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impost of 3 per cent on all materials for shipbuilding before Confederation.

Mr. PALMER said he believed that the duty was not repealed up to Confederation. If they came to make comparisons based on population, he thought it would be equally fair for the Ontario members to take the same ground in reference to appropriations. He found that for lighthouses and their maintenance, New Brunswick and Nova Scotia, with a population of 600,000, had received appropriations amounting to \$235,000, while Ontario and Quebec, with 2,800,000 people, had received \$221,700. It was creditable to the larger Provinces that they refrained from making these useless comparisons.

Before Confederation the shipping interest was taxed for light dues. In Nova Scotia in 1866, \$37,000 was collected from this source; \$28,000 in New Brunswick; \$2,000 in Quebec—in all \$67,000, an amount which he was satisfied would cover all that would be paid under this tax. He was satisfied that it was not for the general good that this interest should be relieved from this small tax. It was a rather political move on the part of hon. gentlemen opposite. This interest was one which must always draw largely upon the revenues of the Dominion, and he hoped this Parliament would be always as ready as in the past to grant aid for the protection of their extensive seaboard. He did not consider the proposal of the Finance Minister an unreasonable demand. (*Cheers.*)

Mr. NORRIS contended that the basis of the tariff was satisfactory. Ontario was fairly satisfied, and he believed from conversations with hon. members that the bulk of the people of the Lower Provinces were satisfied. Hon. gentlemen had spoken of their sails whitening every ocean, and he was sure that that interest was well able to pay something to the public revenue. He wanted to have no injustice to anyone, and should be one of the first to protest against any such action. He deprecated sectional appeals, such as had been made by some of the hon. members, saying that with these we could not hope to have that peace and harmony which should exist.

As to the flour trade, in which he was interested, we had no protection, and if he asked for it he knew the Maritime Provinces would object. He advocated some protection to our agricultural interests, and for the development of our great mineral resources. He felt that some action should be taken before very long to utilize all that wealth, which now lay buried in the bosom of the earth. He trusted that before next session some action would be taken in this direction, as without protection capitalists would not come and invest their money among us.

Mr. DAVIES believed the people of the Maritime Provinces would object to this tax. Everything which entered into the manufactures of Canada was exempted from duty, and the people of the Maritime Provinces would look upon this as a special tax upon them. If they wanted increased revenue, as no doubt they did, the tax should be put on articles of general consumption. Canada was now the third maritime power in the world, but this shipping interest was one which every country fostered, and its prosperity

was no reason why it should be taxed. He regretted that any feeling should be raised that there was class legislation.

He thought the Finance Minister (Hon. Mr. Cartwright) had overestimated the amount to be paid to the Island of Prince Edward. The people of that Island had been very reluctant to come into the Union, but he had always been in favour of it, though he did not see any great commercial advantage to be derived from it. His views on that subject had cost him his seat in the Local Legislature two or three times, and he believed he was the only Unionist from Prince Edward Island in this House.

The revenue from all sources in the Island in 1872 was \$385,000. Deducting \$80,000, which, under Confederation would belong to the Local Government, the revenue left for the Dominion Government was about \$305,000. An allowance of \$900,000 was to be made for the settlement of land claims representing interest to the amount of \$45,000 a year. Under the 80 cents a head, \$15,000 would have to be paid. There was an annual allowance of \$30,000, and these, with other items, amounted to about \$230,000, showing a surplus of \$70,000. The taxes under the Dominion tariff were 30 or 40 per cent greater than under the local tariff, so that when the present tariff was applied there would be a larger surplus, amounting, he expected, to \$150,000. (*Hear, hear.*) It was true there was the railway, but he ridiculed the idea that it would cost \$200,000 a year to operate. If it did it had better be presented to the Local Government.

Hon. Mr. CARTWRIGHT: Does my hon. friend think we can get the Local Government to take it?

Mr. DAVIES thought there would be very little difficulty in doing so. The revenue of the Island had increased from \$110,000 in 1858 to \$385,000 in 1872. The revenue was progressive, while the allowance from the Dominion was almost stationary, and the time would soon come when the "Garden Plot" would be no burden to the Dominion. (*Hear, hear.*)

Mr. OLIVER said he had listened with a great deal of pleasure to the speech of the hon. member for Cumberland, when endeavouring to prove that there would be no deficit, but thought the hon. gentleman had not proved his assertions. He thought it was in the interest of all sections and all classes of the country that the great public works which had been undertaken should be gone on with, as it was evident from what railways had done for the country that they would do very much to promote its prosperity.

With reference to shipbuilding, he said that if it could be shown that the proposed tax on that important industry would cripple it, that tax should not be imposed. All the interests of the country were so intimately connected that, he believed, if one suffered all the others also did. He did not think the tax on tea was to be complained of, because he did not believe it would make a difference of a dollar a year to a moderate sized family.

Perhaps it was too late to make any alteration in the duty on cigars, but he thought that the producers of these luxuries did not receive fair play. It was not to be expected that Canada, with its dear labour, could compete in the production of cigars with Germany and its cheap labour, and cigars were a luxury which