

which may be urged in favour of a reduction of taxation on account of the heaviness with which certain imposts press on articles of general consumption (loud cheers). You are bound also to consider what taxes press on the raw materials which constitute the staple of the manufactures of the country (cheers). You are also bound to consider what are the taxes which cause a great increase in the establishments necessary for their collection, and what are those taxes the remission of which will enable us to diminish those establishments, so as to enable us to reduce our expenditure. You are bound further to consider what are those taxes, the removal of which will give new scope to commercial enterprise, and occasion an increased demand for labour (cheers). I will not say which of these considerations ought to be the most predominant; all ought to occupy our serious attention, for all are of the very greatest importance. If we receive the sanction of the House for the continuance of the income-tax, we shall feel it to be our duty to make a great experiment with respect to taxation, and we shall hope that the general prosperity which will result therefrom will contribute to fill up the void caused by the cessation of the income-tax in future years. We do not propose to maintain any material surplus of revenue over expenditure, confident that, whatever may happen, this House is determined to maintain the public credit (loud cheers). We have determined to recommend extensive reductions in those taxes which, in our opinion, press more onerously on the community than the income tax. I first propose to take those taxes which are collected by the customs board; and I shall submit to the consideration of the House, in the first instance, what are the views of Her Majesty's Government in respect to the reduction upon the duty on sugar (cheers). The House will recollect, that upon this subject an arrangement, temporary in its character, was made in the course of last year, by which sugar the produce of countries where the article was cultivated by means of free labour, was admitted into competition with sugar the produce of our colonies. There was at that time no reduction proposed upon the produce of our colonies. But propositions were made regarding the importation of free-labour sugar, which I think were generally considered as indicative of an intention on the part of Her Majesty's Government, in the course of the present session, to call the attention of the House to the sugar duties, and to propose a reduction in their amount. The amount of discriminating duties proposed upon sugar the produce of countries where sugar was grown by free labour, was 10s. 6d. Sir, we propose now to adhere to the general principle upon which we acted in the course of last year. We propose to restrict the competition of sugar the produce of our own colonies, to sugar which is the produce of countries cultivating it by means of free labour, or which are entitled to the admission of their sugar into this country under reciprocity treaties which before existed. (Hear, hear, and a laugh.) I beg that it may be distinctly understood, that I do not wish to provoke any discussion on this subject now. All debate upon it had better be deferred until the time when the question of the sugar duties is regularly before the House. At the same time it is important, that I should now give a general outline of the course which the Government mean to pursue. (Hear, hear!) The discriminating duty proposed to be established by the act of last session was, on free labour British plantation sugar, 24s., and 5 per cent., and that upon free-labour foreign sugar, 34s. and 5 per cent.; which would produce, upon the former, a total amount of duty of 25s. 3d., and on the latter of 35s. 9d. But in the course of last year, it was proposed, as a protection, to establish a higher discriminating rate of duty on free labour foreign sugar which was either clayed or equivalent to clayed. We declined however, to accede to that proposal, as we found that there was no such distinction established with respect to sugar the produce of our own colonies, but that there was a uniform rate of duty applicable to Muscovado, to clayed, and to all sugars which were not refined; and whilst that uniformity prevailed in respect to our own sugars, we were unwilling to establish a different rule with regard to the different qualities of sugar from other countries. We stated, at the same time, that if it were possible to establish a classification applying to our own as well as to foreign sugars, the subject might be well worthy of consideration, and the arrangement might very properly be made. Some honourable gentlemen who spoke on the other side of the House, endeavoured to establish the policy of a distinction between the coarser and the finer kind of sugar. We have had a great deal of communication with officers most conversant with those matters, and it has been certified to us that it is possible, both with respect to our own and foreign sugars, to establish such a distinction. We propose, therefore, with respect to all sugars, except refined, the produce of our own colonies, to make this reduction of duty: In respect of brown Muscovado sugar, which is now subject to a duty of 25s. 3d., we propose to make a reduction of 11s. 3d., and to reduce the duty to 14s. (Cheers).