

an obvious and, at the first view, a conclusive objection presents itself in the terms of the Act of Union. Under that Act, the land revenue is merged in the consolidated fund of Canada, and that fund is liable to various charges for the security of public credits, and for the payment of the Civil List. It is, therefore, necessary to inquire closely how it would be possible to extricate from that fund one of its component parts as a special security for new loans yet to be made. To this objection, the memorialists, as I understand them, reply as follows:

They admit that the land revenue could not be rendered available as a specific security for their proposed advances, except on the condition that all the charges for which, in the course of each financial year, the consolidated fund is now responsible had first been provided for, and paid from that fund. To whatever extent the consolidated fund might be inadequate in any year to satisfy its existing obligations without the aid of the land revenue, to that extent they admit that the land revenue must be liable for the deficiency. But they maintain that if, without resorting to the land revenue, the consolidated fund can from year to year be made to provide for the debts charged on it by Parliament, the land revenue might, without any breach of faith or of law, be set apart as a security to them.

The memorialists further urge that, with the concurrence of the Canadian Legislature, the land fund might be still more surely and effectually converted into an available security for their proposed advances. They are of opinion that the Legislature would be willing to substitute some new tax or duty for this source of public income, so that the substituted revenue, being not less in amount than the average of the land revenue, might be pledged as an indemnity to the consolidated fund, and to all claimants on it, for the loss which the consolidated fund might sustain by the subtraction of the land revenue for the purposes already mentioned.

To the inquiry how the proposed financial operation could be reconciled with the terms of the Union Act, it is answered, that a Bill might be passed by the Legislative Council and Assembly, and reserved for the signification of the Royal pleasure, and that an Act of Parliament might then be obtained, authorizing the Queen in Council to assent to such a Bill.

Having advanced thus far in the explanation of their views, the memorialists were reminded of the effect which, at some future time, might be produced on negotiations for a renewal of the Civil List by the proposed mortgage of the land revenue. That objection was met by reasoning which, whether well-founded or otherwise, it is needless for my immediate purpose to repeat. Supposing any such inconvenience to arise hereafter, it is assumed that it might be obviated now, by obtaining the settlement on the Crown of the revenue to be substituted for the land revenue, in such a manner as to indemnify the Crown against any such remote consequence of the present surrender of its future territorial rights.

Your Lordship will observe that I strictly confine myself to an exposition of what I understand to be the views of the memorialists, without hazarding any opinion of my own on the practicability or the wisdom of those views. That is a question which you have far better means than any which I possess of estimating aright. If such a project as this could be rendered feasible, and could be actually reduced to practice, there can be no reason to doubt that the command of a large capital for the prompt execution of public works in Canada would be an advantage of the greatest moment to that Province, and therefore to this Kingdom. The difficulties which would seem to oppose the execution of this project are at once numerous and formidable; but I have not thought myself at liberty, as certainly I have not felt disposed, to discourage on that account the experiment which the memorialists are anxious to make for expediting the development of the great natural resources of Canada. Without attempting to anticipate your Lordship's judgment as to the practicability of this scheme, still less to fetter in the slightest degree your discretion as to the adoption or rejection of it, I would only commend the subject to your attention. No final measure pledging the land revenue must of course be taken without the previous sanction of Her Majesty's Government, and probably of Parliament; nor could the Queen be advised to make a surrender of the interests of the Crown contingent on the expiration of the existing Civil List, unless some adequate indemnity for that sacrifice were provided. But, subject to these qualifications, your Lordship is at perfect liberty to lend whatever sanction or assistance you may deem it prudent to give to the project of the memorialists, as I understand and have explained it.

I am informed that the memorialists propose to dispatch some person as their agent to communicate with your Lordship on this subject. Of course such agent is not to be regarded as accredited by Her Majesty's Government. He will appear in Canada simply as the agent of his employers, and in no public or official capacity.

