

ed in 1880. To give them an opportunity so to do he read the editorial again. It was to the effect that the maximum

of Provincial expenditure had been reached, and that unless great care was exercised they would hasten on the day of direct taxation. During eighteen long years, continued Mr. Whitney, the Government had gone on allowing the expenditure to exceed the revenue and laying the foundation of the present unfortunate financial position of the Province. The statement made by hon. gentlemen, including the hon. Treasurer, and made with straight faces, too, that the people taxed did not object to it, was most amusing—the most amusing statement, in fact, that had ever been made in the House. The facts were that none affected by the tax were pleased. His hon. friend, the Premier, had hardly shown his usual courage in declining to admit that it was direct taxation. If he still declined to admit that, then he was in a position where he was bound to admit that it was either direct or illegal taxation. He ventured to predict that if the present Government held power for two or three years longer the scheme would be supplemented by additional taxation. Provided that the Government remained in power for an indefinite period, it was possible that a house and window tax would be imposed. If the finances of the Province were properly administered, if the expenditure was kept within the revenue, then there would be no need for new taxation. He charged that the Premier had on the public platform accused the Opposition of being in favor of direct taxation, in fact had asked the people to believe that the Opposition were pursuing a course to which he knew they had all along been opposed. The Premier had also assured the people that they should not have direct taxation. At the time of the bye-elections the Government must have had the present proposals in mind, but they had not dared to suggest them, knowing full well that by so doing they would have ruined their chances of winning a single bye-election. He concluded by moving the six months' hoist.

#### Hon. Mr. Ross' Speech.

Hon. Mr. Ross observed—Notwithstanding the declarations of my hon. friend to the contrary, I believe the people of Ontario are well satisfied with the tax bills. (Opposition "Oh, ohs.") I believe that both the revenue bills have been received with more satisfaction than any Government could expect, having regard to the general dislike on the part of most people to pay taxes of any kind whatsoever. The Government received with great pleasure—I should call it pleasure, for we were anxious to ascertain public opinion in regard to the matter—deputations of almost every class of the community, bankers, insurance Presidents and Managers, Managers of loan companies, brewers, hotelkeepers. Almost every interest affected by the two bills submitted to this House were represented at various times by their leading men before the Government, and so far I am free to say that the approval expressed by these deputations in regard to our proposals exceeded my expectations—it was quite unexpected. There were suggestions made as to

some amendments that were eminently proper. Many of these suggestions the Government accepted. The bill was a complicated one, involving a great many considerations, but from first to last there was no protest against the reasonableness or propriety of the general principles of taxation involved in either of these bills, nor was there any protest against the scheme of taxation for the purpose of enabling the Government to secure the necessary revenue for carrying on the affairs of this Province. Notwithstanding what my hon. friend has said, the people of the Province are prepared to supply any Government, particularly a Government that uses the public funds economically and properly, with as much money as may be necessary to obtain the highest degree of efficiency in every institution under the control of the Government, both as to the civil service and to public institutions. Nay, more; I believe the people of this country are willing to entrust us with a reasonable amount of money for the future development of this Province; and any Government that is not prepared to respond to that general public opinion, even if the response involves additional taxes, does not rightly understand the progressive sentiment of the people of Ontario. My hon. friend plays a good deal upon the words "direct taxation." How are these words generally understood, and what meaning has heretofore been attached to them? I had heard expressed on the Conservative platform since I entered public life in 1872—indeed before I entered public life at all—expressed by my Conservative opponents—that if the Liberal party were entrusted with power direct taxation would be inevitable; and what was then explained, and explained in as many words, was that there would have to be an additional column in the assessment roll, that the tax collector when he went around to collect the ordinary taxes from the farmer would find a column in his roll imposing so many mills on the dollar or so much taxes upon the lands of the people of this country. That was the form of direct taxation which it was said would be the inevitable result of the administration of the Liberal party. That was the form in which direct taxation has been understood, and that has been to a great extent the form or the incidence given to the term of direct taxation by my hon. friend. Now, as there seems to be some doubt as to the words which were used by my hon. friend in connection with this subject in the debate on the first reading of the bill, let me quote what the hon. gentleman said: "They had simply to consider the fact that owing to the actions, and in many respects the non-action, of hon. gentleman opposite with regard to the financial institutions, they had arrived, in this free Province, at a stage and condition when almost the hearthstones and the windows and chimneys were to be taxed."

Mr. Whitney—Hear, hear.

Mr. Ross (quoting further): "To-day by the confession of hon. gentlemen opposite they were face to face and struggling with direct taxation." Here you have the form of direct taxation specified. Not a form of direct taxation upon capital, or loan companies, or the financial institutions of the country, but a form of direct taxation coming