protected and encouraged by making implements and materials cheap and by giving encouragement to Docks. Let us do everything to promote the interests of ships, where there are such natural inlets as ours, with coal at hand, and facilities for the importation of iron and steel for building ships, we could build cheaper than anywhere on this coast; not of course so cheaply as on the Clyde but still we might attract some shipbuilders. Now as to trade. Export trade. This is surely an item, though possibly a small item in our wealth; yet still if we export only to Puget Sound we might encourage such commerce. It is an industry and a source of wealth; it causes foreign ships to come and causes an expenditure of money in our ports; it adds to the number of merchants, drays and labourers, and increases general business; a vitality is given by it which makes it an element of wealth, it seems to have been beneficial here, and certain it is that it is estimated in this colony as a material interest. How is this export trade to be protected? Some say by Free Port, that is to say, no customs duties; others say reduce taxation to a minimum on goods in which there is a tangible export trade." Within these limits of what we may call moderate protection we may reasonably suppose the colonists of British Columbia to be desirous to legislate, and suppose we desire to have implements of labour and machinery and some goods cheap and free, and put ten per cent on imported agricultural produce. This is the reverse of Canadian policy—as regards machinery, I believe the Canadian tariff gives fifteen per cent on manufactured machinery at least. There is nothing to prevent the Canadian tariff from being increased. Protection may run rampant in the Dominion. You have no guarantee. I say that in these fiscal questions we are at issue as affects some of our most important elements of national wealth. There would be a conflict, not only between the tariffs of British Columbia and Canada but between the protective policy of each province. How is this cause of discontent and conflict of interest to be removed? Why, by a British Columbia tariff for British Columbia. This place has no commercial connection with Canada. Canada affords us no market. There is no frontier to cause a difficulty with custom house officers. Why not have different tariffs. In the event of reciprocity with the United States we might be compelled to sacrifice the farmer, but possibly he might be in a condition to support himself by produce for which we have some special aptitude. Assuredly we shall have discontent or worse if the tariff is made oppressive, if we have for it to suff r the extinction or the disadvantage of our own industries. I have said hastily, give us our own tariff and I am almost in favour of Confederation. I think I must take that expression of opinion back. There are so many other matters, so many points of difference between us and Canada, that under any circumstances there would be a continual struggle with the other provinces. But however this may be, if you wish not to provoke and keep up a sore question have a separate tariff. Give to Canada and Canadian interests a tariff framed to meet their wants, and give to British Columbia its own especial tariff. If the tariff of Canada is to rule I fear it will never be altered, for the feable voice of our eight members would never be listened to in the Parliament of Ottawa, and the Canadian tariff, framed for the support and maintenance of Canadian interests, would assuredly prevail.

THE HON. CHIEF COMMISSIONER said—Sir, After the very able abstract review of the whole question of tariff customs and taxation of the hon gentlemen who has just sat down, I will not add anything by way of dissertation. But I must remind the house to the practical consideration of the subject. I ask in whole the ability of the hon and learned member, and I quite agree with him that this is one of the most important matters connected with confederation. Then why, it might be asked, was it not touched upon in the terms? Not because it has not been fully considered, but because the Organic Act puts it virtually out of the power of the Colony to prescribe what form of Tariff we should have under Confederation. The scheme as has been already pointed out by the Hon Commissioner of Customs is based on the transfer of the control of our customs to Canada, therefore it is not within our province under the scheme submitted, to impose on the Dominion, or even to propose any special tariff for this colony, but this is a matter which is left up to for the consideration of this Colony on its merits, and is left open, as the hon member for Victoria has told you, for this Council to make suggestions as to what tariff may be desirable under Confederation. I take this opportunity to set right the impression which seems to prevail as to the liberty of government members upon this question. It is not left open to us to complicate the terms by inserting any condition so as to make it in fact a sine qua non, but it is left open for this Council to suggest what tariff would be suitable for this Colony. The hon Mr Wood has discussed this matter on its abstract merits, as if it was in our power to dictate to Canada what tariff we should have; he has laid before the House very ably the pros and cons of tariff and free port. It is for us to consider what tariff would best suit us in or out of Confederation; but it is not allowed to us to prescribe to the Dominion what form of customs duties they shall adopt in this Colony, or in this province, as it will be, we have placed the control of the matter out of our hands. (No, no—Hons HEARNSHAW and WOOD). Well, sir, I believe we have; I say that view is imposed upon us by the terms, and I think it is better that it should be so; and for this reason. We, as being acquainted with the wants of the place, are best able to point out what in our respect we need protection and where our interests are likely to differ from the tariff of the Eastern Provinces. But I believe, sir, that there are those in the Dominion whose larger experience and wider views will render them much better able than us to supply such remedy as will be most beneficial. I am perfectly willing to explain my views on the subject of tariff and free port in the abstract, and the government invite the freest discussion on the policy both as regards protection to agriculture and manufactures, and free port. But I believe it will be better for the Colony to leave the decision and the remedy for the evils to those who will have the care of this province as well as the Eastern provinces. I think it will be to the interest of statesmen in the Dominion to treat this Colony well. Instead of feeling any want of confidence in those statesmen, I feel sure that every possible measure to promote the interest of this Colony will be well considered. They are in a better position to decide what will be most beneficial to this Colony even in regard to tariff. I would rather hear more opinions expressed before I offer a suggestion; it is my intention to offer a resolution in general terms, so as to suggest to the Dominion Government that our agricultural interests must be protected and that certain things are required, and to ask the Dominion for such special provisions, in regard to tariff as we think we require. We are not in a position, after having endorsed the scheme of the Government, and after having handed over the sole control of the customs to Canada, to prescribe what tariff we shall have, or to impose good reasons as to our local tariff.

