

States at this moment, and the effect that this would necessarily have on our commerce—it was impossible to view the panic which was beginning to show itself in every branch of business, and the necessarily diminished importations of the incoming year, not to feel that this would begin to show itself in the last quarter of the year, and he had asked to see the returns in the conviction that his anticipations will be realized.

By the returns the revenue of the year from customs and excise amounted to \$999,000. The revenue of the December quarter was \$306,491. For the June quarter of 1862 it was \$330,000. So that in the last quarter of the year the increase over the corresponding quarter of the year before was only \$3000. Compare that with the 9 months preceding. The revenue of that part of 1863 was \$564,938, for 1864 it was \$692,818. So that the increase in the past nine months of 1864 was \$127,900, or at the rate of 23 per cent., while the increase of the last quarter was only \$3000, or 2 per cent. It was quite clear, therefore, that the prosperity of the early part of the year had not been kept up. That a sudden and serious change had taken place, which was an omen of the condition of the present year, and might be largely relied on as indicating what we might expect, and the prosperity of the first nine months continued to the end of the year in the same proportion, we should have had an addition to the revenue of the quarter over what we actually received, of \$63,000.—Now in 1863 we contributed one third of our entire revenue in the last quarter of the year.—This is pretty much the fact every year, and therefore assuming that the trade of the whole year were to fall off at the same rate, we should have less by \$109,000 than if our prosperity had continued uniformly as it begun in 1863.

This is a very serious statement of matters, and well claims our attention. I have asked for the returns of the first quarter of the present year, with a view to continue the comparison. I have not yet received them, nor does it much matter. The importations of the first quarter of any year are largely the result of accident.—They might be more or less in any particular year without largely affecting the returns of the year, inasmuch as they form altogether but a small part of our importations. The main business of the year is conducted in the Spring and Fall quarters.

Now what are the last terms referred to? I have spoken of the panic in the United States—that panic will be felt here. It will lead to the interruption of our trade with the States.

Then there is a great depression in prices impending. The opening of the cotton ports of the U. States will bring down the prices of cotton fabrics and diminish immensely the price of cotton goods imported to this market. This will react on the price of woollen goods, and between the two your *advalorem* duties will fall. Then agricultural produce is going down in price. A friend of mine bought, the other day, for the Cape Breton market a ton of butter for 12½ cents a lb. This came from the U. States, where not long ago we were sending our butter and getting three times the price for it. Other articles of produce will fall, if not to the same extent. The immense market made by the fleet of blockade runners sailing from Halifax is at an end.

The ability to buy, which the farmer derives from a large and ready market for his goods, has passed away, and our merchants will anticipate the change, and regulate their importations accordingly. Then shipping and ship-building are both declining; freights are low, and the inducements to build are not great this year.

Contemporaneously with all this, the market was largely supplied with goods not intended for it. The cargoes shipped from England to the Southern States, and which recent events had prevented from going there, were thrown suddenly upon this market, and had to be sold for whatever they would fetch. They of course would be entered low, and thus would affect the *advalorem* duties, and diminish the usual importations. Now, could any person of ordinary foresight shut his eyes to this concurrence of events. Was it possible to anticipate that the revenue could be maintained; and if it fell, in what condition would we be found? Suppose we were to enter on this year as we did the year which followed 1854, would we be far astray? 1854 was a year of plethoric revenue; but it was followed by several successive years of declining trade and falling income. It would not be unreasonable to expect that the receipts from customs and excise in 1865 would not much exceed \$800,000. The revenue after 1854 did not for many years reach the figures of that year. Whether we collected more than that in the ensuing year or not, he was quite sure that we would not be justified in making our calculations on a larger scale for several years to come; and if that was true, we should be unable to meet the appropriations we have made this year by an enormous sum. But these appropriations, large as they were, made no provisions for our new liabilities. Now, let us see what these are: First, there is the Pictou railway. This was estimated at first to cost us \$1,600,000. It was supposed to be forty miles, at £10,000. The government pass the bill before the road is created. It is then measured; and forthwith ten miles or one-fourth of the whole is added to the length and cost. Then Mr. Fleming surveys the ground more accurately, and finds it will cost 2½ million of dollars to build it, and somewhat more to build and equip it. He is told, however, that he must reduce his figures, and he does so, and now tells us we may have a road for two millions. Anybody, however, who knew how immensely expenditures exceed estimates, must be satisfied that if we get off for two and a half million of dollars we should be fortunate indeed. Now, as the contracts are to be completed in 1866, we are fully assured that one half the work will be done, and one half the cost incurred in 1865. If so, we shall need to sell debentures to supply what means we require. Already we have had them in the market for several months, and we have sold £21,800 stg. or \$109,000. Suppose we have to make up the amount we shall require for the year 1865, we shall need still to sell over \$1,000,000 in debentures during the present year. How is this to be done? Our debentures are now selling at 92 to 95 per cent. At par they are worth, with the interest to date, £101 10s. So that on every debenture we sell, we lose from £9 10s. to £6 10s. Take the medium and there is a loss of 8 per cent., which, on \$1,000,000 alone, would be a loss of \$80,000, and would add that sum to the cost of the