

vided for; and it was truly affirmed that the country was virtually in the unique and enviable position of being free from debt.

This was the golden age of Newfoundland finance, but this condition of primitive innocence was not destined to last. For some time previous to 1881 it had become apparent that as population increased, the fisheries, from which the people almost entirely derived their means of subsistence, were no longer adequate to support them. The fisheries, it was found, did not expand with the increasing population. On the contrary they were stationary, and in not a few localities were declining. When unsuccessful fisheries occurred increasing numbers were sunk in dire distress, often in such absolute destitution that relief had to be administered out of the public funds. The grant for poor relief had to be increased year by year. It became evident that other sources of employment must be opened up, otherwise the people must emigrate or starve at home. The great natural resources of the country were undeveloped. The fertile lands and rich forests of the interior were inaccessible from the want of roads and railways. The coal fields and mineral deposits were almost untouched. If the country was to advance it became clear that railways must be built. Without this great factor of civilization no further progress was possible. With it great possibilities were likely to be achieved.

The Legislature decided on the introduction of the railway system, to which, however, there was a strong opposition among the mercantile portion of the community. It was, however, justly argued that the steady expansion of the public revenue gave ample assurance that in the construction of a railway the colony would not be exceeding its means and could well afford to pay the interest on the debt thus incurred. It was also pointed out that with such rich natural resources lying undeveloped, railway building must prove a profitable investment, and that without it all these must remain dormant; that the experience of the past amply justified the expectation of a further increase of revenue; and that such public works, while in progress, would give employment and distribute large sums in the shape of wages among the people, thus increasing their comforts and purchasing power and leading to larger importations, to the benefit of the revenue.