

"FREDERICTON, N. B. November 25th, 1836

"MY LORD,
 "I HAVE the honor to acknowledge the receipt, by the October mail, of your Lordship's Despatches, Nos. 84 and 85, of the 31st August and 5th September last, communicating to me the placing the Crown Revenues of the Province of New Brunswick at the disposal of the Provincial Legislature; and I shall feel it my duty to carry into full effect, so far as in me lies, all the arrangements His Majesty's Government have determined on for this very important measure, in the spirit and according to the desire expressed in your Lordship's subsequent Despatch of the 10th September last; and I most sincerely hope it will be productive of all the good your Lordship seems to anticipate, and that the liberality of the Government and the gracious disposition thus displayed by His Majesty to yield to the wishes of His subjects on this side of the Atlantic, will be duly appreciated and gratefully received by all classes in this Province. But as the measure itself and the details of the arrangement are yet to be laid before, and to become a subject of discussion in the Assembly, where many various opinions will probably be expressed thereon, I think it a matter of great importance that I should be fully possessed of your Lordship's intentions on all points that may arise in the course of the discussion, so as to enable me to lay the same before the other two branches of the Legislature, should it be required, in order that the matter may be settled to the satisfaction of all parties, and that any question which may be raised as to the intent and meaning of His Majesty's Government on any part of the details may at once be answered. And as the further instructions on this head which your Lordship has given me reason to expect as soon as your negotiation with Messrs. Crane and Wilmot is closed, may not (unless your attention is particularly called thereto) provide for all, I have thought it advisable to save time, by at once submitting for your Lordship's consideration several points which at present occur to me, and which I think will require to be provided for in settling the details, and which are not adverted to in either of the Despatches I have as yet received from your Lordship on the subject.

"In the first place it appears by your Lordship's Despatch of the 31st August, that the surrender of all the Revenues of the Province now at the disposal of the Crown, including the payments of the Nova Scotia and New Brunswick Land Company, in return for a Civil List to be granted for a period of ten years or permanently, is assented to by His Majesty, subject to two qualifications.

"The first of which is, that the appropriation of the House of Assembly is to be confined to the nett amount of the Revenues to be placed under their control, after deducting from the gross proceeds the necessary expenses incident to the collection and management thereof.

"On this point I could wish to be explicitly informed if it is your Lordship's intention that under the new arrangement, the gross proceeds of the Crown Revenues do in the first instance pass through the hands of the Receiver General as heretofore, and all expenses incident to the collection and management thereof be paid by Warrants on him, and at the end of each quarter the accounts all to be made and audited according to the practice hitherto pursued, and the nett balance then in the hands of the Receiver General, after payment of the expenses, handed over by him to the Provincial Treasurer? Or whether the nett quarterly balances are to remain in the hands of the ~~King's~~ Receiver General until appropriated by the Legislature, and drawn for by Warrant on him pursuant to such appropriation, without going into the hands of the Provincial Treasurer at all? Or in what manner it is intended that this part of the business shall be arranged.

"Your Lordship, I believe, is aware that a considerable amount of the surplus of the Casual Revenue has been laid out by the Commissioners appointed for that purpose on interest, amounting in the whole at the present time to the sum of £35,000 besides interest. £3,000 of this sum was very recently laid out on terms which will prevent its being called in before the 1st of January, 1838, and the remainder was invested about the close of the last year, until the 1st of January next, but upon terms that three months notice, before the end of this year, should be given of any part thereof intended to be then called in. And as this notice has not been given, from the Commissioners not being made aware that any part of the amount would be required, the Government may not be enabled to call it all in before the 1st of January, 1838. £6000 of this money is out on a loan to the Saint John Bridge Company, at 6 per cent. interest, no part of which, it is expected, could be got in before the 1st of January, 1838; as it was not contemplated when it was so laid out, that it would be sooner required. The remaining £29,000 is invested in three different Banks in the Province, and may probably be got in at a shorter date if required. If therefore it is intended that these monies shall be called in as soon as the nature of the securities taken will admit of, your Lordship will see the importance of immediately sending me instructions to that effect.

"The other qualification mentioned by your Lordship, upon which the contemplated surrender of the Revenue in question is to be made, is—that the law and customs of Parliament and more especially the established usages of the House of Commons with regard to the appropriation of the surplus of the Consolidated Fund of Great Britain and Ireland, shall be assumed by the Legislature of New Brunswick, and more especially by the House of Assembly, as the rule for their guidance in the appropriation of the Revenues of the Province.

"The first question which arises upon this is what is intended by your Lordship by the words "*Revenues of the Province*?" Is it meant that this rule of appropriation shall be extended to *all the Revenues of the Province* as well to that which has heretofore been distinguished as the Provincial Revenue and always been at the disposal of the Legislature, as well as to that which has been distinguished as His Majesty's Casual and Territorial Revenue, and now about to be given up, or is it only intended