

(Continued from the first page.)

and those who represent the far West, would, I trust, be the full development of the trade of our common country; and I cannot suppose that they would require to be convinced that establishing an uninterrupted communication, by means of sea-going vessels between the vast fertile districts of the far West and the Atlantic, would be a most important means to the attainment of this great end; or that they would hesitate for a moment to provide the funds necessary therefor at the earliest possible period that the finances would permit their doing so. I shall now submit a statement of what I believe would be

THE REVENUE OF PRINCE EDWARD ISLAND UNDER CONFEDERATION.

The average amount of indebtedness per head of the population of Canada, Nova Scotia and New Brunswick, is assumed equal to \$25. Prince Edward Island will be entitled to receive in accordance with the terms of the 63rd section of the Report of the Quebec Conference, by half yearly payments in advance, the interest at 5 per cent per annum on the difference between the actual amount of its indebtedness per head and the average amount of the indebtedness per head of the population of Canada, Nova Scotia and New Brunswick.

Table showing the assumed debt of Prince Edward Island under Confederation, including items like Allowance from General Government, Fees from Public Offices, Licenses, etc., and the total amount of \$170,232.60 or £55,072.13.

By an estimate of A. G. Jones, Esq., of Halifax, Nova Scotia, the amount required to meet the expense of maintaining the public service of that Province, under Confederation is set at \$302,860, or but \$1.60 per head of the population at the present time. The sum of \$170,232.60 or £55,072.13, is equal to upwards of \$2.10 or 13s. 1d. per head of the present population of Prince Edward Island.

The following sections of the Report of the Conference have been referred to in the foregoing remarks upon the Revenue under Confederation, viz:—

- 56. All lands, mines, minerals and royalties vested in Her Majesty in the Provinces of Upper Canada, Lower Canada, Nova Scotia, New Brunswick and Prince Edward Island, for the use of such Provinces, shall belong to the Local Government of the territory in which the same are so situated; subject to any trusts that may exist in respect to any such lands or to any interests of other persons in respect of the same.

57. All sums due from purchasers or lessees of such lands, mines or minerals at the time of the Union, shall also belong to the Local Governments.

All assets connected with such portions of the public debt of any Province as are assumed by the Local Governments, shall also belong to those Governments respectively.

59. The several Provinces shall retain all other Public Property therein, subject to the right of the General Government to assume any Lands or Public Property required for Fortifications or the Defence of the Country.

60. The General Government shall assume all the Debts and Liabilities of each Province.

61. The Debt of Canada not specially assumed by Upper and Lower Canada respectively, shall not exceed at the time of the Union, \$82,500,000.

The following Table exhibits an Estimate of the EXPENSES of GOVERNMENT of P. E. ISLAND under Confederation, contrasted with actual Expenditure of 1863.

Table comparing actual expenditure of 1863 with estimated expenditure under Confederation for various departments like Education, Supreme Court, Judges' Salaries, etc.

These statements of the Revenue under Confederation, and the Expenses of Government under Confederation, which I believe to be accurate, show a balance of \$63,337.80 or £19,793, being excess of estimated Revenue over estimated Expenditure. Take from this annual surplus the Revenue from Land Assessment, \$14,400 or £4,500 currency, and the balance at 5 per cent per annum interest represents a capital of \$978,752.00 or £305,860 currency. One half of this amount would be more than adequate to cover the loss which would result to the Local Government, were they to purchase all the Proprietary lands in the Colony, and resell them to the tenants. The other moiety would enable the Government to pay in full the salaries of the School Teachers throughout the Island, and also to relieve the people from the existing Land Assessment.

I shall, perhaps, be told that these benefits are offered us on condition that we surrender

land, at \$25 per head of the population of 1861, is \$2,921,425 or £938,825 6 3. This, actual debt on 31st Jan. 1865, is \$1,808,540 or £566,108 15 0.

Interest at 5 per cent per annum on this amount will be \$90,427 or £28,258 8s 9d currency. This sum represents the amount which, by half yearly payments in advance, will be paid by the general Government, annually, to Prince Edward Island.

It is further provided by section 64th that, in consideration of the transfer to the general Government of the powers of taxation, an annual grant in aid of each Province shall be made, equal to 80 cents per head of the population as established by the census of 1861. This would give Prince Edward Island, \$64,683.60 or £20,214 5s 0d cy., making the total amount, which we should annually receive from the General Government \$155,112.60 or £48,472 13 9.

