

that no other so well calculated by its simplicity to effect the desired object could be conveniently resorted to.

Though the cases are not exactly parallel, yet in illustration of the principle, and as affording a precedent for such a course of proceeding, I would instance the circumstance, that during the last war in these colonies, bills of the description I have mentioned were issued by the Provincial Government, and were found, as a temporary resource, of the utmost value to the public service.

Debentures payable in the Province are altogether unsaleable from the want of local capital, and debentures payable in London, where alone they are negotiable, have been already issued to a larger amount than has yet found purchasers.

With reference to these debentures, the accompanying letters from the Receiver-general (enclosing others addressed to him by Messrs. Baring), and report of the Executive Council on the subject of their contents, will put your Lordship in possession of every necessary information respecting the circumstances under which they were issued; and your Lordship will at once perceive, that however powerful, and certainly they are very forcible, may be the arguments used by Messrs. Baring against the mode of their negotiation, yet that they could only have been made available for the immediate and urgent wants of the Province through the medium of the local banks, in the manner which was practised.

In drawing the attention of your Lordship to the measure here suggested, I would wish to impress upon your Lordship, that, viewed as a continued system, I consider the issue of Government paper, not convertible into specie, to be detrimental to the credit of the Province, and calculated to displace the more wholesome convertible currency. Unless, therefore, I could see before me a prospect of financial relief, founded upon a sound and simple basis, I should not look for any good result from mere temporary expedient.

Though large in proportion to its actual revenue, the debt of this Province has been mainly incurred through incidental causes, namely, the construction of public works, the outlay on which is commensurate less with the country's present productive wealth, than with the development of which its vast natural resources are susceptible. Hence, the investment not being immediately profitable, the burden of the interest payable on the public loan is thrown on the ordinary revenue raised by means of taxes intended to meet only the current public expenditure.

As compared, however, with similar public debts incurred by different States of the neighbouring Republic for the promotion of national objects, the debt of this Province is but small, while future resources, and the wants of an increasing population, have been here anticipated to a far less extent.

The Americans have also borrowed money on more disadvantageous terms than those obtained by this Province, the existing laws of which only permit the Government to negotiate in London loans at par, bearing five per cent. interest; whereas the Americans have not hesitated to raise money on the best terms that could be obtained, and which latterly have been productive of a loss varying from five to ten per cent. on the amount of the borrowed capital.

The unhappy troubles with which this Province has been visited, the doubts that have been raised as to the permanency of its political institutions, assisted by the expression of opinions in quarters whence the colonies justly looked for support, and the threats of armed interference in our affairs by the American citizens, with the attempts made to carry them into execution on various occasions, are circumstances which have naturally tended to induce a feeling of insecurity, and a consequent depreciation in the value of property, which is beginning to be most severely felt.

The present inconvertibility of property leaves without the means of meeting their engagements those who have become indebted on its security, and comparatively trifling liabilities are thus found sufficient to work the ruin of individuals hitherto believing themselves opulent, and who would actually be so, could they realize what they own.

By the same unhappy causes the ordinary influx of immigration and British capital has been suspended, so that anticipated revenue from public works has not been forthcoming, from the want of means to complete them.

Your Lordship may give me full credit when I assure you that it is this state of things, more than any theoretic differences in regard to politics, which renders the Government of this country, to the satisfaction of the community, so difficult as to be almost impossible; and I cannot blame, or be surprised at, the discontents of a people who, though connected with the most powerful empire on the earth, are nevertheless

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