

We have in this statement shown that for the works on account, of which we claim credit in part payment of the purchase of the Huron Tract.

First—That according to the terms of clause 3 of the second agreement between Earl Bathurst and the Canada Company, we submitted plans and estimates of the works for approval by the Governor in Council.

Second—That when those works were completed, we laid an account of the expense incurred before the Governor in Council, who deeming the works to have been executed according to the plan formerly submitted, and upon which the estimate was founded, the order was in the words of the clause before referred to, that the Company shall be allowed credit in account for the amount actually expended.

The only point we respectfully submit for the Governor in Council to decide upon, would appear to be—*first*, the propriety of executing the work, as calculated to be of general benefit; *next*, that the work has been performed according to the plans and estimates submitted for their decision.

In proof of this they have the evidence of a responsible body, the Canada Company through their Commissioners. and under oath; and the facts being thus settled to their satisfaction, the order for crediting the Company with the amount expended followed as a matter of course.

The Canada Company propose to do certain works, which are to cost a certain sum—the propriety of the one and the amount of the other being approved—the Canada Company undertake and complete them; and the Governor in Council being satisfied that the Company have performed their engagement, the amount is passed to their credit, and thus the business is closed; the Company being in point of fact the contractors, and employing others to perform the work for the same sum as they are themselves to receive.

We therefore most respectfully submit, that since we have here shown that by a strict adherence to the terms of the Company's agreements with Her Majesty's Government and of the charter founded upon them, we have fully satisfied the Governor in Council that the amount for which we have claimed credit under the improvement clauses of the second agreement has been faithfully expended, and that it has in consequence been already placed to our credit;—whether the statements here given in gross, and containing all the information which can be required for any useful purpose, will not, on reconsideration by the House of Assembly, be thought sufficiently satisfactory, without pressing for such minute detail as would cause us immense labour in copying half the books of our office, containing accounts which have been long since closed and approved.

In reply to the enquiry as to the name or names of the person or persons that have examined and approved of such expenditure on the part of the Executive Government of this Province before the commencement of any work, and after the completion of the several contracts.

We have the honor to state that such an examination was not required by the terms of any one of the various agreements with the Company—and that the plan and estimate of the cost of the work to be performed — the official affidavits that the work was faithfully performed, and that the account given in of its expense was a true and faithful one, having been fully laid before the Governor in Council, further evidence was neither deemed necessary nor required.

The expenditure of the Fund in question being a portion of the purchase money of the Huron Tract, is not referred to in the 30th Article, nor could it be, for at that time its sale to the Canada Company was not even contemplated. The clauses relating to that portion of the purchase from the Government, are confined to the 2d and 3d agreements.

The portion of the 30th Article which requires the personal inspection referred to, has reference alone to the expenditure of the penalties for non-performance of the settlements required on the Crown and Clergy Reserves, and a more rigid surveillance was we presume there deemed necessary by Her Majesty's Government than in the other, inasmuch as in the Huron Tract the immediate interest of the Company was involved in the economical expenditure of a fund calculated to increase the value of their own property, & which under the most economical management, could not cover one quarter of the amount of the expenditure necessary in order to effect the objects which the Company have in view for such works and improvements as are contemplated under clauses 2, 3, 4, and 5 of the second agreement.

The Canada Company could have no possible interest in deception.

The amount already passed to their credit is, as has been shown, £27,493 12 10

Various contracts are now in progress for works sanctioned by Her Majesty's Government in the Huron Tract on which the amount already paid is.....	2,500 0 0
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And on which, when completed, a further amount will have to be paid of about.....	5,000 0 0
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£34,993 12 10