The General Government, under Confederation, will assume the payment of the salaries of the Judges of the Supreme Court; the expense of the Postal Service, Lighthouses, Boats, Beacons, &c.; expenses connected with the collection of Import and Customs, Volunteers and Militia, Telegraph subsidy, and the Public Debt. The Revenue of Prince Edward Island, under Confederation, may be stated as follows:—

Table showing the revenue of Prince Edward Island under Confederation, including items like Allowance from General Government, Fees from Public Offices, Licenses, etc., and the total amount of \$170,232.60 or £55,072.13.

Nova Scotia shall enter the Union with a debt not exceeding \$8,000,000. And New Brunswick, with a debt not exceeding \$7,000,000.

62. In case Nova Scotia or New Brunswick do not incur liabilities beyond those for which their Governments are now bound, and which shall make their debts at the date of Union less than \$8,000,000 and \$7,000,000 respectively, they shall be entitled to interest at 5 per cent, on the amount not so incurred, in like manner as is hereinafter provided for Newfoundland and Prince Edward Island; the amount of their respective Debts to be included to limit the powers given to the respective Governments of those Provinces by Legislative authority, but only to limit the maximum amount of charge to be assumed by the General Government. Provided always that the powers so conferred by the respective Legislatures shall be exercised within five years from this date, or the same shall then lapse.

63. Newfoundland and Prince Edward Island, not having incurred Debts equal to those of the other Provinces, shall be entitled to receive by half-yearly payments in advance from the General Government the interest at five per cent, on the difference between the actual amount of their respective Debts at the time of the Union, and the average amount of indebtedness per head of the population of Canada, Nova Scotia and New Brunswick.

64. In consideration of the transfer to the General Government of the powers of Taxation, an annual grant in aid of each Province shall be made, equal to 80 cents per head of the population, as established by the Census of 1861, the population of Newfoundland being estimated at 130,000. Such aid shall be in full settlement of all future demands upon the General Government for local purposes, and shall be paid half-yearly in advance to each Province.

Under Confederation, foreign Gin and Rum would cost an average price of \$1.20 or 7s. 6d. per gallon, proof, and would give way to home-manufactured Spirits, which would be imported here, free of duty, at a cost, as above stated, of 68c. or 4s. 3d. per gallon, proof—20c. or 1s. 7d. less than the average price of the much inferior spirits now consumed. The consumers throughout the Island would therefore be gainers to the extent of over \$23,000.00 or £7,000.00 on this article alone.

The following is a statement of accounts between the Confederation and the Island. On the debit side is shown the monies which would go out of the Island—assuming the Customs returns to be equal to \$23,334.40 or £9,792.32 as received under Canadian tariff, and the Revenue from Light duties and the Post Office to be equal to the revenue derived from those sources in 1863. On the other side of the account is shown the amount which we shall receive annually from the General Government, and the salaries and other liabilities, the payment of which would be assumed by the General Government. The balance then shown is \$35,202.40 or £11,032 currency, a debit to this Colony.

Against this balance is placed the sum of \$3,200.00 or £1,000 a year, proceeds of Public Office and other credits, which it is argued might justly be claimed as results of Confederation, and which would show that Prince Edward Island would, in a financial point of view, be largely the gainer by Confederation.

Confederation in Account with P. E. Island. To Duties upon Imports into P. E. Island, \$23,334.40 or £9,792.32. Light Duties, 2,000.00 or £633.33. Post Office revenue, 1,334.00 or £411.11. Total, \$26,668.40 or £8,836.76.

By yearly remittance on difference of debt to General Government, \$35,202.40 or £11,032.00. Less: Public Office and other credits, \$3,200.00 or £1,000.00. Total, \$32,002.40 or £10,032.00.

Balance in favor of Confederation, \$3,200.00 or £1,000.00.

As a set off to this apparent balance against the Colony, we have:—

First.—The whole of our public lands and the amounts due for lands sold, estimated to be worth \$3,200.00 or £1,000 a year in perpetuity—over and above cost of management.

Secondly.—The saving to the people of P. E. Island on the cost of spirits, (as 126,000 gallons) at 26 cents or 1s 7 1/2d per gallon, equal to over \$32,000.00 or £10,000.00, as already set forth.

