

mode in which our taxation is levied, except for two reasons—one, that after the expected Confederation of the Provinces, an assimilation of taxation must prevail through all the North American Provinces,—the other, that we believed the negotiation which was to take place with the United States for a continuance of the Reciprocity Treaty would equally require the fiscal system of this country to be reconsidered and readjusted. For these reasons it has been stated on two former occasions by myself, that the Government were not prepared to invite the House to enter on the consideration of this subject. But we meet Parliament now under different circumstances. We meet them after the refusal of the United States to enter upon the consideration of a new treaty with us. We now have to encounter duties imposed by the United States, of a very onerous character, on all the articles which were included in the free list, and at the same time we find ourselves—I do not say, owing to any want of good faith on their part, but owing to the disturbed state of society in the United States—called upon to take much more extensive precautions against aggression from that quarter. Consequently, the Government are of opinion that this question must be submitted to the judgment of the House now; that we must now consider whether we can so re-adjust the duties of Excise and Customs, as to cheapen to a great extent the articles which go into the consumption of the vast body of the people of the country, and at the same time impose heavier duties on those articles which will furnish a larger amount of revenue with less cost for collection. It is not simply a question of increased taxation. If it were, there is no doubt it could be met in a variety of ways—by an increase of Excise duties, or by an increase of certain Customs duties. But we have to solve other problems. We have not only to obtain increased revenue, but we have, as far as possible, to impose the increased taxation so as to open new markets for the productions of this country, and I trust the measures which I shall submit to the judgment of the Committee will be considered by the House as calculated to achieve that very important object. Before I advert more particularly to those measures, I would remark that I think it must be admitted we have now a choice between two systems. We have the choice of the American system or of the European. The making of that choice I do not think we can well postpone. I do not see how we can avoid taking that question up now, if we are to meet the difficulty we now experience. If we take the United States' system of protective duties, of protecting every branch of industry, we shall, to a certain extent, assimilate our system with theirs—a course which I do not think the people of this country would approve. (Hear, hear). On the other hand, if we adopt what I called the European system—because the policy of England is now being generally adopted by other European countries—if we adopt that system as opposed to the American system, then I think we shall stand in the position of offering to the people and