

bankruptcy; that, with an annual revenue of not more than 78,000*l.*, the charge for the interest of its debt was 65,000*l.**, and the permanent expenses of its government 55,000*l.* more, leaving an annual deficiency of 42,000*l.*; while the want of a sea-port deprived it of the power of increasing its revenue in the usual and least onerous way, by the imposition of duties. To resort to direct taxation, in a country so extensive and thinly inhabited, was plainly impossible; and the ruinous expedient which had been adopted of late years, of paying the interest of the debt out of fresh loans, could no longer be repeated. Yet, to allow matters to continue in their actual state, was equally impossible; and the only question, therefore, was, in what manner the Imperial Government might most effectually, and at the same time most safely, assist the province, so as to enable it to take advantage of its natural resources, which, if properly developed, would suffice to pay its debt ten times over. For the solution of this question, it was indispensable that her Majesty's Government should obtain the opinion of an officer who, to every means of local information, should unite an intimate acquaintance with financial subjects, and in whose discretion they had an entire confidence. 1839.

It has been already stated that Mr. Poulett Thomson left Quebec for Montreal on the 22nd of October, 1839. Immediately on his arrival

* Vide Parliamentary Papers, 1840.