Thirdly.—We should pay no duty on goods manufactured in Nova Scotia, New Brunswick or Canada. In 1863, as shown by the Customs returns, large quantities of boots and shoes, candles, leather, oil, soap and miscellaneous goods, comprising castings, wooden wares, &c., were imported into this Island from the neighboring Provinces. I think I am justified in saying that a large proportion of them were of the production and manufacture of the Provinces.

The following is a list of these articles, their value, and the duty paid upon importation:—

Table listing various goods like Boots, Shoes, Saddles, etc., with their values and duties.

Total value of goods, \$87,475.20 or £28,525.07. Total duty, \$1,012.00 or £311.93.

Fourthly.—The goods which I am about to enumerate, were, in 1863, imported into this

Confederation will doubtless exclaim, "here is conclusive evidence that were we to enter the Confederation, we should annually lose thereby to the extent of \$89,052.80 or £27,829." I submit, with deference to the opinions of these gentlemen, that it is evidence of no such thing. Under Confederation we should not import from beyond the limits of our own territory, several of the articles mentioned in the foregoing Table, as chargeable on importation, with very heavy duties. The articles to which I allude are produced in various parts of the British North American Provinces, and would of course come in duty free, and cost the consumer less than he now pays for them imported under the existing Island tariff. If this can be demonstrated, the sum saved to the consumer, I am certainly justified in placing as a credit in reduction of the \$89,052.80 or £27,829. On reference to the column in this Table exhibiting the amount of duty payable according to the Canadian Tariff, it will be seen that the three articles, Gin, Rum and Tobacco, are chargeable with duties amounting to \$29,881.60 or £9,338. Under Confederation, the importation of these articles from abroad would be almost nominal.

The following are lists of wholesale prices of proof spirits in Toronto, and in Prince Edward Island:

PROOF SPIRITS, CANADIAN PRICES WHOLESALE, Jan. 11, 1865.—Toronto Leader.

Canada Whiskey, 35c. to 40c. 2s. 5d. to 2s. 6d. T. O. Whiskey, 60c. to 6s. 9d. 1d. Old Rye, 60c. to 65c. 3s. 9d. to 4s. 1d.—average price 52c., or 3s. 4 1/2d. Island currency.

In a review of the trade of Toronto, during the year 1864, contained in the Leader of January 20, 1865, it is stated under the head LIQUORS:—

"The excitement incident on the expected levy of an excise duty, unsettled this article as well as tobacco, and purely speculative transactions were quite numerous, resulting in many instances in disappointment and loss. Those who happened to be possessed of good stocks when the duty came into force, suddenly found their property enhanced in value. The price of Canadian whiskey ranged from 30c. to 34c. before the excise, and 40c. to 42c. since, at which latter rate it remains steady."

PROOF SPIRITS, CHARLOTTETOWN PRICES, WHOLESALE, JANUARY, 1865.

Gin, \$1.12 or 7s.; Rum, 72c. or 4s. 6d.; Island Whiskey, 80c. or 5s.; Malt, 9d. or 1s. 12c.—average price 44c. or 3s. 10 1/2d. Island currency.

Canadian Whiskey of the above average, being two-thirds made from malt and rye, I am informed, could be landed here, including expenses and profits of importation, at 68c. or 4s. 3d. Island currency per gallon. The Canadian returns prove that the people of that Province consume spirits at the rate of about two gallons per head of the population per annum. In Nova Scotia, Mr. Archibald estimates the consumption at 1 1/2 gallons per head. It will be doing no injustice to the people of Prince Edward Island to assume that they use at least the average amount, say about 1 1/2 gallons per head. Assuming our population to be 84,000, this would amount to 126,000 gallons per annum.

Under Confederation, foreign Gin and Rum would cost an average price of \$1.20 or 7s. 6d. per gallon, proof, and would give way to home-manufactured Spirits, which would be imported here, free of duty, at a cost, as above stated, of 68c. or 4s. 3d. per gallon, proof—20c. or 1s. 7d. less than the average price of the much inferior spirits now consumed. The consumers throughout the Island would therefore be gainers to the extent of over \$23,000.00 or £7,000.00 on this article alone.

