

No. 2.

Lord Sydenham to
Lord John Russell,
6 May 1841.

completion of certain works in a prescribed manner, the law which might be passed on the subject would take the form of a contract, and become irrevocable afterwards, however much the circumstances of the country might alter.

These are some of the objections to the proposal which occur to me most readily. I abstain from following them up, because at the present moment the matter cannot be brought to any practical result. I have already put your Lordship fully in possession of the state of the finances of Canada, and have pointed out the course which should, I think, be adopted. It will be one of the earliest and most important duties of the legislature on its meeting to take up the same subject.

If the propositions which I have submitted to your Lordship be approved by Her Majesty's Government, the finances and credit of Canada will at once be put on such a footing as to enable her to borrow with ease in the London market the funds necessary to complete her public works. Even should those propositions not be adopted (which I should be very reluctant to anticipate), I have no doubt that the establishment of the union, and the restoration of public confidence in this province, will raise its credit sufficiently to enable it to procure funds. But, as a general principle, I should dissuade the raising of money clogged by any stipulations of an unusual nature, or which do not properly enter into monetary transactions, however advantageous such an arrangement might at first sight appear. If the resources of Canada flourish, as I expect they will, its credit will be good, and it will borrow easily; if they be not, I doubt whether any stipulations or legal enactments in regard to public works, &c., will induce English capitalists to come forward with loans.

At the same time, however, as I consider it my duty to weigh any and every scheme which may be offered by which there is a possibility of this province being benefited, I shall be quite ready, in case these companies delegate to any person power to explain their views, and also empower him to treat with the Government of Canada upon the subject, to give the best consideration in my power to what he may propose, and assist in any arrangement which may be really useful.

I have, &c.
(signed) *Sydenham.*

— No. 3. —

(No. 97.)

COPY of a DESPATCH from Lord Sydenham to Lord John Russell.

No. 3.

Lord Sydenham to
Lord John Russell,
26 July 1841.

My Lord,

Government House, Kingston, 26 July 1841.

I HAVE been happy to avail myself of the presence of Mr. Wakefield in this country, to learn the present views and intentions of the association with which he is connected, called the North American Colonial Association of Ireland, by whom the Seignory of Beauharnais has been acquired; and as I had occasion formerly to express my doubts of the course which it was understood that body intended to pursue, I deem it but just now to say that, so far as I am acquainted with them, the objects which the association at present have in view, and the proposed mode of carrying them into effect, are likely to be attended with great advantage to the province. I understand that their efforts will be directed to the improvement of this property, by the direct expenditure of capital there, or by advances to the local authorities for the construction of roads and communications, and to affording assistance to the provincial government in providing means by which some of the great improvements in contemplation may be effected; likewise that it is not their intention to speculate in wild lands, or to act upon the banking powers which it was supposed the original charter conferred.

Mr. Wakefield informs me that a Bill has been prepared for Parliament, remodelling the constitution of the association, and that no objection will be entertained to the abandonment of the very extensive, though at the same time very vague and doubtful, powers which are conferred under the old Act of Incorporation; whilst, on the other hand, the company wish to obtain clear and defined powers for the purposes I have mentioned. I consider both objects to be very desirable, and I shall be very glad if your Lordship and Her Majesty's Government will afford their assistance towards obtaining for the association such a legislative