No. 1. Sir G. Arthur to Lord J. Russell, 22d Oct. 1839.

Enclosure.

Your Excellency must be aware that the present Assembly has most zealously acted with the Government in the Suppression of the Rebellion, and the Expulsion of the American Invaders, and has, in Addresses to your Excellency's Predecessor and yourself, expressed the warmest Acknowledgments for the Measure of Defence adopted by the Provincial Government. It has also most warmly advocated the Cause of the Sufferers by the Insurrection or by Foreign Aggression; it has expressed the indignant Sense of the Province at the Insults and Injuries committed by the piratical Bands who have found Shelter and Protection within the United States Territory; it has claimed, through the British Government, Indemnity from the United States; it has prayed Her Majesty, that the Sufferers may not be forced to wait the Delays and Difficulties of protracted Negotiation; and Bills have been passed for the Relief of the Sufferers, which await the Signification of Her Majesty's Pleasure thereon.

There has been no Point upon which Differences of Opinion have assumed a greater Degree of Violence and Rancour than with regard to the Treatment of Offenders. The active Loyalists, whose Opinions prevailed in the Assembly, viewed the Offenders as altogether wicked and criminal; the discontented looked upon the Guilt of the Prisoners as materially modified by their "Patriotism." The one Party have complained, that mistaken Zeal in a good Cause should be deemed an Object of Punishment; the other Side have, with as much Warmth, remonstrated against being made the Object of Mercy a Crime, which involved a theretofore peaceful and happy Community in the Horrors of Civil War, and encouraged piratical Invasion. The whole Country is suffering deeply from the Insecurity and Depreciation of Property; each of the different political Parties would willingly throw the Blame and deep Responsibility on the other; and it may be imagined with what intense Anxiety and Interest any Demonstration of Opinion on the Part of Her Majesty's Government is regarded by all Classes of the Canadian People.

It has been, above all, a Justification urged on behalf of the Insurgents, that the present Assembly was elected through undue Means used by the Executive Government, and that this Course mainly contributed to produce, as well as to palliate, the Rebellion. This Charge has been indignantly repelled by the Assembly; those who made it were promptly invited, and an Opportunity was afforded them, to produce their Proofs, A long Report, founded on a great Mass of Evidence, was adopted and transmitted to the Secretary of State, who, in reference thereto, uses the following explicit and satisfactory Language:—

"The Refutation of Dr. Duncombe's Charges is entirely satisfactory. It has been in the highest Degree gratifying to me to be able to report to His Majesty that, after a minute and rigorous Inquiry, during which every Facility was given to the Petitioner to substantiate his Accusation, your Conduct with reference to the Elections has been proved to have been governed by a strict Adherence to the Principles of the Constitution."

Notwithstanding the Refutation, however, the Charge was not only renewed to the Earl of Durham, but appears to have been deliberately entertained by his Lordship, as his Report contains the following Passage:—"In a Number of other Instances, too, the Elections were carried by the unscrupulous Exercise of the Influence of the Government, and by a Display of Violence on the Part of the Tories, who were emboldened by the Countenance afforded to them by the Authorities."

Under this Sanction the Accusation is again renewed with increased Acerbity, and has revived all the Feelings which had been suppressed by its supposed Settlement; and all these Sources of Discord have received a fresh Impulse by the Revival of the great Question of local Responsibility, in the Report of the Earl of Durham. Coming from such Authority, an Opinion in favour of a Concession so important from the Parent State to the Colony is naturally viewed with Delight by those whose Course of factious Opposition it appears to justify, and with Favour by many who see in the Supremacy of a local Assembly in a Colony, exempt from the Control of the Empire, but backed and supported by its Strength, a most desirable State of Things to those who may be fortunate enough to enjoy Parliamentary Influence. The Opinions of Her Majesty's Ministers have not been so decidedly expressed upon this Question as to have had any material Effect in setting it at rest; it still forms the engrossing Topic of public Dispute in Upper Canada, and every other Question is considered as it happens to bear upon this one.

The Constitutionalists of the Province, who made such Exertions in maintenance of the Principles of Government according to ancient Colonial Practice, and who defended these Principles in Arms, would see, in the Recognition of a new Principle, a Disapproval of all they have done, they would feel themselves the implicated instead of the justly complaining Party; and any Measure which would tend to place them in this Situation ought to be well considered, and the Consequences weighed previously to their being incurred.

The Council believe that they have thus adverted to the leading Points of Difference which occupy the public Mind; they have shown the Course of Policy which the present Assembly has decidedly pursued, the Accusations which have been made against them, and the Manner in which they have been met by the Parliament and its Adherents.

Those who oppose the Majority of the Assembly would willingly advance their own Views by throwing Discredit upon the Acts and Policy of the prevailing Party; they would exaggerate the Misfortunes and Difficulties of the Province, and make those who influence the Conduct of its Affairs bear the Blame of all existing Evils. Thus Insurrection is attributed to the Denial of justly asserted Rights; the Refusal of a Portion of the People to abide by the Acts of their Representatives, to corrupt Influence and violent Interference with the Purity