The following is a statement of accounts between the Confederation and the Island. On the debit side is shown the monies which would go out of the Island—assuming the Customs returns to be equal to \$23,334.40 or £9,792.32 as received under Canadian tariff, and the Revenue from Light duties and the Post Office to be equal to the revenue derived from those sources in 1863. On the other side of the account is shown the amount which we shall receive annually from the General Government, and the salaries and other liabilities, the payment of which would be assumed by the General Government. The balance then shown is \$35,202.40 or £11,032 currency, a debit to this Colony.

Against this balance is placed the sum of \$3,200.00 or £1,000 a year, proceeds of Public Office and other credits, which it is argued might justly be claimed as results of Confederation, and which would show that Prince Edward Island would, in a financial point of view, be largely the gainer by Confederation.

Confederation in Account with P. E. Island. To Duties upon Imports into P. E. Island, \$23,334.40 or £9,792.32. Light Duties, 2,000.00 or £633.33. Post Office revenue, 1,334.00 or £411.11. Total, \$26,668.40 or £8,836.76.

By yearly remittance on difference of debt to General Government, \$35,202.40 or £11,032.00. Less: Public Office and other credits, \$3,200.00 or £1,000.00. Total, \$32,002.40 or £10,032.00.

Balance in favor of Confederation, \$3,200.00 or £1,000.00.

As a set off to this apparent balance against the Colony, we have:—

First.—The whole of our public lands and the amounts due for lands sold, estimated to be worth \$3,200.00 or £1,000 a year in perpetuity—over and above cost of management.

Secondly.—The saving to the people of P. E. Island on the cost of spirits, (as 126,000 gallons) at 26 cents or 1s 7 1/2d per gallon, equal to over \$32,000.00 or £10,000.00, as already set forth.

Thirdly.—We should pay no duty on goods manufactured in Nova Scotia, New Brunswick or Canada. In 1863, as shown by the Customs returns, large quantities of boots and shoes, candles, leather, oil, soap and miscellaneous goods, comprising castings, wooden wares, &c., were imported into this Island from the neighboring Provinces. I think I am justified in saying that a large proportion of them were of the production and manufacture of the Provinces.

The following is a list of these articles, their value, and the duty paid upon importation:—

Table listing various goods like Boots, Shoes, Saddles, etc., with their values and duties.

Total value of goods, \$87,475.20 or £28,525.07. Total duty, \$1,012.00 or £311.93.

Fourthly.—The goods which I am about to enumerate, were, in 1863, imported into this

Island from the United States. Similar goods, I am informed, under the Confederation, could be imported from the Provinces at as low a cost as they are now imported from the United States. Some of the articles, viz: Coal Oil, Leather, Soap, Stoves, and Carriages, at even less rates.

A Barrel of sugar costs about \$10.00 or £3.25 6d. The duty would be \$4.80, or £1.10s. cy. The smuggler's profit would be 48 per cent. A keg of Tobacco would yield the smuggler about \$12.48 or 78s. cy.

In Canada where the facilities for smuggling are comparatively few, Mr. Galt may find it possible to impose high duties upon tea, sugar and tobacco; and to collect them. I shall be very much mistaken if the first year's experience under Confederation, does not convince the Finance Minister, that no duties such as are now imposed upon Tea and Sugar by the Canadian Tariff, can be collected in the Maritime Provinces, and induce him to lower the duties, especially upon these articles.

Notwithstanding the high tariff of Canada, and the distance of Montreal from the ocean, Tea, Sugar and Molasses are sold in that city at prices which I believe are less than are obtained for the same articles in Charlottetown.

The following is a comparative statement of the prices of the several articles named, in Charlottetown and in Montreal. (The prices of Sugar, Molasses and Tobacco, are taken from the Montreal Herald, 19th January, 1865.)

Table comparing prices of goods in Charlottetown and Montreal.

From the United States and the neighboring Provinces, we imported in 1863, leather to the amount of upwards of \$24,804 or £7,770 cy, on which was paid a duty of upwards of \$4,800 or £1,500 cy. In the review of the general trade of Toronto, for 1864, already alluded to, the Leader remarks upon the Leather Trade as follows:—

"The only kinds of leather now imported from abroad to any extent are French waxed calf-skins, and finer kinds of kid and goat skins."

"Upper leather has ruled low the whole season, at prices very little over the cost of production."

"The price of sole leather has receded 3c. to 4c. since last June, and ruled lower in 1864 than 1863. The range in 1863, for Spanish sole was 22c. to 24c. Comparing the business with that in the States we find our tanners are in a much less favourable position as their leather is 10c. to 20c. (relative to a sh.) higher than with us, and the demand here for cash or short credit."