Hon Mr HUNSON—Mr Chairman, while I consider the question of tariff one of very great importance, it does not appear to me that it necessarily forms any part of the terms. It is, in my opinion, futile to hope that we shall obtain power, under Confederation, to frame and regulate our own tariff. The customs tariff is essentially a federal measure, and the Dominion Government cannot very well permit a province to make its own tariff. To do so would, in my opinion, be to admit a principle which would ultimately break up the whole Confederation. If such a concession were made to British Columbia every other province in the Dominion would forthwith clamor for it. The Dominion tariff is of necessity a federal matter, to be dealt with by the Federal Parliament, and it is unreasonable to expect that such an exception will be made in our favor. The customs tariff is the main source of federal revenue; and if any province were permitted to tinker with it the federal revenue would indeed be precarious. History does not encourage us to hope for such a power. Taking the United States which, in this respect, presents features not dissimilar to those of the Dominion, we find that the customs tariff has ever been a federal question. To no state or territory has it been conceded to deal with its own tariff. If the strongest reasons had not existed for this, we should certainly have found exceptions made in favor of Pacific states and territories. Hon members will recollect the bitter complaints made in earlier times on the coast against federal tariffs; yet the people, while complaining, never for one moment claimed or expected the right to regulate their own tariff. They knew perfectly well that such a power was wholly incompatible with union. It is as well that we should not cling to any such hopes as that of being permitted to make and regulate our own tariff under Confederation. I quite concur with the hon the Chief Commissioner in the view that, notwithstanding the difference in existing conditions on the east of the continent and on the Atlantic side of it, there are many questions even of tariff which would be more successfully dealt with at Ottawa, and that our representatives would be listened to and would have their due weight upon such questions. Probably through their influence the tariff would, in some respects, be made more conformable to our circumstances and interests; but the Dominion tariff must be altered and maintained by the Federal Parliament and not by any provincial authority. We occupy a very exceptional position and shall doubtless for years, in regard to such questions; and this might fairly enter into the tariff of Canada, as a whole, is not applicable to British Columbia at present. But, sir, permit me to say that this question, like most others, has two sides to it, and has not been approached with that fairness and candor which its great importance demands. We are very apt to estimate protection above its real value—to forget the price we pay for it. Even our farmers sometimes pay more for protection than it is in reality worth to them. Under free trade the producers of this part of the Colony contended for a much more ready market and higher prices than they do now after three years of protection. I am willing to admit that a few farmers have thriven, partly, perhaps, on protection, but partly, too, I am not to think, at the expense of other classes and other interests in the Colony. Let us remember that protection is not an unmixed good and that it sometimes costs more than it is really worth. It should also be remembered that the importance of protection is somewhat localized in its application. Nature has given ample protection to the interior of the Colony; and it is, in reality, only on this island and the Lower Fraser that artificial protection can be demanded. I venture to think that there is a great future before Vancouver Island, but I do not believe that it will ever owe its greatness to agricultural development. I believe that its commercial, maritime, mineral and manufacturing industries will far outweigh its farming interests, and I do not think, therefore, that we would be justified in refusing Confederation upon fair and equitable terms, simply because we could not have power to regulate our customs tariff. I regret that I am unable to agree with many one of the recommendations now before the committee. The wisest course, in my opinion, will be to ask the Dominion Government to withhold the application of the federal tariff of customs to British Columbia for a fixed period, say, until railway communication shall have been established through the Dominion to the Pacific. Until that takes place British Columbia must continue to occupy a position so isolated and so exceptional as to render the general tariff, however well adapted to the Provinces to the Eastward of the Rocky Mountains, scarcely suited to us. But with the opening of continuous railway communication these exceptional conditions will for the most part disappear. Look, for instance, at California. What a complete revolution the railway has wrought in the condition of that State. The moment the railway was opened California was no longer separated from the great commercial centres of the Eastern States by thousands of miles of sledge-trails and desert. It was practically not four days, side of them; or, to use the words of another, time and space were annihilated, and California became, for the first time, a fitting subject of a common tariff transit at Washington, and contented to remain in the wide-spreading Union. Similar results will be realized in our own case. Upon the opening of the Canadian Pacific Railway British Columbia will practically be set down alongside of the Atlantic Provinces. We get over all constitutional difficulties by approaching the subject in this way. I do not say that the Dominion Government will assent to the proposition to postpone the application of their tariff to this colony until railway communication shall have been established; but we will approach them with a much greater show of reason and success in this way than in the other. I shall, therefore, propose an amendment or a recommendation, asking that the customs tariff of the Dominion be not ex-