

CANADA:

ITS

FINANCIAL POSITION AND RESOURCES.

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BY

THE HON. FRANCIS HINCKS, M.P.P.,

MEMBER OF THE EXECUTIVE COUNCIL,
AND INSPECTOR-GENERAL OF THE PROVINCE.

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TO
THE RIGHT HON. THE EARL GREY,
HER MAJESTY'S PRINCIPAL SECRETARY OF STATE
FOR THE COLONIES,
&c. &c. &c.

MY LORD,

I TAKE the liberty of connecting your Lordship's name with a statement which I have prepared, with a view of placing before the British Public reliable information regarding the financial position and resources of one of the most important colonies of the Empire. The position occupied by your Lordship, as Her Majesty's Principal Secretary of State for the Colonies, would perhaps be a sufficient excuse for my bringing this subject more particularly under your notice. But your Lordship has claims on the gratitude of Her Majesty's subjects in North America

which I rejoice to have an opportunity of acknowledging. For many years, as a Member of the House of Commons, both in and out of office, your Lordship exerted the influence which you so deservedly possessed, in favour of constitutional government in the Colonies ; and you have since had the high satisfaction, as a responsible minister of the Crown, of giving full effect to those principles which you so ably advocated in Parliament. At a time like the present, when the Colonial Department seems to be the object of incessant attack, it is to me a pleasing duty to bear my testimony, humble as it is, in favour of your Lordship's administration, which, I can most unhesitatingly affirm, has been highly satisfactory to the people, not only of Canada, but of the other North American Provinces. As the son of a statesman whose memory will ever be held in grateful remembrance by the lovers of constitutional freedom in all parts of the British empire, as a near connexion of another eminent statesman, now deceased, to whom the people of British America in particular owe a deep debt of gratitude, which they take a pride in acknowledging on all suitable occasions, your Lordship's name is dear to my fellow-countrymen of all origins. Finally, my Lord,

I am pleased to have an opportunity of expressing the gratitude which, in common with the great majority of Her Majesty's Canadian subjects, I feel towards your Lordship and the Government of which you are a member, for the support which you have given on a recent occasion to our respected and beloved Governor-General, whose entire policy since his first arrival in Canada has been characterised by wisdom and impartiality. As a member of His Excellency's Administration, I should feel some delicacy in making such a statement, at such a time as the present, were I not able to accompany it with another. I have held office under His Excellency for a very brief period. Up to that time, I had been a very decided opponent of the Administration, to which His Excellency gave the same cordial constitutional support which he has extended to his present Ministers, and throughout the whole of that period I expressed the same sentiments towards His Excellency, and treated him with the same respect, as the Representative of my Sovereign, that I do now, when holding the honourable position of one of His Excellency's confidential advisers. And what I have just said of myself, I could, with as much truth, have said of my colleagues and of the

entire party to which I have the honour to belong. I have stated the reasons which have induced me to take the liberty of dedicating this pamphlet to your Lordship. All I shall say of it is, that it contains information which it is highly important, both to the people of this country and of Canada, that the former should be in possession of, and which, to the best of my knowledge, has never been placed before them in an accessible shape. Should it be productive of any good whatever, I shall be amply repaid for the little trouble I have had in preparing it.

I have the honour to be,

MY LORD,

With the highest respect,

Your Lordship's most obedient servant,

FRANCIS HINCKS.

Morley's Hotel,
London, June 21st, 1849.

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FINANCIAL POSITION AND RESOURCES.

THE object of this publication is to place before the Government and people of England, in as compact a shape as possible, the actual financial position of one of the most important colonies of the empire, and to give to those who take an interest in the subject, and especially to capitalists, some idea of the extent of its resources, the rapid increase of its wealth, the stability of its institutions, and the perfect reliance which may be placed on its ability and determination to fulfil all its pecuniary engagements. Without further preface, I shall call attention to the statement in the Appendix marked A., which is "A statement exhibiting the Financial Position of the Province of Canada on the 31st January 1849." This statement has been prepared both in currency and sterling, but I shall only refer to the figures in sterling. The conversion has been made at the legal par of Exchange, which is £1. 4s. 4d. currency to the £. sterling.