In 1863, we paid for duty upon coal oil from the United States and the Provinces, \$2,467.20 or £771 cy. From the Leader, I learn that during the year 1864, the price of Refined Petroleum in Toronto has fluctuated from 25 to 40c. closing at 30c., which may be considered a safe price both for buyer and seller.

Fifthly.—We should enjoy all the advantages accorded by France to Canadian shipping.

Sixthly.—Our Militia would be organized and drilled, and, if necessary, fully armed at the expense of the General Government. This item may reasonably be stated at \$9,600 or \$12,800, equal to £3,200 or £4,000 cy. per annum. Should the Militia require to be armed, the cost of Arms alone would be upwards of £50,000 Sterling.

Seventhly.—Our coasting vessels instead of being chargeable with light duty and harbor dues in Nova Scotia, New Brunswick, Canada, and Newfoundland, respectively, as at present, would, under Confederation, be able to trade to and from any and all of the ports in the Confederation, under one certificate; which would, by effecting a saving to the shipping of P. E. Island of several hundreds of pounds annually.

Those who are acquainted with the history of Taxation in the Mother Country, are aware of that which experience has clearly demonstrated, namely, that high duties upon articles of general consumption, as a rule, produce a smaller Revenue than moderate taxes. Many instances might be adduced, in which reduction of duties has been followed by increase of revenue, and, on the contrary, instances of increased duties producing a diminution of Revenue.

In Britain, prior to the year 1745, the duty upon Tea was 4s. per pound. This duty yielded on an average £150,000 a year, showing, as had there been no smuggling or adulteration—that the consumption was equal to about 750,000 lbs. In 1745 the duty on tea was reduced to 1s. In the year following the reduction of duty, two millions of pounds weight were sold for home consumption, and the revenue was increased to £243,300. The duty on tea was again raised in 1748, the result of which was that tea sold by the shopkeepers, was extensively adulterated, in order to enable them to compete with the tea smuggled; which came into the kingdom in enormous quantities.

The most important dutiable articles consumed on this Island are tea and sugar—the quantities used, are in proportion to our population, very large. These articles the people will have, even what they may import under the Canadian Tariff, sugar would cost 2 cents or 1 1/2d per lb more than it costs at present, and tea would cost an additional 2 1/2 cents or 1 1/2d per lb. I feel assured that the consumption of tea and sugar in this Island would be no less under Confederation than it is now. But would the amount consumed pay duty? There is too much reason to believe that a very large proportion of it would not. The quantity which would pay duty, would be less in my opinion, than that which would be smuggled. Smuggling is carried on the whole over. If in any country the profit to be derived from smuggling is large, and the risk of detection and punishment small.

The bulk of the people in all countries, are far from regarding with feelings of aversion, those who supply them with cheap Tea, Sugar, &c. The smuggler is rather a popular character, and although he pleads a trade in itself nefarious—ruinous to the revenue and the honest dealer—he finds little difficulty in disposing of his commodities. Their cheapness is a merit which outweighs any little objection on the score of their not having paid duty. Under Confederation the officers of the General Government, charged with the collection of the Customs Revenue, would not, I fear, receive much support or sympathy from the bulk of the population of this Island. These officers would be looked upon as publicans, whose business would be to compel poor people to pay exorbitant prices for tea and sugar, and other things, in order to raise money to send to Canada.

At present the people are aware, that unless duties are paid, the public service cannot be carried on; and, I presume there are those to be found, who would not exert themselves, diligently, to prevent the revenue being defrauded, but who, under Confederation—considering that our revenue would then be fixed, and would not be affected by smuggling being carried on in the Island—would encourage, rather than discourage, the smuggler. The risk of detection and punishment which the smuggler would incur, would be trifling. There is not a mile of our coast from the East Point to the North Cape, on either side of the Island, on which goods might not with ease and safety be landed from schooners. A chest of common Tea costs about \$24.20 or £7 17s. 6d. cy. The duty with which, under the Canadian Tariff, it is chargeable,

is about \$6.52, or £2 6s. 8d. cur. y. The inducement to smuggle, would therefore be equal to 25 per cent.

