

erts of the Mother Country as well as of the province. But the Government of Canada acting for its Legislature and people, cannot through those feelings of deference which they owe to the Imperial authorities, in any manner or way diminish the right of the people of Canada to decide for themselves, both as to the mode and extent to which taxation shall be imposed. In the imposition of taxation it is so plainly necessary that the administration and the people should be in accord that the former cannot admit responsibility or require approval beyond that of the Local Legislature, self-government would be utterly annihilated if the views of the Imperial Government were to be preferred to those of the people of Canada. It is, therefore, the duty of the present Government distinctly to affirm the right of the Canadian Legislature to adjust the taxation of the people in the way they deem best—even if it should, unfortunately, happen not to meet the approval of the Imperial Ministry. Her Majesty cannot be advised to disallow such acts unless her advisers are prepared to assume the administration of the affairs of the colony irrespective of the views of its inhabitants." Now, I entirely concur in those views, and I trust—though I do not know the mind of the Government on this question—that they will urge that this portion of the royal instructions be withdrawn. When we look at Canada now, confederated as it is, and extending from ocean to ocean, with its vast resources, we should be the best judges of what is best suited to our interests without having them regulated through the Colonial Office. At all events, I think under Responsible Government we should adjust the taxation of our own people and the expenditure of our own money within our own territory in such a way as would best suit our own interests. I see, by reference to the trade and navigation returns that our trade with the United States has been as follows: In 1873, our exports to that country were \$47,735,678; imports, \$40,554,655, showing a balance in our favor. In 1874—exports, \$25,061,117; imports, \$54,000,000. In 1875—exports, \$26,653,216; imports, \$50,805,000. Our exports have greatly decreased till they were only half the amount of our imports. It is the opinion of some political economists that the more we import the richer we become. If it were simply a question of a free exchange of commodities for commodities, without the intervention of money, and our goods sent there sold for one hundred per cent. profit, that would be perfectly correct, but honorable gentlemen, understand there are other

matters which enter into this question. Those who are conversant with our trade with the United States know for the last two years it has been difficult to find anything to ship from Canada that would leave any margin of profit at all. I know in our part of the country the markets have been so depressed in lumber that great losses have occurred, and I think from this section the trade has been carried on with very small profit, if any at all. This difference of \$25,000,000 must be paid either in gold, which is our only legal tender, or bills of exchange on other countries, which command the gold, or by bankruptcy. I say a state of trade like this, instead of being beneficial to our interests is adverse to them. Honorable gentlemen may say this is Free Trade. I deny it; it is simply free imports, not Free Trade; Free Trade is an exchange of commodities on equal terms. It may be said we have large markets elsewhere, and we are merely enabled to buy in the cheapest and sell in the dearest market, but when we ship goods to the United States we are met with duties which are almost prohibitory, ranging from twenty to fifty and sixty per cent., while the highest duty on our side on articles coming from that country is only 17½ per cent. Now, let us look at our general trade: In 1873 our exports were \$89,789,922; imports, \$128,011,281. In 1874, exports, \$89,351,928; imports \$128,213,532. In 1875, exports \$77,866,979; imports \$123,070,283. Therefore, if there is anything in what is called the balance of trade, it is very largely against us, unless we recognize the principle that the more we import the richer we grow. Under the circumstances I demur to that. We have only to look round the country to see the depression which exists, and I am rather surprised that no reference is made to it in the Speech from the Throne. I can speak for my own part of the country, and say it is felt there. Last year in alluding of the depressed state of trade throughout the commercial world I said in my opinion it was caused, to a great extent, by the large payment of gold by France to Germany. My honorable friend opposite from Kingston thought it was a rather ridiculous statement to make.

Hon. Mr. CAMPBELL—Not at all. It was only the way the honorable gentleman remarked that the gold was locked up in Potsdam.

Hon. Mr. WILMOT—The reason I said Potsdam was from the fact that the Prussian Government kept their treasure locked up in that fortress. I made the statement in February, and in the London *Economist* of March 11th, about a month