

Then the great increase in the produce of the forests from 19 to 22 millions must be borne in mind, for those branches of industry were very large consumers indeed of the products of the country, and so would tend to diminish the exports. The enormous increase in the exports of butter and cheese seems to indicate that the farmers are turning their attention more to dairy farming than to raising wheat.

In offering an opinion however, on such subjects, I do it with the greatest possible diffidence, and rather with a view to elicit information from those much better informed than I can pretend to be. It is very satisfactory to know that the exports of our manufactures are increasing,—in two years there has been an increase of 25 per cent. A large proportion of the increase consists of sugar boxes which are exported to the West Indies.

There is also another article which has made most wonderful progress during the last two years, I refer to sewing machines. Of these the value of exports were \$170,000 in 1871; \$116,000 in 1870; and only \$60,000 in 1869. There was therefore an enormous increase in the two years. There is but one other branch of our export trade to which I shall refer, those articles which are not the produce of the Dominion. These have increased from \$3,855,000 in 1869 to \$9,853,005 in 1871. This is a most important fact, proving as it does the rapid increase of the carrying trade of the St. Lawrence.

**Hon. Mr. MACKENZIE:** What are the most important items of the increase?

**Hon. Sir FRANCIS HINCKS:** I have not charged my memory with these items, but I imagine that iron was one very important item, railway iron, I should say.

After the statements which I have made with respect to the charges that may be anticipated upon the revenue, for public works, in the course of my explanation, I think that all must admit that it would be very dangerous to reduce the taxation, and we have no measures in this direction to propose, excepting a proposition to be made by the Hon. Minister of Agriculture (Hon. Mr. Pope) to take off the capitation tax. This had amounted to under \$40,000 last year, and I have made allowance for it in my miscellaneous estimate.

I am very far from saying that the tariff is a perfect one or that changes might not be made in it with advantage to the mercantile community, but I think that the present would be a most inconvenient time to touch it. You must recollect that the Congress of the United States is in the act of considering changes in their tariff, and severe losses have been sustained by persons in trade owing to the fact of their not knowing of the changes likely to be made. I am told that the tea duties are to be repealed, but I really do not know what to expect. Already the Senate and the House of Representatives have passed bills to exempt tea from all duty. Notwithstanding this it is still doubtful whether any Bill regarding the tariff will pass this Session.

I do not hesitate, however, to state that if the duties on tea are taken off in the United States, we must make some readjustment of our tariff, and in the face of the free importation of tea from the United States, we should have to abandon a revenue of something like a million, which we now derive from this source. Under these circumstances we have thought it better not to meddle with the tariff now, although there are several ameliorations in the interest of our manufacturers that should be taken into consideration as early as possible.

Last year I took occasion to inform this House that Canada had risen in the scale of countries having commercial transactions with Great Britain from the eleventh to the eighth place, and it now is satisfactory to state that she has arrived at the sixth place, (*Hear, hear*), and that with the exception of the Netherlands, there is no country which takes so much of English goods, in proportion to her population, as Canada. With regard to the Netherlands I have been told that a considerable amount of her imports are re-exported.

But if we look to other countries in the highest rank we shall find that Canada takes three times as much per capita as the United States, four times as much as Germany, five times as much as France, twenty times as much as British India, while China and Russia, although the quantities are large, are quite insignificant looking to their population.

Now, Sir, I hold that looking at the prosperity of this country, and the vast increase which has taken place in commerce since the Confederation, as indicated by the deposits in the savings banks, the increase in railways, etc., it seems to me amazing that there should be a single individual who would desire to change the condition of the country. This is a subject which may be considered as irrelevant to a financial statement, and I should not have alluded to it were it not a fact that most of those persons who are dissatisfied with the institutions of our country are so from dissatisfaction at our not having the power to make commercial treaties. I know that the great bulk of them are extreme protectionists, and the object which they have in view is to endeavour to place our trade relations upon a different basis; which it would be impossible to do so long as we continue our present relations towards the Crown. There is an idea that if we were independent we might enter into more intimate trade relations upon a different basis; which it would be impossible to do so long as we continue our present relations towards the Crown. There is an idea that if we were independent we might enter into more intimate trade relations with the United States, agree to a Zollverein, by which the goods of each country should be protected by a high tariff on foreign goods, and the complaint is that while we continue in connection with England, we have no power to make Treaties with foreign powers.

All I can say is that we have the power to get every reasonable request that we can make urged with all the power of England; and I need hardly say that that would give us far greater power than we would have if we were independent. We could not expect that England would consent to a tariff that would put the manufacturers of England in a worse position in our market than the manufacturers of the United States, and the knowledge of this fact has led some