the simple rule mentioned under Table I, makes \$26,050. The method of collecting and paying over the fees in this Court, is so just a commentary on the present centralizing system, (of receiving and disbursing the internal revenue from the different districts, after passing it through the various channels, to the Provincial Government and back again, to be paid out in the place originally received,) that it should not be passed over without further comment. Under the former law, the litigant paid his fee direct to the Commissioner, or Arbitrator, and there the matter ended. Under the provisions of the present law, the fees are paid—

FIRST—By the suitor or litigant, to the Clerk of the Court.

SECOND—By the Clerk to the Treasurer of the district.

THIRD ITEM—Remitting the money. It must be conveyed to the district town, from the place where the Division Court is held, either by the Clerk, a third person, or by Post, be the distance long or short.

FOURTH—The Treasurer first receives his per centage.

FIFTH—Sends a statement, by post, to the Inspector General, at the seat of Government, at the expense of the province.

SIXTH—A record is made of the same, or an account opened with the district.

SEVENTH—If the fees are not sufficient to pay the Judge and Clerk, a warrant is made out at the Inspector General's office, for the balance of their salaries, and signed by the Governor or Lieut. Governor.

EIGHTH—The Receiver General sends a check for the amount, to the Judge and Clerk, incurring postage again.

NINTH—The provincial revenue is not only charged with the balance, which appears in the Public Accounts, but with contingencies, which never appear, such as postage, extra clerk hire, stationary, printing, commissions, &c. &c., the extent of which cannot be ascertained.

What would be said, if a law were enacted to compel a farmer, who grew a bushel of wheat or potatoes, to employ provision merchants,

carters, &c. &c., to pass it through several hands before it reached the consumer? Would it be more absurd than the present system? The only difference is, the one would be well understood, while the other is not. There can be no good reason why the most plain and simple principles of political economy should not be applied to the Courts of law, and the different departments of Government, as to the most ordinary concerns of life.

REMEDY—Extend the jurisdiction of the Division Court to £50, or at least to £25, with an appeal: a Jury to determine all cases over £2 10s., or £5, under Commissioners selected from each township—it matters little on what plan. The most simple and efficient, however, yet suggested, is to make the Councillors under the proposed Township Officers act, *ex-officio* Commissioners of that Court.

Fifth—SALARIES. After the discontinuance and reduction of departments, salaries should receive consideration. In Canada, public officers are paid higher in proportion than in Britain, where individual wealth abounds, and a style of living prevails, to which the inhabitants of this country should not, for ages, aspire. The greater proportion follow agricultural pursuits; they are neither wealthy nor poor; their means are limited; their habits of living economical; lands, rents, provisions, and merchandise, are cheap, and in abundance: therefore, large incomes are not necessary.

It is asserted, by the advocates of high salaries, that they command the best talents. The incomes of legal gentlemen are referred to, as they have hitherto filled the principal offices in the Government. It must be admitted, that they are better paid than any other class. But in most other countries, the power that office confers, in enabling the holders to benefit their fellow men; to promote the welfare of their country, and the honor and fame acquired by the situation, is a sufficient reward; and if any individual aspires to office, from any other motive, his services will prove wholly useless.

The reduction should commence at the fountain head. Place the Governor General of Canada on as high a salary as the President of the United States; and, after the present incumbents, no other officer of the Government to receive over £1,000 per annum.

Sixth—BOARD OF WORKS. This department was created by an act of the Provincial Legislature, in 1841, with powers, practically, unlimited. A Board of Commissioners are appointed, subject to the control of the Executive Council: but, as no member, except the President, can possess the means of acquiring information respecting any work remotely situated; and the Executive still less, their power is merely nominal.

The necessity of amending the present act, is apparent: it was contemplated, during the last session, and it will doubtless be acted upon during the present. In the State of New-York, a similar Board, to superintend the construction of Public Works, and their financial management, exists; but their control is limited by law: they have no power to expend public money, not previously provided for by an act of the Legislature. The same limitation, for the efficiency of the department, and to guard the public interest, is necessary here.

