

of nearly \$1,000,000 on a comparison with the first six months of the fiscal year now closed. With reference to the excise he proposed to estimate the receipts from licenses \$65,000. They might be a little less or more, but they would not vary much from the figures of the table. With reference to spirits, the receipts last year were 30 cents per gallon on 3,000,000 gallons, the exact sum being \$891,000. The estimate had been based on an expected distillation of 3,200,000 gallons but duty had been received on 2,000,000 only.— In forming the estimates for the current year the Government have reference to what has been considered the regular consumption of the country, as indicated by the experience of several years past, making allowance for exceptional causes; one of these was that a large amount of spirits had been taken out of bond before July 1st, 1864, to avoid the anticipated increase of duty, though, the Government have secured a good deal by having the duty collected from the time the resolutions were first introduced to the House. The average amount distilled was from 3,600,000 to 3,800,000 gallons. A deduction had been made in last year's estimate of 400,000 gallons to allow for the evasion of duty, diminished consumption, &c.; but he thought the probability was that the distillation of spirits would be somewhat larger this year than last. He did, indeed, think it would be considerably larger, but he had in estimation gone on a basis of 3,250,000 gallons. The distillation might exceed this amount, but a good deal was being sent out of the country, some legally, and some perhaps illegally. He proposed to estimate the excise on beer at \$160,000. He found it had not varied much from that amount for some time. Next, the case of tobacco. The House was aware that a considerable revenue had been anticipated last year from this source, but the House would remember that it had been resolved not to levy duty on tobacco then manufactured, and as had been stated at the time, would be the case this had seriously affected the revenue for the year just expired. There had been a large stock then on hand, which had gone into consumption, consequently the country was deprived of a good deal of what would otherwise have been realized. Under these adverse circumstances the revenue collected during the fiscal year had been \$115,500, but he ought to state that in addition to this there was a duty accruing in tobacco in warehouses of \$751,800, all this might not be received, because some of the tobacco might be exported and thus not pay the duty, but this was the amount dutiable on July 1st. In estimating the receipts from excise on tobacco he had to be governed somewhat by reference to the ordinary imports of manufactured tobacco in former years, in 1860 it was 3½ millions pounds, before the American war there was a large import of manufactured tobacco, during the war the import of manufactured

tobacco fell off very much, while that of un-manufactured tobacco largely increased, so much that it amounted in one year to 15,000,000 lbs., a large proportion of that had been consumed in the country, though a good deal had been exported. The revenue received during the past year undoubtedly indicated that the consumption had been mainly supplied from stocks on hand, the amounts imported and manufactured having been small. Under these circumstances we might reasonably anticipate that the amount of tobacco yielding revenue to the country would approximate somewhat to the consumption, and the consumption could not put it down at much less than five or six millions pounds; but in practice it was found that the law was not perhaps stringent enough; frauds were successfully committed. It was better therefore to make a low estimate, and he accordingly put down the consumption of tobacco for the current year at 3½ millions pounds, yielding \$350,000. The receipts on tobacco this year since 1st July indicate a receipt at the rate of about \$275,000 for the year. But it was clear that the consumption which would become productive to the revenue would increase month by month, in as much as the stock of tobacco in the country was gradually becoming less, and consumers would object to purchase that which had been subjected to excise duty. These four items, licenses and excise on spirits, beer and tobacco would give altogether \$1,550,500. The Post-office last year produced \$470,000, the receipts from postage were year by year increasing, the increased population, and increased business of the country materially told on the postal receipts, and we might surely estimate some addition under that head. He had preferred however putting the estimate at the same figure, \$470,000. The Public Works last year produced \$395,000, this year he estimated them at \$450,000. He might here give a very brief explanation with regard to the question of Canal tolls. The policy as regards the tolls, was the policy adopted at the time the President of the Council joined the Government, and that like some other questions was felt to be entirely subordinate to the general point of settling the constitutional difficulties of the country. He (Galt) at that time held his own views, and he held them still. As to the policy of making our Inland navigation as free from burdens as possible, he believed the President of the Council equally held to his expressed views. When he (Galt) came into office the tolls had been reimposed by the Hon. friend behind him (Howland), and maintained by the Hon. friend opposite (Holton.) They were afterwards slightly modified by himself (Galt.) There might be some minor changes to meet the requirements of trade; but the government did not intend to alter the rates or the principle or which they were now administered. The increased estimate of \$55,000 was what