A Barrel of sugar costs about \$10.00 or £3.25 6d. cy. The duty would be \$4.80, or £1.10s. cy. The smuggler's profit would be 48 per cent. A keg of Tobacco would yield the smuggler about \$12.48 or 78s. cy.

In Canada where the facilities for smuggling are comparatively few, Mr. Galt may find it possible to impose high duties upon tea, sugar and tobacco; and to collect them. I shall be very much mistaken if the first year's experience under Confederation, does not convince the Finance Minister, that no duties such as are now imposed upon Tea and Sugar by the Canadian Tariff, can be collected in the Maritime Provinces, and induce him to lower the duties, especially upon these articles.

Notwithstanding the high tariff of Canada, and the distance of Montreal from the ocean, Tea, Sugar and Molasses are sold in that city at prices which I believe are less than are obtained for the same articles in Charlottetown.

The following is a comparative statement of the prices of the several articles named, in Charlottetown and in Montreal. (The prices of Sugar, Molasses and Tobacco, are taken from the Montreal Herald, 19th January, 1865.)

Table comparing prices of goods in Charlottetown and Montreal.

From the United States and the neighboring Provinces, we imported in 1863, leather to the amount of upwards of \$24,804 or £7,770 cy, on which was paid a duty of upwards of \$4,800 or £1,500 cy. In the review of the general trade of Toronto, for 1864, already alluded to, the Leader remarks upon the Leather Trade as follows:—

"The only kinds of leather now imported from abroad to any extent are French waxed calf-skins, and finer kinds of kid and goat skins."

"Upper leather has ruled low the whole season, at prices very little over the cost of production."

"The price of sole leather has receded 3c. to 4c. since last June, and ruled lower in 1864 than 1863. The range in 1863, for Spanish sole was 22c. to 24c. Comparing the business with that in the States we find our tanners are in a much less favourable position as their leather is 10c. to 20c. (relative to a sh.) higher than with us, and the demand here for cash or short credit."

In 1863, we paid for duty upon coal oil from the United States and the Provinces, \$2,467.20 or £771 cy. From the Leader, I learn that during the year 1864, the price of Refined Petroleum in Toronto has fluctuated from 25 to 40c. closing at 30c., which may be considered a safe price both for buyer and seller.

Fifthly.—We should enjoy all the advantages accorded by France to Canadian shipping.

Sixthly.—Our Militia would be organized and drilled, and, if necessary, fully armed at the expense of the General Government. This item may reasonably be stated at \$9,600 or \$12,800, equal to £3,200 or £4,000 cy. per annum. Should the Militia require to be armed, the cost of Arms alone would be upwards of £50,000 Sterling.

Seventhly.—Our coasting vessels instead of being chargeable with light duty and harbor dues in Nova Scotia, New Brunswick, Canada, and Newfoundland, respectively, as at present, would, under Confederation, be able to trade to and from any and all of the ports in the Confederation, under one certificate; which would, by effecting a saving to the shipping of P. E. Island of several hundreds of pounds annually.

Those who are acquainted with the history of Taxation in the Mother Country, are aware of that which experience has clearly demonstrated, namely, that high duties upon articles of general consumption, as a rule, produce a smaller Revenue than moderate taxes. Many instances might be adduced, in which reduction of duties has been followed by increase of revenue, and, on the contrary, instances of increased duties producing a diminution of Revenue.

In Britain, prior to the year 1745, the duty upon Tea was 4s. per pound. This duty yielded on an average £150,000 a year, showing, as had there been no smuggling or adulteration—that the consumption was equal to about 750,000 lbs. In 1745 the duty on tea was reduced to 1s. In the year following the reduction of duty, two millions of pounds weight were sold for home consumption, and the revenue was increased to £243,300. The duty on tea was again raised in 1748, the result of which was that tea sold by the shopkeepers, was extensively adulterated, in order to enable them to compete with the tea smuggled; which came into the kingdom in enormous quantities.

The most important dutiable articles consumed on this Island are tea and sugar—the quantities used, are in proportion to our population, very large. These articles the people will have, even what they may import under the Canadian Tariff, sugar would cost 2 cents or 1 1/2d per lb more than it costs at present, and tea would cost an additional 2 1/2 cents or 1 1/2d per lb. I feel assured that the consumption of tea and sugar in this Island would be no less under Confederation than it is now. But would the amount consumed pay duty? There is too much reason to believe that a very large proportion of it would not. The quantity which would pay duty, would be less in my opinion, than that which would be smuggled. Smuggling is carried on the whole over. If in any country the profit to be derived from smuggling is large, and the risk of detection and punishment small.