Seventh—COMMERCIAL POLICY. This, of all others, is the most important feature in the colonial system, as before mentioned. The respective powers and interests of Her Majesty's subjects resident in Great Britain and Canada, should be well understood. England is essentially a **MANUFACTURING** country: her interest is to secure a market for her manufactures, and the extension of her commerce. To effect that object, and insure its continuance, the sole control over the trade of her transatlantic possessions, with foreigners, with their sister colonies, and the mother country, is retained by the Imperial Parliament. Canada is essentially an **AGRICULTURAL** country: her interest is to obtain a market for the productions of her soil. To insure this, one of two methods must be adopted—either to impose high tariffs on importations, (as in the U. States,) to create a home consumption; or procure the admission of her agricultural products into the markets of the mother country, free of duty. The former policy would create an adverse interest, and bring about a separation, in the shortest possible time. The latter would hasten the removal of all duties on British manufactures imported into this province, and cannot fail to perpetuate our connexion, to the remotest period.

There are certain articles manufactured in the United States, and certain other articles imported into that country, from foreign parts, and conveyed through their canals, for consumption in Canada, which are furnished cheaper than if imported by way of Quebec. Consequently, it is the mutual interest of both the British manufacturer and the consumer in Canada, to place as high a duty on those articles at our interior ports, as they will bear; thus affording protection to the former, and securing the revenue for the latter, besides confining all the trade and transit practicable, to our own waters.

To attain this object, the power to originate, by bill, any scale of duty—subject to the rejection of the Imperial Parliament—(as recommended by Lord Sydenham, in 1840,) should be exercised by the Colonial Legislature. It lessens no power retained by the Imperial Parliament. In fact, the Provincial Legislature can have no desire to control the trade of the colonies; because they feel every assurance, from the policy commenced in 1842, that the time is not far distant, when a full equivalent will be received, in the free admission of ALL their products into the markets of Britain. This mutual understanding of the interests and powers of each, is founded on reason and common sense; is understood by all, and is the only footing on which it should be placed.

It has been alleged, in justification of imposing high duties on our products in Britain, that the colonists were not entitled to exemption, because the army and navy stationed here for our protection and defence, are paid by the mother country. This reasoning is unsound. The source from whence the support of the army and navy is obtained, is the revenue derived from commerce. The consumer of British manufactures, let his residence be where it may, contributes his proportion to that fund. Consequently, it can make no difference whether he resides in England or Canada, so long as the power of control is retained by the Imperial Government.

In the extension of that commerce, and its unlimited duration, the inhabitants of both countries are mutually interested. The true policy, therefore, is to remove all duties, with no greater restrictions than exist between England, Scotland and Ireland, or between the states of New-York and Ohio, where the increase, in consequence, is unequalled, in any other part of the world.

Hitherto, the trade from Britain to this country, has been confined to our own population, not exceeding one million : hereafter, by fully adhering to the policy suggested, Canada will become one continued free warehousing port, or thoroughfare, for five or six of the adjoining states and territories. The cost of transportation from Britain, to the boundary lines of those states, will not exceed the price of transit from the manufacturer in Boston, to the same point—thus opening a competition, the result of which may be easily anticipated.

Recapitulation.—We have endeavored, in the foregoing remarks, to shew the extraordinary resources of Canada. To render them more clear and striking, they are compared with those of New-York—the most flourishing state in the American Union. [See Table 1.]

SECONDLY.—The expenses of the two Governments, are also contrasted, in Table No. 2.

THIRDLY.—The causes which have produced the excessive expenditures of our Government, are fully set forth.

FOURTHLY.—The remedy proposed is, first,

To separate the receipts and expenditures of the Provincial and District revenues, and create a common school fund ; as per Tables No. 3, 4 and 5. Secondly,

To abolish some departments, and curtail certain others ; to reduce high salaries, and confine the receipt and expenditure of all public moneys to the fewest possible hands.

FIFTHLY. The commercial policy of the two countries is introduced, with a view of showing the increased revenue anticipated from tolls, by removing all duties on importations.

The Tables in the Appendix are designed to show, that by ordinary economy in the expenditures of Government, all direct taxes may be wholly removed, and an ample surplus fund placed at their disposal, for the improvement of the country, from year to year, for the benefit of all classes. [See Table No. 6.]

By dispensing with taxation, and facilitating the settlement of lands, emigration and capital will be attracted to our shores—and not the least of the many recommendations promised by this measure, will be found in the removal of all existing causes of complaint, by the inhabitants of both the upper and lower divisions of the province. The former are dissatisfied in being called upon to pay a heavy district tax, from which the latter are exempt. The latter are under the impres-

sion, (whether well founded or not, it is unnecessary to discuss,) that the public improvements in Upper Canada are not equally beneficial to them : therefore, feel dissatisfied in being compelled by the Union act, to assume a portion of the public debt for their construction.