The expenditure on Public Works, which is detailed as fully as I have deemed necessary in a separate statement (Appendix B), is £3,703,781. 9*s.* 4*d.* This amount is partly represented by the debt which I have classed under five heads for convenience of reference, viz. :—No. 1. The Imperial guaranteed loan, £1,500,000; No. 2. The debentures, the dividends on which are payable in London, at the offices of Messrs. Baring, Brothers and Co., and Messrs. Glyn, Halifax, Mills and Co.; No. 3. The debentures, the dividends on which are payable in Canada, at the office of the Receiver-General; No. 4. Debentures in small amounts, payable a year after date, with interest, and receivable for public dues. This issue has been made with great reluctance, owing to the difficulty of negotiating a loan in London, while it was, at the same time, absolutely necessary to complete some of the most important public works. No. 5 consists of loans from banks, advances from the agents of the Province in London, and other liabilities more or less pressing. These amounts show an aggregate debt of £3,223,839. 17*s.* 8*d.*, or £479,941. 11*s.* 8*d.* less than the expenditure on the works. This latter sum is represented by No. 6. Balance at credit of the Consolidated Revenue Fund, £170,855. 19*s.* 9*d.*, from which is to be deducted cash in hand and balances due to the Province, as shown in item 12 on the contra side of the account, amounting to £62,267. 11*s.* 11*d.*, leaving a balance of £108,588. 7*s.* 10*d.* No. 7. Redemption of public debt, £291,041. 10*s.* 10*d.*; and

the difference between Nos. 8 and 11, which is the balance in hand of special funds managed by the Province. The amount at credit of those funds is shown by item 8 to be £418,021. 8s. 3d., of which has been invested (see item 11) £337,709. 15s. 3d., leaving due by the Province, to be invested or paid over, £80,311. 13s.

	£.	s.	d.	£.	s.	d.
Those items, viz., excess of item 6	170,855	19	9			
over 12	62,267	11	11			
				108,588	7	10
item 7				291,041	10	10
excess of item 8	418,021	8	3			
over 11	337,709	15	3			
				80,311	13	0
Amounting in the aggregate to				479,941	11	8
Which, with the debt, as already stated }				3,223,839	17	8
Gives the total amount expended on } Public Works (as per Appendix B) . }				£3,703,781	9	4

The other items of the account may be briefly dismissed. The debentures referred to in item 9 have been loaned on ample security to the Commissioners for erecting the Toronto Lunatic Asylum, principal and interest secured by a direct tax on property, regularly paid—to the Law Society at Toronto, secured by fees, which will in a short time extinguish the debt—and to the sufferers by the Quebec fire, secured by mortgages on real property. By a reference to item 13 on the contra side of the account, it will be seen that these debentures really form no portion of the

debt. Item 10 is the Sinking Fund applicable to the repayment of the English guaranteed loan, which, as appears by item 14 on the contra side of the account, is invested in the Three per Cent. Consols. The amount at the credit of the Consolidated Revenue Fund (see item 6) is £170,855. 19s. 9d. Against this are to be placed various charges, the payment of which has been postponed owing to the financial embarrassments of the Province, which will not amount to more than £70,000; so that it is probable that £100,000 will be transferred to the credit of the account "Redemption of the Debt." This will make the amount at the credit of that account about £391,000, to which must be added the Sinking Fund (item 10), £44,000, showing a saving out of the annual revenue of £435,000 sterling, or upwards of half a million currency, since the union of the Provinces. When the comparatively trifling amount of the whole debt, and the fact that this saving has been effected pending the completion and opening of the canals, is taken into consideration, the result must be viewed with great satisfaction by those interested in the prosperity of the Province. I doubt if any of the States in the American Union, (or even the Federal Government itself,) whose bonds obtain a preference with British capitalists over the securities of their own fellow-subjects, can exhibit so satisfactory a statement.

