

in last year's Estimates was \$504,000. Charges of Management, paid in England \$60,000, less savings \$6,500; total increase in the Charges of Management, \$53,500. There is an amount under this head that is payable in connection with the redemption of the debt of \$6,000,000, on the 1st January next, and this corresponded with the item omitted last year, in connection with the redemption of \$7,500,000 in January last.

Mr. CARTWRIGHT: I am very sorry to disconcert the hon. gentleman, unless with his permission. If my memory serves me, it may interest the House to know exactly how these two heavy charges on the debt which he paid, and is about to pay, have accrued. I would just suggest that he should mention that to the House.

Mr. TILLEY continuing, went into an elaborate statement of the estimated expenditure for 1879-80, shewing a net decrease of \$241,191. He also went into the obligations to be met, and proved that a deficiency of \$1,600,000 would have to be met, even should the \$850,000 estimated as properly belonging to next year's revenue, be placed to the credit of the current year. He continued: In my opening remarks, I referred to the difficulty with which we have to grapple. We must, if we meet the expenditure of next year, our interest, the charges upon our revenue, and the necessary expenditure which the country has a right to expect, ask from this House the authority to receive a revenue from the customs of \$2,000,000 more than received this year. We have also, in arranging for the levying of that duty, to consider how it can best be imposed to encourage the industries of the country.

It would be well, before I enter upon the consideration of this part of the question to ask ourselves what are the circumstances that have led to the reduction of revenue and to the present depressed condition of the country? With reference to the reduction of the revenue, I have heard it remarked that it is strange that that reduction of late years has been so great. Perhaps there is as much prosperity here as in many other parts of the world; then why was there such a falling off in our revenue compared

with the revenues of the United States and Great Britain? When we examine the case, we ascertain the fact that nearly all the revenue collected in England and a large portion of the revenue of the United States is from specific duties, and, therefore, the decrease in the value of imports does not, in those countries, materially affect the revenue, whereas in the Dominion the duties are principally *ad valorem*, and, therefore, largely affected by the decrease in the value of goods imported. It is established by comparative statements that the goods imported into the Dominion have decreased in value to the extent of 33½ to 40 per cent., and the duties on these imports being levied largely on the *ad valorem* principle, there has been a falling off in the revenues of the Dominion in a corresponding proportion. In the propositions I am about to make, it will be shown—and I state this fact in order that the House may perfectly understand the nature and extent of those propositions—that on many articles on which we propose an increase of duty, 25 per cent., levied on the value, will not bring more per yard than we received on a 15 per cent. tariff in 1873. We will, by way of illustration, take 10s. cloth, valued in 1873 at \$1 a yard, and it would have been collected on it at 15 per cent. The same cloth is now valued at 7s. 6d. per yard, and it would have been collected on it at 25 per cent. of 25 per cent. of revenue received from the same duty in 1873. It is important to bear this fact in mind; because, while it may be thought on the other side of the Atlantic, and by our neighbours, that we are increasing largely our taxation, and imposing increased duties on the products of other countries, it is well to make it understood that, if our duties had been specific, we should have been receiving the same amount of revenue as in 1873. 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. I look upon the large imports, ever since the Dominion was organized, showing a large balance of trade against it, as one of the causes of the troubles with which we have to contend—one of the difficulties