

find deficits ranging from two to one and a-half million dollars; and not until these exports increased to the figure which I named was there the slightest sign of expansion or the slightest appearance of the surplus of which the hon. gentleman boasts. It is clear, I think, clear to demonstration, that had we had to-day the Tariff which existed in 1878, we would have had ample revenue without adding one iota to the burdens of the people. I invite the attention of the House to this simple fact. In 1875, our total exports amounted to \$67,500,000; in 1881, to \$81,000,000. Now, it is known to all practical men that the volume of our imports, and consequently our revenue, is necessarily regulated by the volume of our exports for the preceding year or two. Therefore, it is clear that if, in 1881, we exported, as we did export, \$14,000,000 worth more than in 1875, our revenue, under my Tariff, would have proportionately increased. What was the revenue in 1875? The revenue from Customs amounted to \$15,361,000. Now, if you make proportional allowance for the very large increase of exports which took place between 1881 and 1875, you will see that I am stating the literal fact when I say that, so far as it is possible to calculate in a matter of that kind, there is not the slightest or remotest doubt that, with such an export as we had in 1881, that Tariff would have produced at least \$18,000,000, and that without at all burdening the people. But the hon. gentleman was good enough to allude, although in a gingerley fashion, as I said, to the fact that our imports at present were slightly in excess of our exports. I dare say the House will recollect that in a public document, emanating from a brother colleague, great credit was taken and great stress laid upon the fact that, although there was a deficit, yet for the first time in the history of the Dominion, the exports—in 1880—had exceeded our imports. Well, I am not going to delay the House by entering into a disquisition on the merits of the balance of trade theory. I am, I confess, myself of the opinion, which does not appear to be shared by hon. gentlemen opposite, that if we are lucky enough to exchange £60,000,000 or \$70,000,000 worth of goods for \$80,000,000 or \$90,000,000 worth, we are largely the gainers by the transaction. That is a theory, however, which men like Smith and Mills, Peel and Gladstone, Cobden, Bright and Fawcett, are still deluded enough to entertain, but it is not the theory of the hon. Minister of Finance. That hon. gentleman entertains quite a different idea. First of all, let me correct one error into which he has fallen. The hon. gentleman has chosen to include in the relative amount of exports and imports, what are called short returns in inland ports. Now, I do not think he is quite right in including those, for two reasons.

Sir LEONARD TILLEY. I did not include them.

Sir RICHARD J. CARTWRIGHT. Those short returns are but a mere matter of guess-work.

Mr. BOWELL. Has not that been practiced for the past ten years?

Sir RICHARD J. CARTWRIGHT. I am quite aware of that, and in making my statements I have usually called attention to the fact that it is a mere matter of surmise, but there is special reason why this should not be counted in just now. As every man who lives on the frontier knows, there exists now what did not exist before, an enormous importation of smuggled goods into this country quite as much as any short returns from inland ports in the United States. Taking what are known and proved to have been exported, and what we know we imported, leaving out short returns on the one hand and smuggled goods on the other, you will find that the balance of trade is just \$10,000,000 against us. Let us read what the hon. Minister of

Sir RICHARD J. CARTWRIGHT.

Finance said on this subject three years ago. I quote from his own Budget Speech of 1879. He said:

"There are other difficulties. The volume of imports has not much diminished. Regarding the matter as I do, I think it is to be regretted that the volume of imports has not been materially reduced."

This was at a time when the volume of imports was \$80,000,000:—

"I look upon large imports ever since the Dominion was organized, showing a large balance of trade against us, as one of the causes of the troubles with which we have to contend, one of the difficulties that it is our duty to remedy. Imports have been decreasing to a certain extent, but are still very large, showing distinctly and clearly, in my judgment, that they ought still to be further diminished. It appears to me that we should turn our attention to the best means of reducing the volume of our imports from all parts of the world."

That is his policy as expounded in 1879, when our imports amounted to nearly \$80,000,000; but we find that now, that our imports, exclusive of bullion, amount to \$90,488,000, the hon. gentleman has not a word to say about the duty of the Government to remedy this state of things if possible, about it being apparent to him that we ought to turn our attention to the best means of reducing the volume of our imports from all parts of the world. It may be news, or it may not be news, to the hon. gentleman to know that in the Mother Country, to which he was just inviting us to direct our attention in connection with some other matters, during the last twenty-five years, the balance of trade against England was something like two thousand millions of pounds sterling, or ten thousand millions of dollars. That he will find, if he chooses to look up the English Trade and Navigation Returns. It might interest him also to know that in spite of that, the English imports of bullion were about \$500,000,000 more during the same period than the English exports of bullion. Now, I am in no respect concerned about this same disastrous balance of trade, but I do submit, Sir, that unless there has been a total reversal of the laws which, according to the hon. gentleman, ought to govern our conduct in these matters, then I suppose that this \$10,000,000 against us is a most deplorable fact, and the hon. gentleman ought, as he said he would, to turn his best attention to remedy this terrible flow of imports from all parts of the world. Sir, the hon. gentleman has one ground—and only one—for contesting these statements. If the hon. gentleman be prepared to show that he and his colleagues were really the authors of the good crops which have increased our exports, and, which is also an important factor in the case, that they have contrived that there should be bad crops elsewhere, and so add to the prices which we receive for our goods, then I would say that the hon. gentleman had made out a case for his National Policy, but not till then, unless he is prepared to declare that the great expansion of business in the United States, to which an extremely large proportion of his surplus revenue is due, was caused by his having taxed considerably more every article which the Americans had to send us. When we speak of the injury inflicted by this over taxation, I would call the attention of the House and the hon. gentleman to this well-known fact; whenever you attempt to raise a revenue by heavy indirect taxation you must of necessity add very largely to the burden of the people, over and above the amount which goes into the Treasury. That, there is no possibility of avoiding, nor will all the calculations which the hon. gentleman has given in the slightest degree affect a fact so well proven as that. Now, Sir, it is not a point which necessarily militates against the National Policy *per se*. It is conceivable, it may be argued, that so great are the other advantages of that policy that it is worth our while to submit to a taxation of thirty or forty, or fifty millions in order to enjoy it; but there can be no excuse for concealing the self-evident fact that whenever you raise a revenue by indirect taxation, you so hamper