I may observe here, that by an act of the last session of the Provincial Parliament, which has received the assent of the Crown, the entire Revenue from

Public Works, after deducting £20,000 currency per annum, is permanently appropriated for a Sinking Fund for the redemption of the debt. The greatest expectations are entertained with regard to the success of these important works ; and when the rapid increase of revenue pending their completion, as exhibited in Appendix D., is taken into consideration, those expectations can hardly be considered too sanguine. It may not be known to those uninterested in the Canada trade, that a large shipment of railroad iron has been made this spring to Quebec on account of American Railroad Companies in the Western States of the Union. I would, therefore, call attention to the following extract from the 'Montreal Herald' of the 25th of May :—

THE CANAL AND WESTERN TRADE.

We hear with much pleasure another proof of the growing interest felt in our Canadian Canals by the people of the West. Yesterday, Alfred Kelly, Esq., of Columbus, arrived in this city for the purpose of making arrangements for the conveyance of 3,000 tons of railway iron, expected from England, hence to Cleveland, Ohio, for the purpose of being laid down on the railroad between that city and Cincinnati. It is expected that 13,000 or 14,000 tons of the whole quantity of railway iron which will be required for this work, will probably pass by way of our Canals, at a great saving over the Erie route.

It seems to be considered certain that the states of Maine, Vermont, and portions of New York and Massachusetts, will receive a large share of their bread-

stuffs and provisions by the Welland and St. Lawrence Canals, which will be open on an average a fortnight earlier and later than the Erie canal. Besides this trade, heavy goods of all kinds are likely to be sent to the Western States from Europe, the Eastern Provinces, and the West Indies, by way of the St. Lawrence. I can scarcely believe that under such circumstances Canada will appeal in vain to British capitalists for a small loan, the security for which is as ample as can be offered by any government. I shall insert here a letter which I had the honour of addressing some months ago to Messrs. Baring, Brothers and Co., of this city, a copy of which having been transmitted by His Excellency the Governor-General of Canada to Her Majesty's Secretary of State for the Colonies was printed among other Parliamentary papers, although it was not written with a view to publication. In publishing this letter I feel bound to state that the Province of Canada owes a deep debt of gratitude to the eminent house to which it was addressed, and equally so to Messrs. Glyn, Hallifax, Mills and Co., for the liberal manner in which it has been invariably treated by both firms. The following is a copy of my letter to Messrs. Barings :—

INSPECTOR-GENERAL'S OFFICE,
Montreal, Canada, December 20th, 1848.

GENTLEMEN,—I am this day favoured with your letter of the 1st instant, in which you inform me that you will provide for the January dividends on the Canada Bonds,

payable at your office, in the assurance of your being repaid the advance before 1st April next. I can assure you that the Canadian Government feel deeply indebted for this fresh proof of your anxiety to sustain the credit of the Province. I have by this mail instructed Messrs. Glyn, Hallifax, Mills & Co. to transfer to you £30,000 of the Canada debentures, which were placed in their hands last year for sale. A portion of these debentures bear 6 per cent. interest, and I should hope that the quotation of prices given by you refers to the 5 per cents. I feel very strongly that these debentures ought not to be sold under par, and that it would be much more advantageous in every way, for this Government to pay whatever rate of interest may be required to command money, than to increase the debt by making loans under par. Although, therefore, I have directed that a portion of our debentures should be placed in your hands, I rely that, unless it be unavoidable, you will not sell the 6 per cents. under par, and that you will advise me whether par can be obtained for debentures bearing a higher rate of interest, with a provision enabling the Canadian Government to pay them off by giving reasonable notice.

I think the present a favourable opportunity of communicating to you the views of this Government on the subject of our fiscal affairs generally. I gather from your letter, that the Canadian Government declined in 1837 to constitute your house the sole agents for the Province, and that, since that time, you have considered Messrs. Glyn & Co. to hold that position. It would, of course, be unprofitable to enter at present into any discussion with regard to the conduct of the Government of Upper Canada at the time referred to; but I have to repeat, that my own conviction has been, since I have taken a part in public affairs,

which has been since the union of the Provinces, that your house and that of Messrs. Glyn & Co. occupied precisely the same relative position towards the Government, and I therefore conceived that, at a time of temporary embarrassment, we were justified in making a similar application to both houses. Your letter has confirmed me in an opinion, formed very soon after my acceptance of office at the beginning of the present year, which is, that it is indispensably necessary that the Province of Canada should secure, without loss of time, the services of an eminent house in London, which should be its sole agent, and at whose office all its dividends should be payable.