Unless those Public Works prove a total failure, and the outlay of the capital useless, the proceeds will soon pay the interest and principal of this debt. The tolls will be paid by the inhabitants residing above them, who, making the most use of them, and deriving the greatest benefit from them, will feel it their interest willingly to pay this portion of the revenue ; from which all those residing in that part of Canada, below them, will be exempt. Thus the taxes will be paid by those who alone are benefitted. The cause of complaint being removed, all further dissatisfaction must cease.

By appropriating the proceeds of all the remaining lands, for the benefit of common schools, and providing libraries in each township, the means will be provided to diffuse more general information than in any other part of America.

By the removal of all duties here, on British manufactures, and on our products in Britain, the inhabitants of Canada will be furnished with all they consume, at the **LOWEST**, and at the same time secure the **HIGHEST** prices for all they grow.

By imposing as high a duty on all articles, when imported through our interior ports, as they will bear, protection will be afforded to the Home manufacturer, and a Home market secured for the grower— which, combined with the enlightened policy commenced by the mother country, Canada will become, in a few years, for industrious and enterprising men, one of the most desirable places of residence on the globe.

APPENDIX.

Table No. 1.
Revenue of the State of New-York, compared with that of Canada.

NEW-YORK.	Amount.	CANADA.	Amount.
Auction Duty, - - -	\$200,000	INTERNAL DUTY.	
Salt do. - - -	100,000	Tavern Duty, - - -	£31,925 0 5 ¹ / ₂
Law Fees, - - -	50,000	Banks, - - -	10,277 3 1
Tax on Foreign Insurance Co. - - -	3,500	Auctions, - - -	7,595 18 1 ¹ / ₂
Pedlar's Licenses, - - -	4,000	Rents, - - -	1,922 8 1
Fees of Secretary of State, - - -	1,800	Seizures, - - -	2,938 6 4 ¹ / ₂
Sales of Land, - - -	1,000	Militia Fines, - - -	309 8 4 ¹ / ₂
Interest on Deposits, - - -	8,000	Tonnage, - - -	500 15 8
	<u>\$368,300</u>	Casual Revenue, - - -	2,454 11 0
State Tax,* appropriated exclusively to pay interest and principal of Canal debt, - - -	500,000	Incidental, - - -	1,992 11 0 ¹ / ₂
Total, - - -	<u>\$868,300</u>		<u>£237,104 46=£59,276 2 3¹/₂</u>
		DUTIES FROM COMMERCE.	
		Received at sea ports of	
		Quebec & Montreal, - - -	217,578 17 8
		Inland ports, U. Canada, - - -	29,724 17 2 ¹ / ₂
		Do. L. Canada, - - -	18,082 17 0 ¹ / ₂
			<u>£265,386 11 10¹/₂</u>
Gross Revenue of Canada, - - -	£407,621 18 0	Territorial Revenue, - - -	24,572 15 7 ¹ / ₂
Expenses of collection, - - -	42,016 3 1	Public Works, - - -	16,369 15 2
Net, - - -	<u>£365,605 14 11</u>		<u>\$1,225,316 54=£306,329 2 8</u>
		Total, - - -	<u>\$1,462,421=£365,605 14 11</u>
Net Revenue of Canada, (in dollars,) - - -	\$1,462,421		
Less, received from Public Works, - - -	65,479		
			<u>\$1,396,942</u>
State Revenue of New-York, - - -	\$868,300		
Less, appropriation for Canal debt, - - -	500,000		
And Law Fees, - - -	50,000		
			<u>318,300</u>
Excess in favor of Canada, - - -			<u>\$1,078,642</u>

* The revenue from the New-York canals, exceeds \$2,000,000, which, with the direct tax of \$500,000, is appropriated exclusively to the payment of the principal and interest of the debt created for their construction—exceeding twenty-seven millions.

Table No. 2.
Comparative Expenditures of the Governments of New-York and Canada.

