

2 CORRESPONDENCE RESPECTING STATEMENTS CONCERNING

(No. 2.) Upper Canada, and after the union he became the Receiver-general of the united Provinces. We enclose the reply of that gentleman, completely refuting this unjust and unfounded assertion.

(No. 3.) We also transmit to your Lordship a communication from two eminent firms, largely connected with the financial transactions of Canada, Messrs. Glyn, Hallifax, Mills & Co. and Messrs. Baring, Brothers & Co.; it corroborates Mr. Dunn's statement, and expresses their confidence in the good faith and integrity of the people of Canada, and in their ability and disposition to maintain the credit of their public and private securities.

We need not point out to your Lordship the ill effects that must result, on the one hand, from an impression in this country that there are grounds to doubt the faith and obligation of the people of Canada to meet their engagements in a spirit of the strictest integrity and honour, and on the other hand, from a belief on the part of the inhabitants of Canada, that they are viewed with suspicion and distrust, and are classed by their fellow-countrymen in Great Britain with the people of the repudiating states of the American Union; it will be obvious to your Lordship, that the value and negotiability of all Canadian securities must be most injuriously affected, and that a feeling of humiliation, mortification and estrangement must be engendered in Canada. Upon these grounds we trust that your Lordship will concur in the necessity of meeting such statements with a prompt and effectual counteraction.

In bringing this subject under your Lordship's notice, we do not presume to offer an opinion on the very extensive project with which it has been connected. We purposely abstain from so doing; but we shall be pardoned, we trust, in the expression of a regret, that it was deemed necessary, in attempting to sustain that project, to rely upon assertions unfounded in fact, and calculated to produce mischiefs of the greatest extent, and of the gravest character.

The solicitude evinced by your Lordship for the advancement of the important interests placed under your Lordship's care by Her Majesty, and the consideration which you Lordship has given to previous applications on subjects connected with the welfare of Canada, assure us that the appeal which we feel compelled to make for your Lordship's interposition, will be received with indulgence; and that a hope may, without presumption, be entertained of the adoption of adequate measures to obviate the ill effects we have ventured to point out, and to assure the people of Canada that no countenance is given by Her Majesty's Government to statements injurious to their interests, and calculated deeply to wound their feelings and diminish their confidence in the sympathy and generous consideration of the parent State.

We have, &c.

(signed) *T. A. Harper.*
Peter Buchanan.

(No. 1.)

EXTRACTS from the MEMORIAL to Lord John Russell, referred to.

1. THE great and primary want in Canada, as in every new country, is capital. Every Session of the Provincial Legislature, every official report and return, almost every newspaper published in the province, teems with evidence of the vast field which exists for the profitable employment of capital, and of the anxious desire felt to procure it. The colonists see the great results which have been effected in the United States by the easy access which their new states possess to the money-markets of the American cities; they see the unparalleled progress made through such means by states not superior to their own country in natural advantages, and they complain loudly of the impediments which prevent the natural development of their own resources, by depriving them of the capital and labour which they could so advantageously employ. It will be necessary for us here to consider what those impediments are.

The new American States, as we have said, can procure from the American money-markets a certain amount, at least, of capital, because the capitalist knows that his investment will be made in his native country, and consequently will be guaranteed to him by its laws, in which he has that confidence which is necessary to all commercial transactions. But Canada, though a part of an empire, the resources of whose capitalists are incalculably greater than those of the Americans, is in a position altogether different, as regards the circumstances under which the case apply to them.

2. What