

which arose from the doubt existing as to the ultimate form which the tariff might take, within the last few weeks, showed what the undesirable results would be of having such doubts existing for any length of time. Upon this account he was anxious to bring down the budget as soon as possible.

As he had said, he had the advantage of hearing a pretty full discussion of all the propositions recommended on this matter, and of weighing pretty carefully all the arguments advanced from various quarters, and he had felt it his duty to advise his colleagues that certain modifications should be consented to. (*Hear, hear.*)

The House would remember that in the first instance he (Hon. Mr. Cartwright) had proposed certain differential duties upon articles of luxury. The same principle had been adopted in other countries, but he was bound to say that after hearing the depositions which had met him on the subject from all quarters, he became aware that there were more serious difficulties in the way of carrying it into effect than he had conceived. He still thought these difficulties might be overcome, but it would impose a considerable amount of trouble, and would very greatly widen the scope of the resolutions. The Government had therefore decided to modify the tariff upon articles of luxury, so as to make it uniform, and from 5 to 6 per cent higher than it was before. The differential duty would therefore be withdrawn. In this way they expected to increase the receipts from this source by some three or four hundred thousand dollars.

Hon. Mr. TUPPER: What duty do you propose to put on tea and shipping materials?

Hon. Mr. CARTWRIGHT: They had decided also to recede considerably the duty upon tea, upon shipping material, and upon iron. He might as well state the extent to which these reductions would be allowed to go. The duty upon tea, in the original resolution, was proposed to be 6 cents upon green tea, and 4 cents upon black. The Government now proposed that it should be 4 cents upon green tea, and 3 cents upon black.

Referring to the proposed changes, he said that in the matter of shipping material, they proposed to dispense with certain duties upon cable, iron masts, a certain class of iron bars which entered into their manufacture, copper in all forms, and sheathing. They proposed to remit the duty upon pig iron and to remit an additional 2 1/2 per cent on the particular class of iron which paid 5 per cent before.

There was another duty upon which they now proposed to make a reduction. They proposed to modify the duty upon wines of the cheaper kind, and upon sparkling wines they proposed a considerable augmentation. In short, they proposed to take substantially the American standard for the first, but to allow a greater degree of alcoholic strength in wine not valued at more than 40 cents; that is to say, wines of 20 degrees of alcoholic strength would be admitted at a duty of 30 cents. He did not believe that these changes would at all diminish the consumption, for the additional duty would barely amount to a penny sterling per bottle on the lower grades.

The returns showed that there was a general false impression as to the quality of the wine imported in bottles, and the information originally afforded to himself led him to suppose they were of a much higher grade than they had turned out to be in fact. With regard to medium-grade wines, he proposed to preserve the English standard of sixty cents per gallon, and a very small additional duty when imported in bottles.

The sparkling wines would be \$3 per dozen, as before, and they also proposed that the manufacturers of spurious wines should contribute to the revenue by a duty upon the material used in the adulteration.

Articles of iron which formerly paid 5 per cent would be allowed to remain at that. This comprised the list of reductions.

He might say, however, that there was another subject upon which there was a deal of sharp controversy. That was the duty upon sugar. A strong *prima facie* case had been made out for the alteration proposed by the Government. He had no doubt that to tax the raw material heavier than the manufactured article was an anomaly which was attended with great practical difficulty, and the Government found, as was well known, that there was a strong feeling of disapprobation with regard to that duty throughout the country. He could not say that he was entirely satisfied with the arguments upon either side. He held that the matter was attended with a great deal of difficulty and in that respect he was only re-echoing the opinions of Mr. Gladstone and other financial authorities in Great Britain.

The two points which came out in controversy and which peculiarly struck him were these:—That there was no great amount of revenue derived from this source, but that there was a risk of considerable injury, if not to the consumer, at least to the Government. Therefore, under these circumstances, and finding that the facts were not all so well established as at first appeared, the Government had decided to defer further action in the matter for the present. They did not mean to say that they were satisfied, but there were practical difficulties of very great magnitude in the way. He desired to be understood that they proposed giving the matter their serious consideration during the recess, and hoped to be able to arrive at some conclusion before the next session.

He pointed out that it must not be supposed we could go much farther increasing indirect taxation. Upon examining our 15 per cent list, it was found that we could not run the risk of putting much further taxation upon it; and in regard to excise we had gone as far as we could go. In re-arranging the tariff under circumstances like the present, it would be utterly unavoidable that some cases of hardship would occur, but he thought they had heard almost every aggrieved interest, and, after examining their grounds of complaint, he thought the modification which the Government proposed would remove them so far as they were fair and just.

He had been charged, since making his financial statement with taking too gloomy a view of our financial position. So far as he knew he had simply done his duty, and placed that position justly and fairly before the House and country. He had been called an undue alarmist, and was charged with taking the worst possible