For such services the Province of Canada is able and willing to pay, and they must be secured without loss of time. Before asking from you any proposition on the subject, it is necessary that I should notice some remarks in your letter now before me. You state that the bonds of Canada are looked on "much in the same light as the bonds of separate States of the United States of America;" that "the stock of the Federal Government of the United States is certainly more valued, and finds readily purchasers on both sides the Atlantic;" and, after stating that "credit is only permanently maintained by the public knowledge of ample powers, and constant regularity in meeting all money engagements," you add, "the debt of a colony always labours under some disadvantage in this respect." I desire to offer a few remarks on these passages in your letter. When your house negotiated a loan for Upper Canada some years ago at 5 per cent., that Province was in a position precisely analogous to one of the separate States of the Union: it had no means of collecting a revenue from Customs, the ports of entry being in Lower Canada; and in the event of the works, for the construction

of which the loan was raised, proving unproductive, there were no means of paying the dividends unless by a resort to direct taxation,—a measure not easily resorted to, and which, at all events, would have involved delay. The Province of Canada occupies a widely different position,—her means of paying the interest of her debt are most ample, and are quite irrespective of the revenue from the works. The interest on the public debt is about £170,000 sterling, while the revenue is more than double that amount; the grants for educational and charitable institutions alone are nearly £80,000 currency per annum. Canada then has “ample powers” of meeting her engagements; in fact, precisely the same powers as the Federal Government of the United States: both raise by duties on imports the revenues which they require; and if Canada wanted more, there would be no difficulty in increasing the duties on imports generally, which are now, say, 20 per cent. lower than the American average. But I admit that, besides power, there must be the will to pay the engagements of a Government. Has the Canadian Government or Legislature evinced any reluctance to meet its engagements? When your house was formerly under the necessity of advancing money to meet the dividends, and of selling our bonds at a discount to reimburse yourselves, Upper Canada was in the position I have already adverted to, and was unable to raise a revenue by Customs. One of the avowed objects of Lord Sydenham in recommending the Union was to enable the Province to meet its liabilities; one of the first acts of the United Parliament was to double the duties on imports: since that time they have been further raised, and our proposed new tariff will ensure a still further increase of revenue. Here, then, is evidence of the will to meet our engagements: and to which I may

state, and I do so with pride and satisfaction, that, amid all our political disputes, which have occasionally run high, as they sometimes do in England, the members of our Legislature, of all parties, have vied with one another in affirming the necessity of maintaining the public credit at all hazards.

The power and the will to meet our engagements exist; and, since the Union, you must admit that our "regularity in meeting all money engagements" cannot be complained of. The unbounded credit of the British Government arises from the determination always evinced by Parliament to meet its engagements. The people of Canada are British subjects as well as the people of England: they have the same power and the same will to meet their engagements; and if they are ever in difficulty, it arises from the fact, that British capitalists do not choose to place the same confidence in their honour that they do in that of the people of the United States, whose bonds are saleable without difficulty, although, after perusing these remarks, I confidently anticipate that you will admit that our means of meeting engagements are equally good with theirs. The fact is, that our bonds are not recommended as an investment, while those of the United States are; indeed, I have felt mortified to find that the price of Canada bonds is never quoted in the list of stocks, although those of each of the United States, as well as of all other foreign governments, are kept constantly before the public.

I must now state, very briefly, the cause of our present difficulties. Within the last three or four years, there has been a surplus of revenue over expenditure of £400,000, which, instead of being applied to the redemption of our debt, has been invested in new works, on the success of

