

But adverting to the suggestions thrown out in your Despatch of the 12th of November, of appropriating a portion of the Revenue of the Province to defray the interest of funds to be raised for the execution of "reproductive works," their Lordships would caution you against giving your sanction for the adoption of any measure for raising money, and anticipating the future Revenue of the Province, for the sake of Public Works, without having previously obtained the authority of Her Majesty's Government.

I have the honor, &c.
(Signed)

STANLEY.

Extracts from Despatch No. 28, Dated 21st June, 1841.

Referring to my Despatch, No. 9, dated 29th May, forwarding the Blue Book for 1840, I have now the honor to submit the observations which an examination of its details has suggested to me in regard to the state and prospects of the Province.

1st.—Taxes, Fees, Duties, &c. &c. Page 1, 14.

The collection of various Duties upon the same articles through Her Majesty's Customs and the Provincial Treasury is productive of inconvenience and unnecessary expense to the public.

The Deputies from the Provincial Assembly, when in England, stated to Lord Glenelg in their letter dated 19th July, 1836, "That in every Port and place in New Brunswick where there is an officer of Customs, there is also one for the protection of the Provincial Revenue, and it was considered by them that one officer might discharge the duties of both, which as they stated, would not only reduce the expense of collection, but would also facilitate and benefit the Trade of the Country.

In these observations, urged by the Assembly on the attention of Her Majesty's Government, I am disposed to concur, and I would recommend as in several other Colonies, that the officers of Her Majesty's Customs should be authorized and directed to collect and pay over the Duties raised under the Provincial Acts. By this arrangement, the Provincial Treasury would admit of being removed to the Seat of Government at Fredericton, from Saint John, where it is now established, to enable the Treasurer to collect the Duties at that Port, a duty which now devolves upon him.

Revenue and Expenditure, Page 19, 33.

The late period at which the Blue Book for the past year has been made up, renders it necessary to advert to the present state of the Provincial Finances, and the prospect which they hold out.

I consider that a stricter adherence to the prescribed form in making up the Abstract would be desirable, and that the objection stated at page 21 is insufficient.

The fixed Revenue may be admitted to include the Duties collected under Acts of Parliament, or Acts of the Province, and much advantage would attend the separation of the ordinary and contingent expenditure.

The balance on the 30th December, 1839, being stated at £61,349, and that on the 31st December, 1840, £7,944, the difference, £53,405, may be assumed as the excess of expenditure over the receipts in 1840, and from the enclosed statement of the Finances for the current year, the deficiency is estimated at £48,350 sterling.

Your