I ought to observe, that I have no distinct information as to the ulterior views of the memorialists, in the event of their success in obtaining the adoption of their general plan by your Lordship and the Legislative Council and Assembly. I have indeed avoided all discussion on that part of the subject; nor would any measure be taken without the most ample opportunity being afforded to your Lordship to mature and report your own opinions for the assistance of Her Majesty's Government.

I have, &c.

(Signed)

J. RUSSELL.

Enclosure in No. 1.

(385.)

To the Right Honourable Lord John Russell, Her Majesty's Principal Secretary of State for the Colonies.

The MEMORIAL of the Governor, Deputy Governor, and Directors of the British American Land Company, the Governor, Deputy Governor, and Directors of the Canada Company, the Governor, Deputy Governor, and Directors of the North American Colonial Association of Ireland, Doctor Thomas Rolph, and others, having an interest in the prosperity of Canada.

Sheweth,

THAT your memorialists are impressed with a strong sense of the great natural resources of Canada, and consider the backward and stagnant condition of that important Colony, as compared with what they are persuaded might have been its position under happier circumstances, as a serious national misfortune.

That they are convinced that the impediments which have hindered the development of those resources are by no means those of nature, which, on the contrary, has been eminently bountiful in every essential respect, especially in bestowing upon the Colony the noble waterway of the Saint Lawrence, and so large a portion of its tributary streams.

That, regarding, therefore, the unfavourable condition of Canada as solely attributable to errors in the system of its management and to the neglect of the means of improving its natural advantages, your memorialists would strongly impress upon Her Majesty's Government the benefit that would accrue to the Colony from the complete opening of the Saint Lawrence, for the navigation of vessels of considerable burthen, a benefit, the value of which may be partly appreciated from a view of the advantage which the adjoining State of New York derives from the Erie Canal.

That your memorialists regard the insufficient number of public roads, and the bad state of those that exist, as another principal cause of the stagnant condition of the Colony; the want of proper ways of communication greatly tending to discourage and prevent the settlement of the country.

That your memorialists are strongly persuaded of the great importance of adding, as quickly and largely as possible, to the British population of Canada,

and that it is indispensable to this object that the Colony should be rendered attractive to emigrating capitalists as well as to labourers, by undertaking such public works of communication, both by water and land, as may tend to hold out to such parties a sufficient assurance that they will improve their fortunes by settling there.

That if public works of the nature pointed out were undertaken, the result would not be merely an increased flow of emigration to Canada, but that the persons of every class resorting there from the United Kingdom would be fixed, by the attractions suited to their respective stations in life, on the British side of the frontier.

That your memorialists have not indicated the measures by which alone a settlement in Canada can be made desirable to British emigrants to any extent commensurate with the importance of the objects in view, without being prepared to show, at the same time, by what means operations of the nature suggested might be carried on.

That your memorialists submit that funds for the prosecution of all the public works which they have pointed out as indispensable to the prosperity of Canada are available in the vast provincial property, now scarcely of any value, which exists in the shape of waste land and timber vested in the Crown; a property which, if placed under proper management, and judiciously disposed of, with a single view to the increase of the Colonial Revenue, would afford an ample security for loans which might be raised in this country to be exclusively appropriated to public works and emigration, which, again, would add enormously to the value of the lands and timber reserved for subsequent disposal, and consequently to the means of promoting the grand public objects for which it is desired to cause them to provide.

That, in order to render the public lands of Canada available for these all-important Colonial purposes, it will be necessary, in accordance with the principle recognized by the Crown in New Brunswick, to place them at the disposal of the Legislature of the United Provinces.

That, though your memorialists are of course aware that the Revenue derived from the public domain has been placed at the disposal of the local Legislature, yet the disposal of the lands themselves, and of the timber thereon, remains still vested in the Crown, whereby, in point of fact, all benefit to the Colony from the concession in the former respect might be altogether neutralized, the lands and timber being liable to be sold or given away as heretofore, in a manner wholly unproductive of advantage either to the Crown or to the public.