which, as a source of immense revenue, we have every confidence: every effort and sacrifice must be made to complete these works. Since the creation of our Sinking Fund, we have saved from actual surplus of revenue half a million currency, or one-eighth of our whole debt. But until our great line of ship canals, unsurpassed probably by any works of the kind in the world, are quite completed, we shall be hampered, unless we can go into the money-market, like other governments, and obtain loans. But in addition to the cause of embarrassment I have referred to, we have had this year a very deficient revenue, our imports being not more than two-thirds of the average. In England, deficiencies of revenue often occur, and would be just as embarrassing as ours are, but for the facility of raising money by an issue of Exchequer Bills. I have stated the cause of our embarrassments; and I trust I have shown you that, although not the slightest ground exists for uneasiness, although our revenue is most ample to provide for all our wants, and for the extinction of our debt at no distant period, we are suffering severely from that want of credit in England which you have described. Our want is now, and has been all along, an active agent of high standing, able to maintain our securities in that credit to which they are entitled. A divided agency is not worth the attention of either your house or Messrs. Glyn's. Perhaps you would consider it equally unworthy if undivided; but one thing is to my mind clear, and I shall repeat it: the Canadian Government must obtain the services of an eminent house in London, and for those services it is able and willing to pay. I must state, in conclusion, that as I do not believe any house would be so likely to advance our interests as yours, I should be glad to be favoured with your views on the

subject as early as possible. I have no doubt that our mutual friend, Mr. Dunn, to whom I shall write by this mail, will be able to give you any further information you may require. With regard to Messrs. Glyn and Co., whose services to the Canadian Government it will always be ready to acknowledge, I need only say, that the opinion as to the expediency of having but one agent arises from no dissatisfaction with them, but from a conviction that a small account is not worth dividing, and that our interests will be promoted by such an arrangement as the one proposed.

I have, &c.,
 (Signed) F. HINCKS,
 Inspector-General.

*Messrs. Baring, Brothers and Co.,
 London.*

Since the date of the above letter, the Provincial Parliament has sanctioned two measures which I had the honour of submitting for its consideration—one “for the better management of the public debt, accounts, revenue, and property;” the other, “to amend the laws relative to duties on customs.” By the former Act the Government is armed with increased power with regard to the management of the debt, and provision is made for an efficient Sinking Fund, to which I have already referred. By the latter, increased duties are imposed strictly for revenue purposes, and amply sufficient to meet the interest on the debt, the civil list, and all other demands which the exigencies of the public service may require to be made. I have,

I trust, shown conclusively that Canada possesses ample resources to enable her Government to make good all its engagements. I can affirm with confidence that the great mass of the Canadian people are thoroughly loyal to their Sovereign, and deeply imbued with the feeling that at all hazards faith must be kept with the public creditor. It is much to be regretted that an opinion prevails rather extensively among certain classes of the people of England, that separation between the colonies and the mother country is likely to ensue at no distant period, and that the connexion is not profitable to either. Such views are, as I shall endeavour to prove, very erroneous; but I affirm that even were a result which I should much deprecate, to ensue, the public creditor need be under no apprehension. It cannot be doubted that one of the conditions attached to any acknowledgment of independence on the part of Great Britain, would be the recognition of the claims of the public creditors. No apprehension, then, ought to exist with regard to the effect of a revolution on the value of the securities. I maintain, however, that such an event is as improbable in Canada as in any settled government in the world. The sentiment which animates the public mind in Canada was well expressed in a late debate by the President of the Board of Trade, when that Right Hon. Gentleman said, that "He placed a high value on the connexion subsisting between this country and her Colonies; but he did not believe it to be a mere connexion of interest in the narrow sense of that word, but one of honour;

duty, and affection ; a connexion that neither party had any right, on light and insufficient grounds, to dissolve." But, setting aside all sentiments of loyalty to the Crown, attachment to the institutions handed down to us by our ancestors, pride, in forming a constituent portion of the greatest empire in the world, it seems to me clear that the connexion is mutually advantageous to both parties ; and if I should be able to establish this position satisfactorily, I may hope that these remarks will have a beneficial effect. I put entirely on one side all advantages to be derived from protection. Without entering into any discussion of the subject, I shall content myself with stating my belief that the connexion can only be maintained on the principle of Free Trade. What then are the advantages which Canada will derive from the connexion ? I answer, the control of her own revenue. The consequence of annexation to the United States would be, that the entire customs and land revenue would be placed at the disposal of the Federal Government, and would be applied to the maintenance of the Army and Navy, and the diplomatic relations of the United States, while the Canadian people would be taxed directly for all local purposes. As I am treating the subject as a matter of pecuniary interest, I shall not dwell on the evils that would result from being connected with a country where slavery exists in all its horrors, and where it will in all probability continue to exist until the question is settled by revolution. Many other arguments might be adduced to prove that annexa-

