

TO PUBLISHED
DESPATCHES
 [LAIN BEFORE PARLIAMENT BY HIS MAJESTY'S COMMAND.]
 Copy of a Despatch from the Earl of Gosford to Lord
 Glenelg.

CANADA AFFAIRS.

CASTLE OF ST. LEWIS,
 Quebec, 12th March, 1836.

007 19 1932

MY LORD,

It becomes my duty to inform your Lordship that the Provincial Executive has again, for the fourth year, been left destitute of the usual legal provision necessary for carrying on the civil government, and paying the large arrears now due for past services; and thus, at the end of a session of more than ordinary length, a satisfactory adjustment of the financial difficulties of the colony appears to be as distant and more hopeless than ever. I shall in this despatch, while giving your Lordship an outline of the proceedings of the two Houses on this subject, briefly touch upon what I conceive to have been the cause and reasons that led to this disastrous result.

On the 9th of November last the accounts showing the arrears due for salaries to the public officers, and for the other ordinary expenditure of the Government, including the advance made from the military chest, was transmitted to the Assembly with a message inviting their immediate attention to the subject. These were at once referred to the standing committee on public accounts, as were also the estimates of the current year, transmitted in like manner on the 20th of the same month. But nothing further in the matter appears upon the proceedings of the House until the 5th of January, when the committee presented their third report. The subsequent steps of the Assembly up to the 12th of February, having already been detailed to your Lordship need not be here repeated. On the 20th the House went into committee on the several reports on public accounts, on the state of the Province, and on the published extracts from the instructions to the Canada Commissioners. These questions formed the subject of prolonged debates until the 26th, when the committee reported an Address to the King (forwarded by this opportunity, with a separate despatch), and two resolutions, a copy of which is herewith transmitted. In these resolutions, the Assembly, entirely passing by the question of arrears, determined to vote supplies for six months only, from the 15th January to the 15th July next, and to abstain under existing circumstances from specifying in the Supply Bill the particular funds appropriated; under a protest, however, that this course should not in future be invoked as a precedent in opposition to the resolutions of the House of the 16th of March, 1833. and 21st February, 1834. The question of concurrence being put on the resolutions, Mr. Vanfelson moved an amendment, a copy of which is enclosed, to the effect that it would be expedient to vote as well the arrears due, as the supplies required to meet the expenses of the current year. This motion was objected to by the Speaker as unparliamentary, because it was not offered in the shape of a motion, proposing some subject for deliberation and decision but in the shape of a protest, tending to censure a decision of a committee of the whole House, and further, because in matters of supply, when the decision of a committee of the whole has been in favour of a smaller sum, or a shorter period of time, it is not afterwards allowable to make any motion in the House tending to grant a larger sum, or to extend the period.

An appeal was made to the House from this decision, but it was supported on a division of 40 to 27. The resolutions were then passed, and on the 29th a bill was introduced in accordance with their principles, passed on the 3d instant, sent up to the Legislative Council on the 5th, and after a first and second reading lost on the 9th in a committee of that body, by the committee rising without reporting.

I expressed to your Lordship my conviction, before the result was known, that the partial publication in Upper Canada of the instructions to the Canada Commissioners was likely to prove a serious obstacle to the successful arrangement of the financial difficulties of the Province; this conviction, I regret to say, has been more than realized; and I can only repeat my belief, that but for that publication the arrears and full supplies would have been granted. As it is, the House of Assembly have assumed a new position, and, not complaining of the existing local administration, have made the granting of the arrears dependent on a full compliance with all the demands contained in their address to his Majesty.

In passing a Bill of Supply for six months only, it would

seem that they wished to affix a limit of less than three months to the period within which His Majesty, to entitle the Provincial Executive to a further supply, must favourably decide on demands involving fundamental changes in the constitution, and the consideration of questions of a most grave and complicated description.

On examination of the lost Bill I perceive that the Assembly did not, as in 1833, attach any conditions to objectionable items, but adopted another plan for effecting their wishes for the abolition of pluralities. Where any officer held two situations, the salary of one only was voted, and the other entirely omitted, thus avoiding one of the objections made to the Bill of 1833. In other respects, however, they appear to have adopted that bill as their guide in framing the one for the present year, omitting and reducing the same items in both. Among the principal omissions not founded on the objection to pluralities are the postage account of the Civil Secretary's office, the salaries of all the Executive Councillors, of their assistant Clerk, of Mr. Justice Gale, and of one of the Provincial Aides de Camp. But to bring the whole matter under your Lordship's view, I enclose a comparative statement of the estimates and votes for 1833 and those for 1836, and a list of the different items omitted, and of those reduced in the last Bill.

It was, I understand, chiefly in consequence of these omissions that the Legislative Council declined to proceed with the Bill.

It may not be irrelevant here to inform your Lordship that the public chest will contain, on the 1st of May next, about £130,000 sterling. This sum includes upwards of £45,000 sterling arising from the Crown revenues, which, as the Assembly have not accepted the offer, conditionally made to them in my opening speech, by providing for the payment of the arrears and maintenance of the public servants pending the enquiry under the Royal Commission, may now be considered as at the unfettered disposal of the Crown. On the other hand, the liabilities of the Government at that date on account of the arrears and current expenses, exclusive of the contingencies of the two Houses of Parliament, and of the sums payable under the authority of Local Acts passed and about to be passed, will amount to about £142,000 sterling, including the £31,000 advanced from the military chest in 1834, thus showing a deficit of about £12,000. But it must be observed that the chief part of the revenue is collected from the custom duties, which flow in only during the summer months, whilst the expenditure continues equal throughout the year, so that, although the amount at present in the chest would have been insufficient to liquidate the demands against it, had the Legislature sanctioned such a measure, yet it by no means follows that at the end of the financial year in October next, the public Treasury will be unequal to the liabilities to which it may be then subject.

I have, &c.
 (Signed)

GOSFORD.

Extract of a Despatch from Lord Glenelg to the Earl of Gosford, dated Downing Street, 8th June, 1836.

MY LORD,

I have to acknowledge the receipt of your Lordship's Despatches of the 10th and 12th March.

It can scarcely be necessary for me to assure you that none but motives of the most urgent nature would have induced me to postpone, till the present time, the answer to those communications. I abstain from entering into an explanation of the causes of that delay, except to observe that the consideration of the posture of affairs in Upper Canada has not failed to enter largely into the deliberations of His Majesty's Government on this occasion.

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In my despatches of July last, the general principles by which you are to be guided have been fully laid down, and the communications which I have since received from your Lordship, prove that you have clearly understood those principles, and are prepared to act firmly and consistently upon them. The confidence which his Majesty's Government have placed in your zeal and sound judgment has been confirmed by every report which they have received of your proceedings. They feel therefore that in referring to your discretion the measures now to be taken, they not only secure the great object of consistency in the proceedings of the respective Governments of the Canadian provinces, but are best consulting for his Majesty's service, and for the welfare of his subjects at large.