

sum expended in such connection should be debited to the Island, in which case an abatement would result of \$16,438.

The subsidy to Fishwick's steamboat of \$3,000 for communication between Halifax, Cape Breton, and the Island, the undersigned submit, has no right to be charged in full to the Island; they object to more than one-third of the amount being so debited, and then a further reduction would be effected of \$2,000.

These sums, which the undersigned consider should not in justice be charged to the Island, amount in the aggregate to \$79,308.71, thus reducing the expenditure for 1884, as stated by the Committee of Council, to \$610,646.20.

To recapitulate, the undersigned submit the following comparative statement of what the Island annually contributes to the General Revenue, and what it receives in return :—

Average annual contribution by the Island from Customs and Excise	-	-	-	-	-	\$723,129
To which add interest on the sum claimed by the Island as its share of the fishery award, less the sum paid for fishing bounties	-	-	-	-	-	41,430
						\$764,559
Sum claimed by Committee of Council to be annually expended on the Island	-	-	-	-	-	\$689,954
Less amounts which undersigned contend should be deducted	-	-	-	-	-	79,308
						610,646
Excess of annual contributions of Prince Edward Island over Dominion expenditure	-	-	-	-	-	\$153,913

In proof of the efforts of the Dominion Government to provide improved means of communication, the Committee of Council adduce various items of expenditure since Confederation, aggregating \$951,698. Among these items appears the sum of \$150,000, appropriated for the construction of a pier at Cape Tormentine, *which has not been expended*, the site, so far as the undersigned are aware, not having yet been finally determined. Another item is that of \$118,400 subsidy for the construction of a branch railway to Cape Tormentine. This road is only about half completed, and the subsidy *paid* up to November last, when the Report of the Committee of Council was adopted, did not exceed \$20,000. Neither do the undersigned consider that the whole of this subsidy should be charged against the Island. The work is situate in the Province of New Brunswick, and must be presumed to be of great benefit thereto, otherwise a private Company would not undertake to build it without any previous assurance of assistance from the Federal Government. Besides, the subsidy has only been granted in accordance with a policy pursued by the Dominion Government of giving aid to certain lines of railway on the mainland. The sum of \$12,400 to pay the Island Government for a pier at Cape Traverse, is also included in the expenditure, though at the time the Committee of Council made their report that amount had not been *paid*. Another item is for cable service, which doubtless means the subsidy of 400*l.* sterling annually paid to the Anglo-American Telegraph Company. As the assumption of this subsidy by the General Government was under a distinct and separate article of the terms of Confederation, and has no connection with communication by steam across the Straits, the undersigned object to its being included in the expenditure for the improvement of steam communication. This subsidy for twelve years amounts to \$23,372. The Committee of Council include also in their memorandum the subsidies for the summer mail service and for the winter crossing at the Capes. As similar amounts were paid by the Island Government previous to Confederation, and as they represent only the cost of maintaining the communication which the Island had before the Union, the undersigned cannot admit that they should be included as expenditure for *improving* the means of communication.

The undersigned consider that these various items to which they have taken objection should be deducted from the amount which the Committee of Council claim to have been expended, when the memorandum of expenditure would read as follows :—