The bulk of the people in all countries, are far from regarding with feelings of aversion, those who supply them with cheap Tea, Sugar, &c. The smuggler is rather a popular character, and although he pleads a trade in itself nefarious—ruinous to the revenue and the honest dealer—he finds little difficulty in disposing of his commodities. Their cheapness is a merit which outweighs any little objection on the score of their not having paid duty. Under Confederation the officers of the General Government, charged with the collection of the Customs Revenue, would not, I fear, receive much support or sympathy from the bulk of the population of this Island. These officers would be looked upon as publicans, whose business would be to compel poor people to pay exorbitant prices for tea and sugar, and other things, in order to raise money to send to Canada.

At present the people are aware, that unless duties are paid, the public service cannot be carried on; and, I presume there are those to be found, who would not exert themselves, diligently, to prevent the revenue being defrauded, but who, under Confederation—considering that our revenue would then be fixed, and would not be affected by smuggling being carried on in the Island—would encourage, rather than discourage, the smuggler. The risk of detection and punishment which the smuggler would incur, would be trifling. There is not a mile of our coast from the East Point to the North Cape, on either side of the Island, on which goods might not with ease and safety be landed from schooners. A chest of common Tea costs about \$24.20 or £7 17s. 6d. cy. The duty with which, under the Canadian Tariff, it is chargeable,

G. L. STRICKLAND, Surgeon and Mechanical Dentist, Office, Great George Street, near Water Street. TEETH inserted on Gold, Platinum, Silver and Vulcanite (without extracting the roots, if desired). Patients will be allowed sufficient time to wear the teeth to satisfy themselves they are as represented. Dressed by the best workmen, Gold, Goldfill, Tin, Platinum and Lithoform, and restored to their natural shape and usefulness. The most improved instruments used in extracting. Chloroform and Ether administered. Particular attention paid to regulating teeth. Dr. S. will guarantee to give satisfaction in all cases, both as to quality of work and price, which shall be as reasonable as at any office in this or the neighboring Provinces. All work warranted. November 28, 1864.

Labrador Herring for Sale. 122 BBLs. No. 1 HERRING, 13 Half Bbls. do. 40 Bbls. No. 2 do. JOHN S. PURDIE, Charlottetown, Jan. 30, 1865.

MAILS. WINTER ARRANGEMENT. THE Mails for the UNITED STATES, CANADA and the neighboring Provinces will, further notice, be made up and forwarded from the General Post Office, Charlottetown, every TUESDAY, THURSDAY and SATURDAY evening, at 8 o'clock.

The most improved British, Newfoundland and West India, will be forwarded every THURSDAY and SATURDAY evening, at 8 o'clock, as follows, viz:— Thursday, 23rd December, Thursday, 23rd February, Thursday, 31st do, Saturday, 25th do, Thursday, 12th January, Thursday, 15th do, Saturday, 17th do, Thursday, 22nd do, Saturday, 24th do, Thursday, 29th do, Saturday, 31st do, Thursday, 5th February, Thursday, 6th do, Saturday, 8th do, Thursday, 12th do, Saturday, 14th do, Thursday, 19th do, Saturday, 21st do, Thursday, 26th do, Saturday, 28th do.

L. C. OWEN, Postmaster General, General Post Office, Charlottetown, Dec. 25, 1864.

THE INVALID'S FRIEND! HOLLOWAY'S PILLS. Nervous Disorders. What is more fearful than a breaking down of the system, or too little vitality to enable one in a small degree more distressing, for whom a remedy be found? Here is one—Drink but little wine, Beer, spirits, or fat, before, abstain from all stimulants, and use the Pills. Do not take tea or coffee; get all the fresh air you can; take three or four of the Pills every night; eat light, solid food, and avoid all rich, greasy, and fatty dishes. These golden rules are followed, you will be happy in mind, strong in body, and forget you have any nerves.

Mothers and Daughters. If there is one thing more than another for which these Pills are famous, it is their purifying properties, especially their power of cleansing the blood from all impurities, and removing dangerous and renewing suspended secretions. Universally adopted as the one grand remedy for female complaints, these Pills never