

April 30, 1874

stronger. That they had relatively declined he was prepared to assert. The returns up to April showed that for nine months the receipts were exactly \$16,093,000. He would like to know, if these nine months, which were the only nine months that could be used for fair comparison, gave only this amount, what sum would they be likely to receive in twelve?

Let the hon. gentleman work out the sum in proportion as he pleased, and under any possible circumstance he would be unable to show that the receipt of \$16,000,000 in nine months was a warrant for receiving any more than \$22,000,000 in twelve. The statement of imports told its own tale, and showed that in eight months of this year our imports had suffered an absolute decrease of one million of dollars. As our income was almost all derived from Customs and Excise, he thought there was no just ground for expecting a larger revenue than \$22,000,000 for the current year. It was not worthwhile to go into an analysis of the imports for the year 1873-1874. His object, in the meantime, was merely to justify his estimated revenue.

As to the other charge, that he had grossly overestimated the expenditure for 1874-1875, he assured the House that so far from having attempted to swell the amount, he would have been justified on those portions of them which were more especially under his own control in adding \$300,000. And moreover he did not make any allusion to the supplementary estimates, but based his arguments upon the original estimates laid fairly before the House. Nor did he say much of the expense likely to accrue from the Intercolonial Railway, or anything on account of the expenditure necessary for the Pacific Railway. He referred in his calculations simply to the sums which were required for the actual expenditure of the current year.

He thought his hon. friends behind him would not charge the Minister of Public Works (Hon. Mr. Mackenzie) with lavishness. He was afraid they were inclined more to blame him for being too much the opposite way. The Government had asked simply for what was necessary in order to meet the engagements entered into by their predecessors. Practically, as he had said in his financial statement, our revenue only amounted to six million and three-fourths dollars, while the Government were unable to reduce their estimate of expenditure in the same way below three million dollars. This deficit was greatly added to by the deficits in the Post Office and Public Works Departments, and altogether the House could have no difficulty in seeing that he was perfectly correct in saying that there were two million and a half dollars, at least, to be provided for by additional taxation, besides expenditure upon capital account.

He had made these remarks because he felt perfectly certain that the returns which today were laid before the House would be used in argument in order to show the House that there was no need of further taxation. The whole tenor of the hon. member's argument, the other night, was to call away public attention to what, he thought, would be the refusal of the Government to give the means of a comparison from the 1st April within which time a very large increase had taken place, upwards of \$3,000,000 being paid in within twenty days.

The House would understand the cause of this and anticipate its results when he told them that on the 8th of July, 1873, there were 1,600,000 gallons of spirits in bond in the Dominion and on the 11th of April 1874, there were only 170,000, a reduction of 1,430,000 gallons from the ordinary and normal condition of things. He had not been able to obtain similar proof of the state of things in the Department of Customs, but in the facts alluded to, hon. gentlemen would see how fallacious were the premises upon which the hon. gentleman based his arguments.

What he desired to say emphatically was this, that the tariff proposed by the Government was neither a free trade nor a protective tariff, but a simple revenue tariff. (*Hear, hear.*) Bearing in mind that the necessity was imposed upon them of raising over a sixth of our taxation without disturbing the system, any hon. gentleman would see that it was a matter of necessity that taxation should be extended. Unless we did so there would be an undue pressure upon one particular class, and upon one particular interest. Doubtless many other modes could have been arrived at for raising a revenue. (*Hear, hear.*) Many such modes had been submitted to him within the last few days; but there was not one point of the proposed tariff assailed upon which he could not produce opinions of the most directly opposite character from gentlemen of standing in the mercantile community.

One suggestion he received was that he might raise the revenue wanted by an export duty of 10 per cent upon exported lumber. He had waiting upon him, as might be expected, numerous deputations wanting to have five per cent extra upon almost every imaginable thing. There was one pleasing feature pervading all the deputations, however, and that was that they all thought it was right and proper that the raw material should be admitted free, while the manufactured article should be taxed.

After grave and serious consideration, the Government had concluded that they would require no less a sum than three million of additional taxation, and he believed that to meet the numerous engagements all this sum would be necessary, although he also believed that were this supply granted by the House they would not again be called upon to do a similar thing.

The Government desired to raise one-third of their new revenue from spirits and tobacco, another third upon those articles which are known as within the 15 per cent list, and still another third upon wine and spirits.

He had not in his short tenure of office found time to entirely master this intricate subject, but he had carefully considered the views of the various deputations which had waited upon the Government, and he had now to say that it would be a very small thing indeed, in a Government supported by the people of Canada as this Government had been, to stick to every point of minor detail, and neither the supporters of the Ministry nor the people would consider they did anything but their duty in carefully weighing all the advice and representations made to them on this subject. (*Hear, hear, and cheers.*) He should have liked, under the circumstances, to have brought down a provisional budget, but the deficit had to be provided for and no alternative was left. The disturbance of trade