EXTRACT of a DESPATCH from Lord Glenelg to the Earl of Durham, G.C.B. dated Downing-street, 20th January 1838.

In order to lay the ground for the permanent settlement of the questions which agitate Lower Canada, and also of those which create divisions between Upper and Lower Canada, it will probably be found necessary to resort to some legislative measures of a comprehensive nature. But before such measures can be framed and submitted to Parliament, it would be highly desirable to ascertain the wishes and opinions of the people of both Provinces regarding them.

This object could best be attained by a personal communication on your part with such persons selected from each Province as may be presumed, from their station, character and influence, to represent the feelings of their fellow-countrymen in general. It seems advisable, therefore, to authorize your Lordship, if you should so think fit, to call around you a certain number of such persons, with whom you might take counsel on the most important affairs of the two Provinces; the time of meeting of such a committee of advice being left en-tirely to your discretion. You are, therefore, empowered to select three members from the Legislative Council of Upper Canada to attend such meeting; and to invite the House of Assembly of Upper Canada to nominate ten of its members for the same purpose. Under ordinary circumstances, the same course would be pursued with respect to the Legislature of Lower Canada. But if the Bill now before Parliament should be passed into a law, recourse must be had, during the suspension of that Legislature, to another mode of supplying the deficiency.

You will, accordingly, during such suspension, select three members of the body at present composing the Legislative Council, and will take measures for calling on the electors in each of the five districts into which Lower Canada is now divided, to elect two persons to sit in the Committee. Your Lordship can obviate any difficulty which may stand in the way of holding such elections by an Ordinance for this purpose to be passed by the authority of the Governor in Council.

The committee will thus consist of twenty-six members, over whose deliberations you will of course preside.

The committee being thus formed, you will bring before them the subjects on which you desire to receive their opinion and advice. Among the most important of these are the questions in debate between the two Canadian Provinces.

In the last Session, both Houses of Parliament passed a Resolution, "That great inconvenience has been sustained by his Majesty's subjects inhabiting the Provinces of Lower Canada and Upper Canada, from the want of some adequate means for regulating and adjusting questions respecting the trade and commerce of the said Provinces, and divers other questions wherein the said Provinces have a common interest; and it is expedient that the Legislatures of the said Provinces respectively be authorized to make provision for the joint regulation and adjustment of such their common interests."

It is clear that some plan must be devised to meet the just demands of Upper Canada. It will be for your Lordship, in conjunction with the committee, to consider if this should not be done by constituting some joint legislative authority, which should preside over all questions of common interest to the two Provinces, and which might be appealed to in extraordinary cases to arbitrate between contending parties in either; preserving, however, to each Province its distinct Legislature, with authority in all matters of exclusively domestic concern. If this should be your opinion, you will have further to consider what should be the nature and limits of such authority, and all the particulars which ought to be comprehended in any scheme for its establishment.