

of June. Thus there would be a deficit in the estimates of last year. When Ministers came into power they found the Government of Canada committed to a large expenditure for canals, \$30,000,000 in all, of which \$7,000,000 or \$8,000,000 would have to be expended this year, although charged to capital account, it would have to be raised on our credit, to maintain which, unimpaired we must raise enough revenue to cover the interest. What would be said in London on our attempting to borrow eight or ten millions for canals, and many millions more for an Intercolonial and Pacific Railway, if it could be charged that we had to issue shipplasters to meet our ordinary expenditure? (Hear, hear.) We could not raise a dollar in such a case. The Pacific Railway had to be gone on with, under the bargain with British Columbia, then \$25,000,000 had to be raised this ensuing year for the ordinary services of the country, not speaking of our great public works. He pointed out the evil that would attend a deficit at present, and the risk connected with a close approximation of expected receipts to outlay. He went on to condemn the language applied by Mr. Read to the Finance Minister, as un-Parliamentary, and to state, his colleagues were prepared to share the honor or the shame of his tariff if need be. (Hear, hear.) Did that hon. gentleman believe the Government would be such fools as to ask more money than was necessary merely to lay it aside, or pile it up in banks? The thing was absurdity itself. It was thought unsafe in framing the tariff for the needed three millions to proceed on other data than the experience of the last five years furnished. The income might be more, but it might be less from a failure of the crops or other causes. The Government had endeavored to lean as lightly as possible on those industries that could least bear taxation. As to the shipping, if Canada was the third maritime power in the world as some hon. gentlemen opposite argued, surely the shipping interest could bear the \$15,000 laid upon it. That shipping interest had received large benefits of late years in the immense expenditures for light houses, improvement of channels and so forth, for the improvement of navigation. He believed the tea duties would make little or no difference in the price to the consumer, having heard that, though teas fell after the removal of the duties, in a few months they rose to the old prices. He expected an early return to the prices prevailing before the tariff was raised by the present Finance Minister. On brandies and other

strong liquors, \$200,000 would be raised but the principal source of fresh revenue would be the 17½ per cent. duties, raised from 15, which would produce \$1,100,000. The pressure from all parts, put upon the Government, was not to reduce these but raise them to 20 per cent. Government took the middle course, however. They believed the country required this money to sustain its credit and provide the interest of expenditures for public works. If wrong, a year would show the mistake, and fresh action could be taken by Parliament. A considerable portion might not be spent, but, if not, the country would be relieved to a corresponding extent in settling the taxation hereafter. (Hear, hear.)

Hon. Mr. MONTGOMERY supported the Government in this matter, and insisted upon the propriety of endorsing the action of the Lower House in regard to matters of money and taxation. The Commons were responsible to the people and not the Senate.

Hon. Mr. DEVER corrected the Secretary of State as to the result of removing the tea duty. They did, as a consequence, decline in price.

Second reading carried.

The Bill was reported from Committee of the Whole by the chairman, Mr. Ferrier, without amendment.

Hon. Mr. LETELLIER moved the third reading.

Hon. Mr. READ objected, saying enough progress had been made with the bill at present, and he might move an amendment to-morrow.

Hon. Mr. LETELLIER hoped the hon. gentleman would withdraw his objection. He had the right to press it of course, but it was desirable to get on with the business, and take the remaining stage on this measure at once, if there was no serious intention to move an amendment.

Hon. Mr. READ, refusing to yield for a time, did so at length, in response to the appeals of Messrs. Skead, Rotsford and Letellier. The 42nd rule was then dispensed with, and the bill read a third time.

#### SECOND READINGS.

Bill respecting Hopewell Shipbuilding Company — Hon. Mr. McCLELLAN.

Insurance Companies Amendment Bill. — Hon. Mr. SCOTT.

Consolidated Silver Mining Company's Bill. — Hon. Mr. LEONARD.

On motion of Hon. Mr. LETELLIER, the House adjourned at eleven p. m.