NEW-YORK.	CANADA.
Salaries of the officers of Government, including Clerk hire, *\$62,000	Salaries of Government Officers, †\$228,445
Legislature, 115,500	Legislature, 76,411
Administration of Justice, † 61,500	Administration of Justice, † 245,095
Printing, 25,000	Printing, 39,795
Militia, 18,000	Militia, 8,018
Penitentiary, Convicts, &c. 12,750	Penitentiary, Convicts, &c. 14,000
Charity, 62,625	Charity, 47,481
Agricultural Societies, 8,000	Agricultural Societies, 10,646
Miscellaneous, 22,138	Miscellaneous, 8,874
Annuities to Indian tribes, 8,500	Interest on Provincial Debt, 303,332
Interest on State debt, and loans to Rail Road Companies, 283,987	Sinking Fund, 189,198
	The balance consists of Schools, Pensions, Emigration, Board of Works, &c., which form no part of the expenditure of the New-York State Government, 291,526
Total, \$630,000	Total, \$1,462,421
* Composed of the following items:—	† Composed of the following items:—
NEW-YORK.	CANADA.
Governor's Salary, - - - \$4,000	Governor's Salary, <i>St'g.</i> , £7,000 0 0
Contingencies, - - - 1,355	Proportion of Seizures, 541 6 6
Rents, &c. &c. - - - 1,159	Marriage Licenses, &c. (to cover expenses,) 468 13 6
6,514	\$38,934=£8,000 0 0
Private Secretary, - - - 500	Private Secretary, - - - 324 0 0
Secretary of State—who is also Superintendent of Common Schools, - - - 5,179	Chief Secretary, - - - 2,522 17 7
Expenses for Capitol, - - - 2,014	Provincial Sec'y, West, 2,417 1 11
Miscellaneous, - - - 28,231	Provincial Sec'y, East, 2,186 17 6
Attorney General, - - - 2,353	Contingencies Sec'y Dep. 4,514 13 2
Treasurer, - - - 2,843	do. Public Offices, 2,395 18 6
Comptroller, - - - 10,805	Secretaries' Office, E. & W. 365 17 10
Surveyor General, - - - 3,561	Executive Council, 2,784 11 9
55,486	Att'y and Solic'r Gen's, ¶ 5,683 19 0
Total, \$62,000	Receiver General's Depart. 1,937 10 0
	Inspector General, 2,314 1 10
	Surveyor General, § 2,864 16 8
	Registrar's Office, - 1,016 3 7
	Crown Lands, § - 7,614 6 0
aSterl'g, old c'y, 4s. 6d. to dol. \$208,630	38,940 15 4
do. new do. 4s. 4d. do. 228,445	Total, £46,940 15 4

NOTE.—Dollars are principally used, in the above statements, for the simple reason, that the inhabitants generally, understand their value much better than the currency of the country, in which the revenue is collected. Perhaps not half a dozen members who passed the Currency act, understood its operation. We are indebted to the compiler of the Montreal Almanac for 1842, for the following simple rules: To reduce Sterling money into Currency, add one-fifth and one-half of that one-fifth. To reduce Currency into Sterling, multiply by 60, and divide by 73; or, deduct one-seventh and one-quarter of that one-seventh, and then add to the remainder one penny for every seven pounds.

† The expenses of this Department, in Canada, are as follows :—

Account B. No. 2, (see Public Accounts,)	£39,588 2 4	
do. 4, do.	994 4 4	
do. 6, do.	7,169 0 3	
do. 9, do.	12,507 19 6	
	<hr/>	£66,955 16 0
‡ In New-York, from public funds,	\$61,500	
Miscellaneous expenses,	6,500	
	<hr/>	68,000
Deduct Fees from same source,	50,000	
	<hr/>	18,000 = 4,500 0 0
Leaving a balance of only	\$18,000 =	4,500 0 0
	Difference,	£62,455 16 0

Expended in Lower Canada, £43,391 12 9. Do. U. Canada, £18,474 5 5

Note.—A large item in the expenses of Lower Canada, is for the support of the Police establishment. When the district taxes for this object, in Upper Canada, amounting to £39,000, are added, the expenses here will exceed those of the lower province.

§ In addition to their salaries, the Secretaries formerly received all Marriage License Fees as a *perquisite*, amounting to about £2,000. They are now paid into the Provincial Treasury, and one of those offices abolished.

¶ The Surveyor General's and Crown Lands Offices were not included in the Civil List. Their expenses are defrayed from the Casual and Territorial revenue, Clergy Reserves, and Indian fund, amounting, in all, with commission to agents, to £10,479 2 8.

¶ There are certain Fees in addition, attached to these offices, the amount of which is not known to the writer.

Total amount of Expenditures in New-York,	\$680,000
Less, Interest on State Debt,	283,987
And Law Fees,	50,000 — 333,987
	<hr/>
Balance,	346,013
Total Expenditures in Canada,	\$1,462,421
Less, Interest on Provincial Debt,	303,332
And Sinking Fund,	189,198 — 492,530
	<hr/>
Balance,	\$969,891 = £242,472 15
Balance of Expenditure in New-York,	346,013 = 86,503 5
	<hr/>
Difference,	\$633,904 = £155,969 10

The following extract is from a Table compiled by the Comptroller of the State of New-York, in 1841.

