

expenditure in that department, including the Lunatic Asylum, Light-Houses, Provincial building, Government House, and the Penitentiary, to amount to £23,250; of our various Educational institutions £17,700; Legislative expense £7,000; Postal communication £5,600; the collection of the revenue £8,400; Official salaries, including the Lieut. Governor, all the Judges, Officers of Government, pensions, &c., £15,655; for interest £3,400; Saint Peter's Canal £3,150; Road service £45,000;—making the entire payments for the year ending 31st Dec., 1855, as already stated, £196,000. I do not know that there is any other material item in this paper to which I need refer.

The second paper is a return from the Financial Secretary's office—giving minute details of all these expenditures arranged under their various heads; shewing in fact every item that goes to make up the sum of £195,760.

These are the ordinary public accounts, but our railroad operations have introduced a new and very extensive branch. Up to the 31st December, 1854, there was expended on account of the railway £56,000; in that year Provincial notes to the value of £11,000 were issued, and from the Savings' Bank and general Revenue were drawn respectively £21,000 and £24,000—nothing, however, was given in the shape of accounts other than a simple memorandum shewing the sum actually paid out on account of that branch. I now hold in my hand a minute and lucid statement of the railway accounts shewing the sources from whence the various sums expended have been derived, and which amounted in all to £186,000.

The whole of the papers which preceded the conclusion of the negotiation with Baring and Company, including the minutes of Council and our instructions to Mr. Howe—the correspondence thereon and the final arrangement—will be laid on the table in the course of a day or two; they have been printed and are now in the course of Printing. The House will then have a thorough understanding of the action taken by the Government and be enabled to follow the course of the negotiation step by step from inception to conclusion.

This paper comprises the account of the Provincial Railway with the Receiver General. The first item on the credit side of the account is the sum of £44,000 drawn from the Provincial Revenue or rather from the Provincial funds, which added to the £56,000, paid out of this fund in 1854—makes a total of £100,000. Against this amount £70,000 (in round numbers) has been made up by monies borrowed from the Savings Bank and an issue of Paper Currency. So that £30,000 of our general funds after paying all appropriations has passed into the Railway and become the property of the Province. The next item is a credit of £16,500 received at the Treasury here from the Sale of Debentures of £500 and £100 sterling

each—independent of the London operations. Before the negotiation with Messrs. Baring and Company a pledge had been given by the Executive Government to take from £20 to £30,000 in this Province at the same rate as the money could be got in London. The debentures for part of this sum were issued at par. For other sums to which the pledge did not extend the same premium has been demanded which our six per cent debentures payable in twenty years command in London; and £2100 sterling is credited accordingly at 5 per cent., making £131 5s. profit.

The next items are Cash from Messrs. Baring Brothers and Company—£91,000 and a sum of £25,000 passed to the credit of the Railway Board and paid in Iron and other materials shipped by that firm. These are two smaller sums which I need not dwell on—making the whole credit of this account as already stated £186,000.

The Commissioners have received from the Treasury during the year £121,000; from Baring's £25,000 and the Treasurer has in hand £27,000. The two first of these items together with the amount in 1854 and other smaller sums show the actual amount expended up to the 31st December 1855 to be £216,000—for the disposal of which the Railway Board will account in the papers that will be laid before the House in a few days. With this short statement—which I think must be satisfactory to this House and the Country I lay these documents on the Table. It will be gratifying to Members to perceive that the public accounts under the able superintendence of the Financial Secretary are exhibited in so perspicuous and lucid a shape that the expenditure of every shilling of the public money can be traced in a moment and classed under its proper head. The authority under which it is made is also apparent, and the constitutional control and supervision of this House are recognized and rendered effective.

Mr. Marshall.—Is that 5 per cent on the face of the Debenture or a mere reduction at the price of articles furnished.

Hon. Attorney General.—A party purchases one of our Debentures of £500 redeemable in twenty years, upon which sum he receives interest at the rate of 6 per cent per annum. For this Debenture he pays a premium of £25.

Hon. Mr. Johnston.—Do Baring and Brothers purchase at that rate from us?

Hon. Attorney General.—No! The Government found that up to the first of June next it would be necessary to realise from the sale of our debentures £150,000 sterling, without the command of which the Railway could not be conducted east and west as was contemplated. Mr. Howe was instructed by the Government to negotiate for the sale of these, and a bargain was effected with the Messrs Baring's for that sum—they to advance the Amount and take our Debentures at par bearing interest at the rate of six per cent. It was found utterly impossible to