tion would be injurious to Canada, and I know of none in favour of such a measure. The Canadians enjoy all the advantages of self-government, with the additional one of being protected free of cost by the greatest nation in the world. Under the enlightened administration of the Noble Earl at the head of the Colonial department, which has been in no way more clearly exhibited than in his selection of Governors, the people of Canada, Nova Scotia, and New Brunswick, have been loyal and contented, while Europe has been convulsed with revolutions. The advantages to the mother country from the connexion are equally obvious. It is an undisputed fact, that the commercial policy of the United States is hostile to English interests. Let the North American provinces be annexed, and all ingress by the St. Lawrence be prevented, and the American protectionist party will be able to carry that policy into practical operation, which they can never do, so long as the Canadian frontier is in the possession of a foreign power. It is the fashion to despise the Canadian trade because it is insignificant in comparison with that of the United States; but it is notorious that in proportion to population the Canadians consume British manufactures to a much greater extent than the people of the United States. Canada is rapidly increasing both in wealth and population, as will be seen by reference to Appendix C. The emigrants to the North American Provinces are consumers of British manufactures, and attached by motives of various kinds to the mother country. Those

who settle in the United States are, in every respect, aliens, and are treated as such. With regard to the expense of the Colonies I would say a few words. The entire civil expenditure, including the salary of the Governor, is borne by the Province. It may be doubted whether, if the Colonies were abandoned, England would reduce her military expenditure by the cost of a single regiment; if not, it can be of little importance where the troops are stationed. This subject, however, I shall not attempt to discuss. Believing, as I do, that the subsisting connexion between the North American Provinces and the mother country is mutually advantageous, I cannot believe that it will be dissolved in order to save the expense of a few regiments of the line. It cannot be denied that the late riots were calculated to create some alarm among those interested in the Province. There has been great political excitement, which, I fear, has not yet entirely subsided. No unanimity, however, exists among the discontented parties. The addresses of the British League have been hitherto characterised by expressions of loyalty; and but for such expressions they would have had no influence. If there be in the ranks of the party which has lately committed excesses, which are very generally discountenanced and disavowed, any individuals who have as an ulterior object in view, the severance of British connexion, an avowal of that object will ensure their complete discomfiture.

The leaders of the Opposition have on all occasions

professed the most devoted loyalty to their Sovereign, and I should be sorry to attribute to them any sentiments of an opposite character. There is no just cause, therefore, to apprehend that any serious demand for annexation will be made, and, if it were, it would be discountenanced by the great mass of the people. The object of this publication being solely to place the financial affairs of the Province in a proper light, and to correct, if possible, prevalent errors which have affected the public credit, I shall abstain from all political discussion. I believe that, in the greater part of the foregoing remarks, the majority of those who oppose the Administration of which I have the honour of being a member would concur. I have thought it better not to enter into detail on the subject of the pecuniary wants of the Canadian Government, as verbal explanations on that head will be much more satisfactory to all parties.

It will not, I trust, be considered irrelevant to the subject of this pamphlet, if I add a few remarks on the position of the most important of the projected railroads in Canada, as well as on that between Quebec and Halifax, Nova Scotia. With regard to the feasibility of the latter work, and its importance in every point of view, I beg to refer those interested in the question to the able Report of Major Robinson, of the Royal Engineers, who conducted the Survey under instructions from Her Majesty's Government. I shall confine my remarks as much as possible to the financial question. The work referred to has always

been looked upon in the North American Provinces as a national one, which could only be satisfactorily undertaken by the Imperial Government, either directly or through the instrumentality of a Company.

