

United States have nevertheless increased, while those from Great Britain have fallen off nearly $1\frac{1}{2}$ millions. We now come to a leading Canadian manufacture, viz., "boots and shoes." In 1873 the imports of these articles from Great Britain exceeded those from the United States by nearly 50 per cent. In 1877 the imports from Great Britain were little over one-third of those of 1873, while those from the United States had increased over four fold. The aggregate importations were about double what they were in 1873. "Paper" is in the same category. In 1873 the imports of paper from Great Britain were over 50 per cent. in excess of those from the United States, while in 1877 the imports from the United States were fully 75 per cent. in excess of those from Great Britain. In "stationery" although the change has not been so remarkable it has been sufficiently instructive. In 1873 the United States supplied us with about 13 per cent. of our aggregate imports of stationery while England supplied 87, while last year Great Britain supplied 51 per cent. and the United States 49. The next article that we shall notice is "small wares," under which head there was an increase of imports in 1877 over 1873. The imports from Great Britain, however, declined, while those from the United States were considerably in excess. In 1873 they were 9 per cent. of the total imports, and in 1877 nearly 30 per cent. We shall close this tedious notice with a reference to "woollens," the most important branch of our imports in the $17\frac{1}{2}$ per cent. list. We have already noticed the great reduction in the aggregate imports of woollen goods in 1877 as compared with 1873, but this was entirely in the imports from Great Britain, those from the United States being very largely in excess, having gone up from \$135,000 to upwards of \$500,000. We fear that we shall have almost exhausted the patience of our readers with so many figures, but there is one more comparison that we think should be drawn between the trade of 1873 and 1877. In 1873, which was the year of the largest trade, the aggregate imports from Great Britain were \$68,459,774, and from the United States \$47,731,746. In 1877, the aggregate imports from Great Britain were \$39,572,239, and from the United States \$51,309,479. The dutiable goods imported from Great Britain in 1873 were \$47,443,203 and from the United States \$16,678,805, while in 1877 the dutiable goods from Great Britain were \$32,916,776 and from the United States \$23,520,846. The free goods from Great Britain amounted to \$21,016,571

and from the United States to \$31,052,941 in 1873. In 1877 the free goods from Great Britain were \$6,655,463 and from the United States \$27,798,633. We cannot close this notice of the trade returns without bearing testimony to the continual efforts of the commissioner of customs, Mr. Johnson, to improve the returns, and to give a good deal of valuable information in a separate form in his report.

THE BUDGET.

The Finance Minister's statement has been made, and has been criticized at considerable length, and on the whole in a good spirit by Dr. Tupper. The two political parties have fairly joined issue on the question of the fiscal policy of the country, and it may be hoped that the tendency will be to diminish the personal asperity which characterize the debate on the address. The speech of the Finance Minister will probably cause neither surprise nor disappointment. The deficits were well known, and it was hardly expected that any new scheme of taxation would be proposed during the last session of a Parliament. It may be inferred from the language of the Finance Minister that he is of opinion, that we have seen the worst; and that there is reason to hope that the revenue of the current year will be sufficient to meet the expenditure. He entertains similar expectations with regard to the year for which supplies have now to be voted. We sincerely hope that these anticipations may be realized, but we cannot shut our eyes to the danger of permitting successive deficits without providing additional revenue. Mr. Cartwright himself is evidently not blind to the danger to which we have adverted, for he has dealt with it in the following passage of his speech:—

"Now, Sir, under these circumstances, it may not unnaturally be asked by some members of this House whether it would not be advisable, in view of the fact that we have now had for two years considerable deficits, to adopt such precautions as would render it impossible for another deficit to confront us in this year. Well, Sir, I would say at once that if we possessed in Canada any tax fairly equivalent to the income tax now in use in England, probably I would not hesitate to advise the House to have recourse to that means of increasing the revenue in some degree, that being a tax which can be raised or lowered with a *minimum* of disturbance to the various commercial interests of the country."

It is true that we have no tax in this country of the same character as the income tax, but there is always a mode of increasing the revenue without creating

any serious disturbance to the commercial interests of the country and without rendering it necessary for the Government to depart from that fiscal policy to which it is pledged.

We readily admit that it would be unreasonable to expect the Government, during the last session of a Parliament to make material changes in the tariff, but when it is borne in mind that it is on all hands admitted that it is expedient to raise a considerable portion of the revenue by customs' duties, we can discover no objection to a uniform increase to those duties in the form of a percentage sufficient to raise the amount required. Such an increase to the customs revenue was sanctioned by Parliament in 1870, and was not met with the objections that were raised to specific duties on particular articles. The addition of 10 per cent. to all the customs duties would give nearly \$1,400,000 additional revenue without violating any principle whatever, and it could be reduced either to 5 per cent. or taken off altogether precisely as the income tax in England can be increased or reduced according to circumstances. Such a tax would have removed in all probability the danger of a deficit during the current or next year, and even if the revenue of those years should be adequate to meet the expenditure, the deficits which have already occurred would justify the increase.

We are sorry, and entirely without reference to the general question of the fiscal policy of the Government, that some step has not been taken to increase the revenue, and thus to prevent the possibility of any reflections being made elsewhere as to our willingness to provide the necessary means to keep the revenue at least equal to the expenditure. We are not disposed to criticize the expenditure too closely. The charges for interest and management of the debt, including the sinking fund, and for the collection of the revenue cannot be reduced, and we are not sanguine that the most economical Government that we are likely to have, would effect any savings, worthy of serious consideration, in the other branches of expenditure.

We are not inclined to meddle in the country between the Government and its assailants on the various details of the expenditure. We are quite willing to assume that no Government is desirous of increasing the expenditure beyond what is absolutely necessary for the efficient carrying on of the public service. The deficiency after all is a mere bagatelle in itself. No difficulty would be found in obtaining the