

## CORRESPONDENCE RESPECTING THE

I look, my Lord, upon this prospect as a substantial foundation for the measure I am about to propose. The preservation of this Province as a colony is essentially in the hands of England: let England, then, assume the pecuniary responsibility, and offer the security which the Province cannot furnish, of the permanency of its government. Let it not rest as a mere matter of opinion amongst money lenders, but upon the broad basis of British guarantee. The sum which would be required to liquidate the whole public debt of the Province, is small, in comparison with the interests which would be secured and promoted by that liquidation; and the British Treasury might negotiate a loan upon its own security in London at little more than half the rate paid at present by the Province.

The benefits accruing to the Province from such a measure would be incalculable. The public works in progress might be completed and made productive; all doubts respecting the intentions of the mother country would be removed; and, when peace was restored, the immigration of men of property to Upper Canada would re-commence, instead of contribute to swell the resources of a foreign, and an unfriendly country. Nor should we then see, as now, the labouring population of the Province drawn into the United States, to be there employed with money raised in England.

My Lord, I have good reason to know that many thousands of Her Majesty's subjects have merely passed through this Province, and crossed into the United States, because English capital, which was to afford them the means of profitable employment, was to be found there instead of here. While such is the case, it is unjust to eulogise the United States as being so excellent a market for British manufactures; for, were the facts reversed, in proportion as we had British capital so should we employ it profitably to ourselves and to the advantage of those investing it.

By means such as these, this country would rapidly increase in value and importance to England; and perhaps, at some future period, would prevent the loss of the American trade from being felt, when by the employment of British capital and British artisans, the United States shall have been enabled to establish rival manufactories within their own territory.

To be effectual, such a measure of relief as is here suggested, should, in my opinion, be immediate; for if it be delayed until the general settlement of other matters relating to the colonies, the time I fear will be gone by when its application would prove most salutary.

The payment of one or two years' interest from the capital advanced, would not, I trust, be considered sufficiently objectionable to warrant the rejection of a plan whereby so much good may be accomplished; and I can assure your Lordship, that by causing it to be promptly and decidedly carried into effect, Her Majesty's Government would acquire the lasting gratitude of a whole people, whose happiness and prosperity they would have been, in such case, so instrumental in promoting.

I have been the more induced to enter into these details in proportion as I have become sensible of the importance of the matter to which they have reference.

Anticipating a stormy and an unsatisfactory session, scarcely anything could give me greater satisfaction when I meet the Legislature, than the power to offer from Her Majesty's Government the great boon to Upper Canada which I have here ventured to solicit on her behalf.

By granting it, many of my difficulties would be materially overcome; and, whilst thus affording to the community so great an earnest of the desire of Her Majesty's Government to promote as well their present as their future welfare, I should look forward with confidence to the speedy restoration of public tranquillity and security.

I have, &c.

(signed) *George Arthur.*