

been increasing, the revenue had been decreasing. There appeared to be a balance due on the 1st day of July last to the Bank of Nova Scotia, of about \$80,000; to Barings, \$1,300,000; expended on Railway surveys since the first day of July, about \$300,000; on the Annapolis Railway, \$9,000,000. These figures show that the Legislature of Nova Scotia would have to provide for \$2,580,000, involving interest to the amount of \$154,800, so that the Province, if Confederation had not taken place, would have required increased taxation amounting to \$137,000, and this is entirely irrespective of their proportion of the expenditure occasioned by the building of the Intercolonial Railway which would amount to about \$200,000 additional. It should be remembered that the proposed excise duties involved no new change as regards Nova Scotia, except in the article of beer, and possibly to some limited extent in tobacco, there being no distilleries in that Province. Of course they would have to pay duty on importation of foreign spirits, or if they import spirits from Ontario and Quebec, they will have to pay duty of six cents a gallon, which was less than that proposed to be placed upon foreign spirits. So that whether the liquor came from France, the United States or from the distilleries in Canada, the amount will not be increased whether in shape of excise or customs duty. He thought that there were certain advantages to Nova Scotia connected with Union which had not fully been taken into account, and which might fairly be placed against what were declared to be disadvantages. It was unfortunate that during this part of the session they had to consider only burdens imposed, without having it in their power to consider the advantages of Union. Take intercolonial trade, for instance. It was certain that there were only a very limited number of manufactories in Nova Scotia. Manufactured goods could be imported into Nova Scotia from the other Provinces free of duty, and there would undoubtedly spring up a large intercolonial trade in this class of goods. In reference to another point, he would like to ask his honourable friend at the head of the Government if he was at liberty to answer whether Government intended imposing any charges upon vessels and lighthouses?

**Sir John A. Macdonald** said he was not able at present to give his honourable friend an answer on this point.

**Hon. Mr. Galt** regretted it, but in Canada no charges were imposed upon shipping, and [Mr. Galt (Sherbrooke)]

they might fairly infer that the same policy would be continued throughout the Dominion. Then, he had no doubt Government would establish a line of steamers to ply between the West Indies and Halifax, thus making that city the *entrepot* of the West Indies trade. He believed, also, that Government intended to improve the coast harbours and lighthouses of that Province. Then, again, he gathered from the estimate of the Minister of Finance that it was the intention of Government to pay bounties to fishermen. It was only pressure of other work that had prevented Government from settling this part of the session all these questions in a satisfactory manner to the Maritime Provinces. With reference to New Brunswick, there were a number of articles upon which a higher rate of duty has been paid than that now proposed, and there were a number of articles both in Nova Scotia and New Brunswick bearing considerable rates of duty, now proposed to be free. That Province had incurred considerable expenditure in connection with railways which were not yet completed, and would now become a burden upon that people, if they had to deal with the subject alone. This was independent of the Intercolonial Railway, which would give far greater advantages to that Province than any of the others. In regard to Ontario and Quebec, no new taxation was required there, he would like to ask the Minister of Finance what amount he estimated to receive from excise and what from customs. He had stated in his estimates the amount from both sources \$12,000,000.

**Hon. Mr. Rose**—From excise \$3,000,000, and \$9,000,000 from customs.

**Hon. Mr. Galt**—Did you base your estimate upon the existing law, or upon this proposed Act?

**Hon. Mr. Rose** replied that he had based it upon the existing law.

**Hon. Mr. Galt**—The customs for 1867 in Canada, Nova Scotia and New Brunswick, were estimated to amount to \$9,242,000, but unless the importations to Canada greatly fell off under the proposed tariff, there would be increased revenue which his honourable friend had not taken into account. The revenue from excise was estimated at \$3,000,000, which will be derived mainly from Ontario and Quebec—there being no distilleries in the other Provinces. He had reason to believe that the amount from this source would be considerably more during the current year than last year, and the amount received since