

Frederick Elliot,  
Esq.

25 April 1834.

with inadequate means to carry on the Government from the funds at the disposal of the Crown, it would, I apprehend, have been an act of great indiscretion on my part to have withheld His Majesty's assent to the Bill, to which there existed, as I was advised, no legal objection, simply because the Assembly had exercised the control which it had acquired, in being called upon for a supply, and granted a less sum of money than was required for the public service.

The only thing indeed which caused embarrassment to me on the occasion, was the circumstance of my finding on record here a Despatch from Earl Bathurst, addressed to Sir Francis Burton, Lieutenant-Governor of Lower Canada, dated the 4th June 1825, in which his Lordship expresses his disapprobation of a Bill of a *similar description*, which was passed by the Provincial Legislature in that year; but the difficulty thereby occasioned was in great measure removed, on my observing the explanations given in respect to that Bill by Mr. Wilmot Horton (then Under Secretary of State for the Colonial Department) before the Select Committee of the House of Commons on the Civil Government of Canada; it appearing by the printed Minutes of the Evidence of the Right honourable Gentleman, that the disapprobation expressed by Lord Bathurst of the Lieutenant-Governor's conduct in assenting to the Bill, was occasioned by an impression entertained, in the first instance, that the words of the Act did not maintain the integrity of the Crown revenue; an impression which it would appear was subsequently removed, at least from Mr. Horton's mind, by his admission before the Committee, that the Supply Bill, passed in 1825, did *not* invalidate the right of the Crown to the appropriation under the Statute of 14 Geo. 3, c. 88, although by *diminishing* the supply given by the Provincial Legislature out of the unappropriated funds, the House of Assembly did in fact practically effect that appropriation.

But although there may be no *legal* objections to the Bill of Supply of the last Session, yet the law is certainly exceptionable, inasmuch as it leaves grounds for cavil as to what funds are appropriated by law, and what are not; and also because the form in which the money is granted particularly affects the appropriation under the statute of 14 Geo. 3, c. 88, as well as of the other funds which the law has placed at His Majesty's disposal.

I could not, however, for these reasons, refuse the Bill, under the very peculiar circumstances of the case, although the House of Assembly, by diminishing the supply, has deprived the Local Government of the means of paying certain public officers and other expenses which have been hitherto allowed by the Crown, and charged to the funds at His Majesty's disposal; a circumstance which I had the honour of reporting to you in my Despatch of the 25th of March last, and soliciting your instructions for my guidance in the matter. The Bill, it is true, does not point out the particular purposes to which the money is to be applied; yet as the gross sum voted has reference to the estimate submitted to the Legislature, and the deductions made from it are the amount of certain items to which the House of Assembly objected, I have felt myself bound in honour and good faith, not only to keep the public expenditure, if possible, within the limit of the sum specified in the Bill, but also to adhere to what I understand to be the expressed wishes of the Assembly in regard to the particular application of the money.

Seeing, however, no probability that the House of Assembly will recede from their pretensions, as set forth in the resolutions of the 6th of December last, and apprehending also that the financial difficulties now existing will rather increase than diminish on my carrying into effect the instructions which I have recently had the honour of receiving from you, it affords me the greatest satisfaction to learn that an early application is to be made to Parliament to settle a question which has given rise to so much controversy and party feeling in the Colony, and so much serious embarrassment to His Majesty's Government.

I have, &c.

(signed) *James Kempt.*

No. 9.—COPY of a DESPATCH from Sir *James Kempt* to Sir *George Murray*, dated Castle of St. Louis, Quebec, 30 January 1830.

Sir,

WITH reference to my Despatch, No. 12, of the 25th instant, in which I had the honour to announce to you the opening of the Session of the Provincial Parliament of Lower Canada on the 22d, I have now the honour of transmitting, for your information, the copy of a message which I sent yesterday to the Legislative Council, and the House of Assembly, upon the subject of the financial question which has given rise to so much controversy in this Province.

It was my duty on this occasion (as it was my earnest desire) to have followed the strict letter of the instructions conveyed to me in your Despatch of the 8th of October last; but the more I considered the subject with reference to the present stage of this controversy and the state of affairs in the Province, the more thoroughly satisfied I became, that no practical good could possibly arise by my *strictly* adhering to those instructions, while my not doing so would lead, I had reason to believe, to the most serious inconveniences.

The explanations which I deemed it my duty to enter into in my Despatch of the 15th of December last on the subject of the Supply Bill of the last Session, will have made you acquainted with the view that is taken of that measure by the highest legal authorities in this Province; and as the question in dispute has now lost much of its importance in the prospect of the subject being almost immediately submitted to Parliament, and amicably settled under its authority, it appeared to me that no practical advantage could arise by  
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