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against income that ought to have been charged against the construction of that road? Now, I think, that is unanswerable. There is an official document, signed by Mr. Brydges, and laid on the table of the House by the late leader of the Government. Now, Sir, I hold that that item should never have been entered under that head of expenditure, and I hold, therefore, that it should never have been charged against our Government. It ought not to have been charged in that account, as against revenue, but as against capital. There seemed, as I stated before, a great anxiety on the part of hon. gentlemen, to swell the expenditure of that year. I find charged to management \$60,000, or thereabouts, commission on the loan I negotiated in 1873. This item had never appeared before, and had never appeared since, under that head. Then there was \$41,000, the sinking fund paid in July, 1873; that I did not take into account, because it was due the previous year, 1872. I could not have foreseen when I made my statement, that gentlemen opposite were coming into power, and that they were going to dissolve the House, and that they were to have a Session in the autumn. I could not, therefore, be expected to make provision in the Estimates for expenditures for legislation, except what we were cognisant of. I find \$200,000 added to legislative expenses as the result of the autumn Session and the election afterwards.

MR. MACKENZIE: It was not us that called that Session.

MR. TILLEY: But I am speaking now in justification of my estimates submitted. It was not possible for me, at to the time, to foresee that that Session was be called, that hon. gentlemen would dissolve the House and go to the country. Then we find refunded duties charged against us of \$69,000 that ought not to have been paid, and would not have been paid had we remained in power. These items amounted, together, to \$916,000, and were to be deducted. This would reduce the expenditure to \$22,400,316. Now, he came to another question, that of the loan. His predecessor, in reference to that loan, the four per cents unguaranteed, produced but £86, and he made a calculation, if I recollect right, that guaranteed debentures of four per cents were

104½. When I first floated the guaranteed loan of £1,800,000, I could not see why the guaranteed loan should not bring in proportion as much as consols. But in discussing this matter with public men, they said that no guaranteed loan that had ever been given by Great Britain, for any country, has ever produced anything like the same returns as any ordinary Government loan. When I was in London, in November, I found, to my amazement, that these bonds, four per cent. guaranteed, were bringing a much lower price than they had ever been quoted before. I asked Sir John Rose, the agents and other gentlemen, how it was that these guaranteed loans were at present quoted and sold so low—one gentleman telling me he had been glad to take three per cent. premium for them, with almost five weeks' interest that had accrued. What was the answer? It was one that required some explanation. It was: Oh, they are floaters. I said, what are floaters? He said they are termed floaters because, when interest is low, worth say two per cent., the guaranteed securities of this and other countries are bought by money brokers and men with limited means, because these securities bear four per cent. They lodge them with the Bank of England and other banks, and get the money at two per cent. The result is, that while money is very cheap there is a demand for them for that particular purpose; but at that time, after the failure of the Glasgow Bank, and when rumours were afloat of other failures of banks in the west of England and elsewhere, when every bank in the city was fortifying its position and using every pound available for the purpose of strengthening their reserves, the rate of interest had gone up, and the banks were demanding the money they had advanced on these floaters, and consequently they were forced into the market to be realised on, and these circumstances brought the price down, and placed them in the position in which they were when I was compelled to make that loan; a state of things entirely different from that of the June previous, when these securities were at the highest point, and when it would have been wise for the Finance Minister of the day to take advantage of the position. The hon. gentleman said, the other night, that he