TABLE—Showing the salaries of the State officers, the expenses of the Judiciary and the Legislature, and the total Population, Revenue, and Expenditures, of the several States named therein.

STATES.	State Officers.	Judiciary.	Legisla- ture.	Population.	Revenue.	Expendi- tures.
Maine,	\$6,576	11,200	40,687	501,796	52,178	318,172
New-Hampshire,	3,000	13,003	20,183	284,411	50,000	50,000
Vermont,	2,275	7,325	21,003	291,855	90,724	90,000
Massachusetts,	16,500	50,536	114,071	737,466	396,000	445,745
Rhode Island,	1,800	1,750	5,346	108,927	69,207	37,707
Connecticut,	4,734	5,650	11,840	310,023	80,000	80,000
New-York,	42,321	35,128	124,026	2,433,835	451,790	918,725
New-Jersey,	7,840.	5,880	18,869	372,352	80,379	78,604

Table No. 3.
Estimate of the Receipts and Expenditure of the Provincial Revenue, under the proposed division.

RECEIPTS.	EXPENDITURE.
Collected at the ports of Quebec and Montreal, in 1842, £225,327 8 8½	Officers of the Provincial Government, £25,000 0 0
Inland ports, L. Canada, 20,058 9 1	Administration of Justice, 25,000 0 0
Do. U. Canada, 33,544 9 6	Legislature, 25,000 0 0
Auction Duties, 7,595 18 1½	Miscellaneous Expenses, 25,000 0 0
	Surplus, 186,526 5 5
£286,526 5 5	£286,526 5 5

The tolls on Public Works, are not estimated in the above, nor the interest on the Public Debt; because they should form a separate and distinct fund. An account should be opened with each Work; the capital expended in its construction, charged, and credit given for the amount of tolls collected; which would enable the public to form a correct opinion of their respective value.

Estimate of the Receipts and Expenditure, for 1850.

Suppose the Provincial Debt, for the construction of Public Works, to be	£3,000,000	Interest at 5 per cent.,	£150,000
Tolls on Welland Canal,	50,000		
Do. St. Lawrence do.,	50,000		
Do. all other improvements,	50,000		
	£150,000	Sufficient to meet the interest on the capital expended.	

This year, (1850,) it is proposed to remove the duties, and all restrictions, on every description of British manufactures—leaving a duty, at the ports of Quebec and Montreal, on

Spirits, Wines, &c. estim'd at	£100,000	Public Expenses,	£100,000
Inland Ports,,	150,000	Surplus for reduction of debt,	175,000
Auction Duties,	25,000		
	£275,000		£275,000

Estimate for 1855.

Tolls increased to	£250,000	Interest on Public Debt, and expenses of Government,	£250,000
Duties, if no increase from 1850,	275,000	Surplus,	275,000
	£525,000		£525,000

The removal of all duties and restrictions on the importations of British manufactures, in 1850, will diminish the revenue on customs, at the sea ports; but the increase of commerce caused by this removal, will supply this deficiency by the increase of tolls. If this policy was at once avowed, and the duties gradually reduced, as experience justified, the tolls, in 1855, would not only pay the interest on our debt, but defray the entire expenses of Government—the greater part of which would be sustained by foreigners. However, under any circumstances, sufficient proof is adduced to show that, by retaining those duties, we possess ample means to dispense with the district revenues, and still have a large surplus for improvement, which is the principal object of this investigation.

Table No. 4.

Internal Revenue, received and expended, in the several districts of Canada, under the proposed division.

RECEIPTS.	EXPENDITURE.
Revenue for the year 1842, arising from Licenses of Inns, Shops, and Distilleries, tax on Banks, Insurance Companies, and other named institutions, Fines, Forfeitures, Ferries, Rents, Jesuits' Estates, Marriage Licenses, &c. See Table No. 1, and Public Accounts, A. No. 2, 5, 6, 9 and 10, - - - £59,276 2 3½	Items taken from the Public Accounts for 1842, B. No. 2, of expenditure in the several districts of Lower Canada, for the Administration of Justice, viz:— Sheriffs, - - - £7,603 13 5 Clerks of Crown, - - - 372 8 1 Interpreters, - - - 105 0 0 Gaolers, - - - 836 0 0 Prothonotaries, - - - 1,113 18 11 Miscellaneous, - - - 390 13 1 Coroners, - - - 1,122 1 5 Appeals, - - - 153 0 0 Constables, - - - 686 17 0 Physicians, - - - 449 13 10 Clerks of Peace, - - - 1,299 8 9 Contingencies, - - - 5,266 5 6
Say, - - - - - £55,000	
One half for each section of the province, - - - 27,500	
Total expenditure in Lower Canada, - - - - - 20,000	
Balance in favor of revenue, £7,500	£20,000 0 0

