

The Returns showing the Number and Tonnage of ships built during the last Fiscal Year in each of the Provinces of this Dominion, of which an abstract is here given, affords evidence of the tendency to build ships of a larger class than heretofore. A comparison of these Returns with those of the year preceding whilst showing a numerical increase of ships built—of two, only—established an increase of 26,315 tons of shipping.

Provinces.	BUILT 1871-72.						BUILT 1872-73.					
	Steam.		Sail.		Total.		Steam.		Sail.		Total.	
	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
Ontario	25	4,915	30	5,374	55	10,289	29	6,682	33	7,263	62	13,945
Quebec.....	6	916	68	13,284	74	14,200	7	420	65	20,116	72	20,536
Nova Scotia.....			188	52,882	188	52,882	1	33	175	62,968	176	63,001
New Brunswick.....	5	421	88	36,043	93	36,464	7	774	97	41,927	104	42,701
British Columbia	1	156	3	74	4	230	1	139	1	48	2	187
Total....	37	6,408	377	107,657	414	114,065	45	8,048	371	132,322	416	140,370

It will be seen upon reference to the statement of Canadian Exports, that the value of our manufactures sent abroad to foreign markets stands at the comparatively small figure of \$2,921,802. It is believed, however, that although this is an advance of \$532,367 upon the previous year, the exemption of machinery from duty under the authority of the 34 Vict. cap. 10, passed in 1871, is calculated to give an impulse to the manufacturing energies of the country which will largely and rapidly increase this branch of the Exports. The value of machinery imported in 1870-71 was \$524,113, of which \$15,218 was free; in 1871-2 the importation amounted to \$829,568, of which \$259,021 was free; and in 1873 the gross value of the imports of machinery was \$1,236,275, of which amount \$119,853 were entered under the exemption.

I stated, in my Report of 1871-2 the proportion which, in each of the six Provinces, the collections bore to the whole Customs Duties collected in the Dominion. The ratios have not widely altered during the Fiscal Years 1872-3, as will be seen by the following Comparative Statement:—

	1872.	1873.
Ontario	29.64 Per cent.	33.01 Per cent.
Quebec.....	47.34	45.15
Nova Scotia.....	10.25	9.56
New Brunswick.....	9.18	9.57
British Columbia.....	2.63	2.33
Manitoba	0.36	0.38