he had anticipated that the expenditure would amount to £49,499,000, and the income to £48 641,000: leaving a deficiency of £858,000. The actual results of the year had been less favourable than he had anticipated, for though the expenditure had amounted only to £49,285,000, the income had only reached the sum of £47,443,000, leaving a deficiency of more than £1,840,000. The Right Honourable gentleman then went over the revenue-tables, and enumerated the several items in the customs and excise in which there had been a falling off or an increase. Among those in which a more marked falling off had taken place he enumerated currants, molasses, spirits, sugar, tea, wine, and sheep's wool; but for the decline in each of these a reason would readily suggest itself to the House. The diminished revenue from sugar and molasses Mr. Baring attributed to the exhorbitant price to which that article had risen; the anticipation of a commercial treaty with France had naturally tended to interfere with the duty arising from wine; and in the diminished consumption of spirits Ireland bore a large share—but, however that circumstance might inconvenience his statement that evening, he should be ashamed of himself if he did not allude to it with sincere pleasure. The revenue from the Post Office had fallen short of his expectations; but that was owing not to a deficiency in the anticipated increase of letters posted, but to the increased expenses which had become necessary in consequence of the opening of railroads, and of the great augmentation in the business of the office. For the ensuing year he calculated that the national expenditure would be—

Interest on the Debt,............	£29,424,000
Other charges on consolidated fund	2,400,000
Army	6,587,000
Navy..........................	6,805,000
Ordnance	2,075,000
Miscellaneous	2,935,000
Extraordinary Expenses for Canada	180,000
Expedition to China	400,000
Making a total of....	£50,731,226

The items having been given in round numbers, the total would not exactly agree with them, but the total was as he had given it. The Chancellor of the Exchequer next entered on the items of the revenue which he anticipated for the ensuing year. The customs, he expected, would produce £22,000,000; the excise, £14,000,000; the stamps, £7,130,000; and he thought he might rely upon it that the total revenue would not fall short of £48,310,000. This would leave a deficiency of £2,421,000 to be provided for. Mr. Baring entered into some explanation to show that the permanent deficiency, which he would really have to provide for would be £1,700,000, as several items of the expenditure of next year were of an extraordinary character. Under these circumstances, it became necessary to find some means to make up the revenue of the country to £50,000,000. No taxation could be so injurious as a permanent disorder in the national finances, and the sum they had now to provide for was so large as to make it absolutely necessary for them to act with some degree of boldness. The question was how to do so. Should Ministers fall back upon taxes which they themselves had not long ago repealed—the house-tax, for example, or the tax on coals? Should they impose taxes on things that had been hitherto exempt—place a legacy duty on real property, or a tax on agricultural horses? Were they to lay a tax upon new articles of strength which had come into existence since the system of taxation, such as gas or steam? Ought they to adopt the once execrated, though now popular plan of a property tax? Or might they not make some new arrangement of existing taxation, so as to obtain the needed supplies without adding to the burdens of the people? He was sure that two articles, sugar and timber, had already suggested themselves to the house as those with which it was his intention to deal. The present duty on Colonial timber amounted to 10s a load, and on Baltic timber to 55s. This duty Lord Spencer had proposed to modify by raising that on colonial to 20s., and reducing that on Baltic timber to 50s a load. Mr. Baring intended to adopt the proposition of his noble friend. From this change in the timber duties Lord Spencer anticipated an increased revenue of £750,000, but said that he should be content with £600,000. Mr. Baring should be content to take the same sum as Lord Spencer. He next explained that the alteration which he intended to propose in the sugar duties would still leave a protection of 50 per cent to colonial sugar. He meant to leave the duty on colonial sugar at the present amount of 24s per cwt ;* but that on foreign sugar, now amounting to 63s he should propose to reduce to 36s per cwt. From this change in the sugar duties he expected an augmentation of £900,000 to the revenue, but he would estimate it only at £700,000. From sugar and timber, then, he looked for an increase to the revenue of not less than £1,300,000; which would still leave a deficiency of 400,000 to be provided for. His noble friend had that evening given notice of his intention, at an early period, to submit the question of the corn trade to the consideration of the house; and if the propositions of his noble friend were agreed to, he should be under no uneasiness respecting the remaining £400,000. If they were not agreed to, it would of course become his imperative duty to make provision by direct taxation. Mr. Baring went on to ask the house to look at the present aspect of public affairs. There was the German League extending its influence and increasing its protective duties; there was the American tariff; and there was the treaty with the Brazils, the renewal of which would soon have to become matter of negociation. But it would be in vain to press upon those nations a liberal line of policy, if this country were to keep up prohibitions under the name of protection; they would retort, "We hear what you say, and we see what you do." If there was any intention whatever to admit the produce of foreign countries, the house would feel that they ought not to delay and postpone until they lost the markets of the world, and had nothing left but to give way with regret and despair.

A long debate ensued, in the course of which ministers were taunted with improper motives for their intended delay in bringing forward a measure which their chief had but lately declared to be the first step to insanity, with having added every year to the embarrassments and expenditure of the country, whilst its income has been constantly diminishing, with the probability of the charge of the timber duties ruining the trade of Canada and the shipping interests.

The Chancellor of the Exchequer explained that £800,000 had been voted on exchequer bills to make up the deficiency of £1,800,000 of last years; that £750,000 would be paid out of the Savings' Banks, and that government were prepared to extend their revision of the tariff to other branches of trade, but must first grapple with the corn-laws.

---

* To these amounts of the existing and proposed sugar duties must be added 5 per cent. on account of the augmentation of taxes last year; of which Mr. Baring still takes advantage.