Note.—It appears from the above statement, that the expenses of the Administration of Justice, in Lower Canada, are less than the internal revenue paid into the Provincial chest. Therefore, no apprehension need be entertained, that the proposed division will impair the efficiency of this branch of the public service. It is also evident, that the revenue from similar sources, in Upper Canada, is about equal to the direct district taxes—say £25,000—which has been found sufficient to pay the like expenses there. Consequently, if substituted for the same object, each district would be relieved from direct taxation.

Table No. 5.

Estimate of the Proceeds of Land and Territorial Revenue.

RECEIPTS.	EXPENDITURE.
Proceeds of Land, in 1850, £10,000	Appropriated for the support of Common Schools, £50,000
Territorial Revenue, 50,000	Surplus, - - - 10,000
£60,000	£60,000

REMARKS.—No data is furnished, from which a satisfactory estimate can be made of the amount which should be realized from the sale of Lands. Assuming the measure to come into immediate operation, and 100,000 acres sold per year, for five years, at 8s. 9d. credit, the interest would yield £13,135: the cost of management at 10 or 15 per cent. £1,968—leaving £11,157. This fund will be a long time accumulating, but certain in its operation. Whatever may be the amount, it would be satisfactory to the country, to have the proceeds appropriated to this object, and an equitable division made.

Table No. 6.

Exhibits a statement of the total Expenses of the Provincial Government, in 1842—together with the proposed allowance, and the amount of reduction, or anticipated saving to the province, by the adoption of the system recommended.

EXPENDITURE, in 1842.		Proposed Allowance.	Reduction.
Salaries of the Officers of Government,	£56,738	£25,000	£31,738*
Administration of Justice,	66,955	25,000	41,955†
Common Schools,	22,546	—	22,546‡
Legislature,	20,000	25,000	—
Board of Works, (for sundry improvements,)	40,000	—	40,000
Printing,	9,948	25,000	—
Contingencies,	15,052		
Interest on Public Debt, &c. &c. &c.	134,366	—	—
Total,	£365,605	£100,000	£136,239

* This saving is effected by the abolishment of certain Departments, and the reduction of salaries.

† The expense of this branch of the public service, has heretofore been referred to. The above allowance is eight fold more than is paid by most other Governments. Besides this, there will be appropriated from the district or internal revenue, in the two divisions of the province, nearly £50,000 more, for the same purpose.

‡ This appropriation should be made wholly from the proceeds of public Lands—which have been found ample, in other parts of America, and no doubt will prove abundant here.

|| No outlay should be made for any improvement whatever, except under Legislative enactment. The expense of this department should be defrayed from tolls on Public Works, and not mixed up with the Provincial revenue.

RESULT.

Table No. 1, gives the net Provincial revenue, exclusive of tolls on Public Works,	£349,235
Deduct the district revenue, for Administration of Justice,	£59,276
* And Territorial do. for Common Schools,	24,572
	— 83,848

Leaving, under the proposed division, £265,387

To pay expenses of Government, and deficiency in interest, not made up from tolls on Public Works.

Again—the same Table shows the resources from Customs, and the Territorial revenue, besides the proceeds of lands, wasted to be £270,959. If, as heretofore shown, the Government of the State of New-York possesses no part of those resources, it follows, that, by conducting our affairs with the same economy, this entire amount could be reserved for the support of Education, and construction of public works.

* Table No. 2, shows the expenses of the Government of New-York to be £86,503.

Table No. 5, Exhibits the *proposed* allowance for the Government of Canada, £100,000.

Table No. 4, shows, that the internal or district revenue received by the Provincial Government, is fully adequate to meet all district expenses; and that the direct taxes of each division of the province, are about equal in amount—which affords undeniable proof, that those taxes may be abolished altogether, and still leave abundant means at the disposal of Government, for the improvement of the country.

Apology.—We cannot be answerable for the perfect accuracy of the foregoing Tables, in detail—as the *corrected proof* sent by Mr. Meritt, from Toronto, was, by some accident, not received at the office of publication. The *printing*, also, has been delayed, in consequence, much longer than contemplated—but they will be found substantially correct.