

Island in the matter of continuous communication, the Committee of Council proceed to institute a comparison between the amounts contributed to the general revenue by British Columbia and Prince Edward Island, stating them at \$942,095.10 and \$193,478.66 respectively.

Before proceeding to remark upon this point, the undersigned desire to submit that the question of comparative contributions, on either side, is one altogether apart from the issue in this case, which is simply one of performing the terms of a most solemn compact.

There is a not unimportant factor which should enter into a consideration of the amounts contributed by the two Provinces, to which reference has been made. The Halifax Commission, sitting under the provisions of the Treaty of Washington, awarded Great Britain the sum of \$5,500,000, to be paid by the United States for the privilege of using, for twelve years, the fisheries in the waters of Eastern Canada and upon the coast of Newfoundland. This amount was duly paid by the United States to the Imperial Government, who, thereupon, handed over to Newfoundland the sum of \$1,000,000 as the share of that Island. Prince Edward Island, like Newfoundland, ratified the Treaty while a separate Province, and did not at the time of Confederation cede to Canada its right to compensation, and as the whole consensus of evidence before the Commission tended to prove that the fisheries on the coast of Prince Edward Island were the most valuable of any to which United States fishermen were admitted, the Island claimed the sum of \$1,250,000 as its share under the award. This demand, although frequently presented, the Dominion Government have steadily ignored, and have retained in the Federal Treasury the amount which the Island still claims as justly its right. The undersigned submit that, in any consideration of the contributions to the General Revenue, Prince Edward Island has a right to receive credit for the interest, at four per cent., upon the sum claimed, and which would amount annually to \$50,000.

The undersigned cannot refrain from expressing their surprise that the Committee of Council, aware as they must have been of the unequal circumstances of the two Provinces, should have adopted so unfair a comparison as that they propose now to review, and which is based upon partial and misleading returns. The positions of the two Provinces present no points of similarity. The figures quoted are for the year ended 30th June 1884. At that time British Columbia possessed no direct means of communication with the settled portions of the Dominion at any season of the year, and accordingly was compelled to purchase almost all its supplies directly from other countries. These imports all paid duty at the ports of entry in British Columbia, and the amounts collected are credited to that Province. With Prince Edward Island, however, the circumstances are vastly different. Owing to its proximity to the older Provinces, a very large proportion (at least three-fourths) of the dutiable goods which its people use is purchased from wholesale houses in Quebec, Ontario, Nova Scotia, and New Brunswick. As will be readily understood, the duties upon these goods are collected at the ports of entry, and go to swell the apparent contributions of the other Provinces to the Dominion Exchequer. The customs receipts, \$171,443.89 (quoted by the Committee of Council at \$170,863.40) represent only the duties upon the goods which the Island imports directly from countries outside of Canada, so that it is manifestly unfair, under such circumstances, to institute a comparison between British Columbia and Prince Edward Island. It is much to be regretted that the Dominion Government should labour under the grave misapprehension that the customs duties collected in the ports of a Province can at all indicate its contributions to the general revenue. By a parity of reasoning, the Metropolitan county of Middlesex in Great Britain might claim that it contributes the greater proportion of the customs revenues of the United Kingdom, while outlying or inland agricultural counties, such as Suffolk or Bucks, might be held as not yielding adequately to the Imperial Exchequer.

The difficulty of arriving at an absolutely correct calculation of the amount of dutiable goods which the people of Prince Edward Island consume cannot fail to be appreciated, yet the undersigned submit that there are several methods by which it may fairly be estimated. It must be premised that the people of the Island are very large consumers of dutiable goods, for the reason that, being chiefly engaged in agriculture and fishing, their manufactures are very small as compared with the rest of Canada, valuing, according to the last census returns, only \$31.33 per head to \$72.63 per head of the other Provinces.