That the object, therefore, which your memorialists desire to have, is to place the lands and timber, equally with the Revenue derived from those sources, at the disposal of the local Legislature, under such provisions and safeguards as to the conditions of the transfer as shall ensure the faithful appropriation of the proceeds to the exclusive purpose of emigration, and of great public works connected with, and affording aid to such a system.

That your memorialists entertain a confident belief that if the Crown should adopt this beneficent course, the new Legislature of Canada, impelled by an anxious desire, in which every British settler in that Colony participates, to set on foot improvements similar to those which have been executed with so much advantage in the State of New York, and to restore the stream of British emigration to its ancient Canadian channel, would zealously co-operate with the views of Her Majesty's Government for the attainment of objects so essential to their prosperity, and would frame such a law for the future disposal of the public domains, and for the assurance of parties advancing monies on the security thereof, as would induce capitalists in this country to make advances to the Colony of the funds required for the most important of the public works, and for promoting a large increase of emigration to Canada.

That a Committee of the three Companies, whose designations appear at the head of this memorial, have conferred with Dr. Rolph, the organ at present in this country of a great body of the Colonists who ardently desire that no time may be lost in adopting measures to promote public works and emigration, and that Dr. Rolph vouches for the concurrence of the sentiments of the parties by whom he has been delegated, in the views expressed in this memorial.

That it appears to your memorialists to be very important that great measures of emigration and of public improvements should be laid before the Legislature of the United Canadas, at the earliest possible date.

That your memorialists are confidently persuaded that His Excellency, the present Governor General of Canada, will not merely give his sanction, but his cordial support, to the measures which they have proposed, and will thereby add incalculably to the obligations under which he has laid the people.

That your memorialists request that your Lordship will be pleased to take the subject matter of this paper into your consideration, and to appoint an early day for receiving a deputation from the undersigned.

—No. 2.—

(No. 57)

Copy of a Despatch from Lord Sydenham to the Right Honourable Lord John Russell.

Government House, Montreal, 6th May, 1841.

MY LORD,

I have the honour to acknowledge the receipt of your Lordship's Despatch of the 26th March, No. 344, enclosing a memorial, addressed to you by the three Canadian Land Companies, and by other persons connected with Canada, respecting the advancement of Agriculture and Commerce, and the completion of the great public works in this Province. Your Lordship adds a statement of the views entertained by the memorialists on these subjects, as explained to you at an interview.

The proposition of the memorialists seem to be, so far as it is possible to affix a meaning to words so extremely vague and indistinct, to raise and advance as a loan, the money necessary for the completion of various works, and for the introduction and settlement of Emigrants on the faith of the Revenue arising from the sale of land and timber, the execution of the works being, as heretofore, left with the local Government, but due security being provided by Law for their speedy completion, and for the appropriation of the Land Revenue to the payment of the interest on the loan.

Passing over the legal objections to this proposition, which at once occur, and which were stated by your Lordship to the memorialists, I must observe that, even with the explanation contained in your Despatch, the scheme is presented in so intangible a shape that it is difficult to know in what manner to reply to it.

There can be no question about the importance to this country of obtaining a very considerable loan, and in so far I approve of the memorialists' views; but in every other respect they appear to me impracticable. The land revenue of both Canadas, deducting the payments of the Canada Company, which will cease next year, and those from the British American Company, which will never be renewed, is very inconsiderable, and is already pledged as part of the consolidated fund towards the existing debt. If, as the memorialists assume, the consolidated fund will pay the charges on it, leaving a surplus to the amount of the land revenue, the Province will be able, and no doubt will be disposed, to borrow in the London money market to the full amount which can be obtained by such surplus; and in that case the security of the consolidated fund, including the land revenue, will be far better and more easily negotiable than the security of the land revenue without the consolidated fund. If the consolidated fund be not adequate to the charges on it without the land revenue, it would be a breach of faith to withdraw that revenue from the security of the present creditors, and the scheme must consequently fall to the ground. In this view, therefore, I think the proposition impracticable.