

It is absurd to suppose that the foregoing figures represent the actual consumption, per head, of dutiable goods, by the people of the various Provinces; rather do they prove that Québec is the great importing and distributing Province for the whole of Eastern Canada. The extraordinary percentage for British Columbia is due, as the undersigned have already pointed out, to the peculiar circumstances of that Province in being compelled to import, almost exclusively from countries beyond the Dominion, as well as to the inflation of trade, consequent upon the construction of the Canadian Pacific Railway and other large public works, no less than twelve millions of dollars having been expended thereon in 1885. Now that the Canadian Pacific Railway has been completed, it cannot be expected that the collections in British Columbia will be so large in the future as they have been in the past. As has been the case with Prince Edward Island, so it will be in that Province. While the Canadian Pacific Railway will pour into British Columbia British and West Indian goods, Québec will continue to be the great importing and distributing Province, and in proportion as the Customs returns of British Columbia decrease, those of Québec will increase.

The Committee of Council then proceed to make a comparison as between British Columbia, Manitoba, the North-West Territories, and the Island, their figures being as follows:—

Total revenue contributed by British Columbia, Manitoba, and the North-West Territories, \$1,833,698.86, as against Prince Edward Island, \$193,473.66.

The undersigned have only to remark that the same observations which they have applied to British Columbia hold good in the case of Manitoba and the North-West Territories. No direct communication existed between these portions of the Dominion and the rest of Canada when these returns were compiled, and consequently large imports of dutiable goods were made from the United States, with which country direct communication did exist. The immense inflation of trade consequent upon the construction, at so rapid a rate, of the Canadian Pacific Railway, upon which not less than 100 millions of dollars have been expended since 1881, accounts chiefly for the large returns from Manitoba and the North-West Territories, as well as from British Columbia.

The undersigned feel that no further arguments are necessary to prove that Prince Edward Island pays directly and indirectly into the Dominion Exchequer, Customs and Excise duties at least four times as great as that stated by the Committee of Council, while, if the annual interest upon the amount claimed by the Island as its share of the fishery award be included, its contributions will be still further in excess of the sum estimated.

As evidence of the desire of the Dominion Government to promote the interests of Prince Edward Island, the Committee of Council submit a table of the expenditure upon the Island in the year 1884, amounting in the aggregate to \$689,954.91.

Upon the first item, that of interest charged the Island on the Public Debt which the Dominion assumed, the undersigned observe that it is calculated at 5 per cent. As the whole amount of the Island bonds, which the Dominion assumed at the time of Union has been paid off, with the exception possibly of \$1,000, the undersigned consider that it is unreasonable to charge the Island 5 per cent. on her proportion of the Public debt, while the Dominion is able to borrow at 4 per cent., and while the latter is the average rate paid upon the aggregate debt of Canada. The difference between the two rates would cause a decrease in the amount charged of \$39,081.51.

In like manner interest is charged at 5 per cent. upon the capital expenditure on the Island railway. Calculating the interest at 4 per cent., would reduce the sum by \$5,789.20.

The undersigned observe also that the expense of operating the railway, in excess of the receipts, is charged at \$91,924.01. They desire to remark that this amount includes the sum of \$16,000 of extraordinary expenditure, which should not be debited to the Island, and they consider that it should be deducted.

The undersigned also observe that the subsidies to the steamers employed in the summer and winter service, and to the men engaged in the Capes crossing, amounting to \$32,876, are charged in full to the Island. This they consider unfair. Many of the inhabitants of the other Provinces derive equal advantages from this service with the people of the Island, and the means of communication provided are used to a much larger extent by the residents of the mainland than by those of the Island. The undersigned therefore consider it only just that a portion of the expenditure thus incurred should be charged to Canada, and submit that not more than one-half of the