

the year 1866, the year before Confederation, the revenue of the Province had advanced, in round numbers, to \$1,800,000. Of that revenue about 70 per cent, or \$1,235,000 was collected through indirect taxation. At this period we were not limited as to scope of taxation, we had a steadily developing revenue, and a large borrowing power on the part of the Government. I have heard the statement made repeatedly, both in the press and on the public platform, that the Government should have done as Mr. Howe proposed to have done, namely, borrowed millions of dollars for the construction of roads on Government account, regardless of the changed Provincial conditions. The result of Mr. Howe's effort was the construction of 143 miles of railway touching four of the eighteen counties of the Province, and that was the situation as to railroads in this Province when we entered Confederation.

The next period is what might be called the Early Liberal period, from 1868 to 1878. Now what was the situation? 143 miles of railway had been constructed, the total revenue had gone down from \$1,800,000 to \$586,000, by the terms of Confederation the right of direct taxation had been taken away, and they had in its place only \$324,685.60 of subsidy, with \$82,690, additional per year for ten years extra. The Government in 1868 faced the problem of railway construction with a revenue of \$586,696.25, and only 143 miles of railway built. That being the fact, the question was, what was to be the future policy with respect to railway construction. It was evidently decided, and properly so, that it was impossible under the circumstances to enter further upon the construction of railways as Government built roads. Under the terms of Confederation there was this proviso which took some of the burden off the Provincial Government. It was part of the agreement, under section 145 of the B. N. A. Act, that a railroad should be built from Halifax to the St. Lawrence River, which involved the extension of the road from Truro to Amherst. Therefore that part of the problem was solved. Taking the conditions into consideration, I marvel at the courage of the Government of the day, and the amount of railway construction undertaken within the next ten years. Four hundred and thirteen miles of railway construction was undertaken in the first ten years after Confederation,

with a revenue such as I have spoken of. During this ten years the revenue had increased slightly, but not to any great extent. Out of that 413 miles of railway, only 78 miles were built under the terms of Confederation, the balance 335 miles, being built by companies aided by the Provincial Government. The following sections were undertaken in this period: Windsor to Annapolis; Digby to Yarmouth; Truro to Amherst; Springhill to Parrsboro; Middleton to Lunenburg; and New Glasgow to Mulgrave; passing through the Counties of Yarmouth, Digby, Annapolis, Lunenburg, Cumberland, Pictou, Antigonish, and just touching the County of Guysboro. That mileage of road has cost the country over one million dollars, including that expended on the Eastern Extension, which cost the Government more than it was intended to cost on account, I understand, of failure of contractors.

MR. MARGESON: Do I understand the hon. gentleman to say that the road from Middleton to Lunenburg was built prior to 1878?

MR. TORY: I am taking the dates when construction was begun on these roads. The road from Middleton to Lunenburg was not finished until 1889 although it was begun in 1875. Of course the amount of money mentioned was the ultimate cost of these roads to the Province, but some of the expenditure on them would naturally be carried forward into other periods.

The next period was the Holmes-Thompson regime, between 1878 and 1882. During that period not a mile of road was undertaken either by the Provincial or the Federal Government. It was a blank chapter in the history of railroading in Nova Scotia. I do not blame the men for it. Some reason for this blank period may be found in the fact that the revenue was so small. Not only was there no new work initiated in this period, but the revenue had steadily gone down from \$775,275, in 1878 to \$527,000 in 1881, the lowest point the revenue had touched since Confederation. The construction of some roads previously undertaken was carried on, but no new work begun.

That brings us to the fourth period, that from 1882 to 1896, when Mr. Fielding had charge of the affairs of this Province. In 1882 when Mr. Fielding came to deal with the question of not only railroads, but roads, bridges, and all other public services, he had a revenue of only \$541,000,