

the Dominion Government on that occasion; I merely say that what I have stated now is borne out by the language used by the Finance Minister of that period, Sir John Rose, then in the Government of the right hon. gentleman who leads the Government to-day. He stated on that occasion that under the financial arrangement of that scheme, it would be impossible for Nova Scotia to carry on the affairs of the Province without resorting to direct taxation. In consequence of the action then taken by the anti-confederate party, the Federal Government submitted a measure for the approval of Parliament known as the better terms. I am not now going to repeat what occurred then, but merely to say that the Government of the day considered that they had a right to meet the complaints of Nova Scotia, that these complaints were just, and that it was the duty of the Government to remedy those complaints. Now, Sir, on that occasion the gentleman who occupies the position of Finance Minister in the Government of to-day, was a member of the House, and I think a member of the Cabinet. However, on that occasion he made a speech, and an eloquent one, as he always does, in the view that the Parliament of Canada had a right to discuss this question, that they had a right to open up this matter, and that they had a right to concede to Nova Scotia better terms than they then enjoyed. The hon. gentleman, in 1869, in addressing the Chair you occupy now, said:

"It had never been supposed that we could suddenly pass from the condition of isolated Provinces and arrange at a single stroke of the pen all the financial questions that would actually arise in the adjustment of the financial terms of the Act of Union. It was intended that subsequently a commission should issue—that the Local Governments should each appoint a commission, and one also jointly—and to these commissioners were to be entrusted the examination of the financial affairs of all the Provinces and the adjustment of the debts on a satisfactory basis."

Again, in that same speech the hon. gentleman said, in alluding to the Conference of Quebec:

"If that was an inflexible arrangement, not to be modified at any time thereafter, then Nova Scotia would be placed in a position very different from what she had been."

I perfectly agree with the statements made by the hon. gentleman then. We know that the resolutions brought down by the Finance Minister of that day were carried in this Parliament, but as he stated himself then the terms conceded were based on a careful analysis of the estimated local expenditure in Nova Scotia for the year 1868-69. But now after the lapse of many years the condition of affairs has greatly changed in that Province, for the expenses in some cases have increased and the receipts have diminished. I will refer to one item alone. On that occasion when Sir John Rose based his calculation on the estimate of 1863-69, the revenue from the Crown lands was \$28,000, but for the last fiscal year it was only \$7,000; in that one item we find a falling off of \$21,000. The amount granted for education in 1869 was \$160,000, and for the last fiscal year it was \$207,000 or an increase of \$47,000. Now, on the one hand, we find a falling off in the receipts from the Crown Lands Department of \$21,000, and an increase in the amount appropriated for education to the extent of \$41,000, making altogether \$67,000 which the Province of Nova Scotia finds on the wrong side of its balance sheet. Now, if we take the \$82,000 which were then granted to Nova Scotia as a part of the better terms, which was only for ten years, and only paid up to 1877, we find a difference of \$150,000. The hon. member for Halifax, this afternoon, in introducing his motion, said that there was some increase in the receipts from the Mines and Public Works Department, that there was an increase in the royalty upon coal, amounting, as he said, to \$50,000. Now, admitting, for the sake of argument, that there is \$50,000 of an increase, if you deduct it from \$150,000, it still leaves \$100,000. The Province of Nova Scotia is

to-day financially in a worse condition than she was in 1869, when Sir John Rose brought down his resolutions on which better terms were founded. I give that as a reason to show that we are actually in a worse position now than we were many years ago, for we know that as the Province increases its requirements become greater, and with the fixed and limited revenue she has it is impossible for the Province to become otherwise than financially embarrassed. We find as evidence of that financial embarrassment that the Provincial Legislature this winter has been compelled, in many important respects, to limit their expenditure. They have been obliged to curtail in very many points. I especially regret that the Government found it necessary to limit its expenditure on one very important point this year—an expenditure that must necessarily, from the inception of the measure in Nova Scotia, have gone on increasing as the Province developed—I allude to the education expenditure. Owing to the straightened circumstances of the Province, owing to the lack of funds, the Government were compelled to limit the expenditure to the sum appropriated last year, a course of action which they fully knew must be unpopular with the people and one viewed with great distaste and disappointment. At all events, the amount was so limited, notwithstanding the needs of the country for a larger amount. I regret, and there is no man in this House who I am sure regrets it more than the hon. gentleman who occupies the position of Finance Minister in the present Government, that the Local Government found it necessary for want of means to adopt that course, a course which may interfere with the proper expansion and development of our educational system, which he had the honor to introduce into the Legislature in 1864, a measure which was hailed at that time with some distrust, but which had since received general approbation, the measure giving to the child of every man a free education. I contend that if the financial condition of the Province in 1869 warranted and justified the Dominion Government in introducing a measure for conceding to Nova Scotia better terms, they are equally justified and ought now to grapple with the question and submit to Parliament a measure to improve the financial condition of that Province. If the argument then addressed to this Parliament justified the action then taken, the same arguments apply with equal force and equal weight to-day. The views enunciated by the present Finance Minister on that occasion in the speech to which I have alluded were sound and correct views; and if they were sound then, they are sound to-day, and I trust this motion will receive that consideration at the hands of the Government it justly deserves. This is not said in any party spirit. This matter has been brought to the attention of the Dominion Government by the Local Governments in Nova Scotia on both sides of politics, by one in which the present Minister of Justice was Attorney General, and therefore it cannot assume any party aspect whatever. The Government in which the Minister of Justice was Attorney General found it necessary in 1879 to send a memorial to the Dominion Government. Previous to that time a joint address of both Houses of the Legislature was sent, and in the following December the Provincial Secretary, Mr. Holmes, called the attention of the Government to the memorial, and joint address of both Houses sent in January previous, no reply having been received up to that day. No action was taken by the Dominion Government; and subsequently, when another Government came into power, the Government of Mr. Fielding in 1884, a joint address of both branches of the Legislature was forwarded, and to that no reply was given. It was followed by a letter from the Provincial Secretary in July, 1885, and to this, at last, a reply was given by the Dominion Government. This reply to the memorial of the Nova Scotia Government contained a great many reasons why the Dominion Govern-