I assume that a strong feeling prevails among the English public in favour of a large and feasible scheme of colonization. If the assumption be correct, and that a good scheme can be presented, I should hope that Imperial assistance would not be withheld. Major Robinson states, in his Report, "Of the climate, soil and capabilities of New Brunswick, it is impossible to speak too highly:" again—"For any great plan of emigration or colonization there is not another British colony which presents such a favourable field for the trial as New Brunswick." I might multiply extracts of a similar purport. To colonize successfully, it is most desirable that there should be a market for labour at the place selected for the experiment. Such market would be afforded by the Quebec and Halifax Railroad. Canada and New Brunswick propose to give the land, to the extent of ten miles in depth, on each side of the line where it passes through the public domain, and also to obtain the right of way from the proprietors of private property. The three Provinces have likewise voted £20,000 sterling each, or £60,000 sterling per annum, towards making good the interest on the expenditure. I have not met with a single person in England who is at all conversant with the subject, who does not admit that the three Provinces have done as much as can reasonably be

expected from them. The Imperial authorities have now to determine whether they will assist in such a great undertaking.

It cannot be expected that the people of this country should tax themselves to construct a work for the benefit of the Colonies, and this is the light in which the Quebec and Halifax Railroad is viewed by many. But if a large tract of land, which the railroad will very speedily render accessible from the sea at all seasons, and which is little over a fortnight's sail from the Irish coast, should be placed entirely at the disposal of Government, an extensive immigration would take place, and the land might be made liable for all the expense of settlement to one class of emigrants, or sold at remunerative prices to another. The people of England are, in my opinion, deeply interested in the construction of the Quebec and Halifax Railroad; and it may therefore be hoped that ere long the subject will engage a very large share of public attention.

It will be observed that I have treated this question on the assumption that the railroad will be unproductive as a mercantile speculation. I ought to add, that Major Robinson, who has evidently given the entire subject his best consideration, is of opinion, for reasons which he has stated at great length in his Report, that such will not be the case. There is sufficient doubt, however, to prevent the work being undertaken by any private Company, and the question remains for consideration, whether the importance of carrying into effect a good scheme of colonization

in the only Province where abundance of fertile land is found in a situation accessible at very small cost, and at all seasons of the year, will induce the Imperial authorities to co-operate with Canada, Nova Scotia, and New Brunswick, in promoting the construction of this great national work.

With regard to the Montreal and Portland, and the Great Western Railroads, I would simply observe that the Companies incorporated for the construction of these lines are entitled by an Act of last session to the guarantee of the Province for the interest at 6 per cent. on Debentures issued by them, to enable them to complete their roads. This guarantee, however, cannot be given until each Company shall have completed one half of its entire road. I may observe, that when these guarantees were given, the Legislature, in amending the Customs' Act, gave authority to the Governor-General to add five per cent. to the Customs' duties whenever he should deem it necessary to do so. The guarantee, therefore, is not one of mere parchment, but the ways and means have been provided beforehand to enable the Government to fulfil its obligations.

It would be inconsistent with my present object to dwell at any length on the importance of the Portland and Great Western Railroads. I thought it proper to state what the Province had done in aid of the completion of those works, conceiving that I could furnish no stronger proof of the estimation in which they are held. It is proper to add, that I am unconnected with any of the Canadian Railway Companies, and that I

have neither been authorised nor requested to say anything in their behalf.

My object has been to put the English public in possession of the views of the Canadian Government and Legislature, which were embodied in a Bill which I have no doubt has become law, as by my last advices it had passed through both Houses of the Legislature with the greatest unanimity.

APPENDIX.

A.

Statement, exhibiting the Financial Position of the Province of
Canada on the 31st January 1849.

LIABILITIES.	Sterling.			Currency.		
	£.	s.	d.	£.	s.	d.
Imperial Guaranteed Loan (1)*	1,500,000	0	0	1,825,000	0	0
Debentures, principal and interest, payable in London (2)	1,018,375	7	7	1,239,023	7	8
Ditto, payable in Ca- nada (3)	530,729	19	10	645,721	9	9
Ditto in small Deben- tures (4)	71,749	6	4	87,295	0	0
Unfunded Debt (5)	102,985	3	11	125,298	13	1
Balance at credit of the Consolidated Reve- nue Fund (6)	170,855	19	9	207,874	15	8½
Redemption of Debt (7)	291,041	10	10	354,100	10	10½
Special Funds managed by the Province (8)	418,021	8	3	508,592	14	4
Debentures issued by way of loan on secu- rity of specific taxes or mortgage (9)	133,315	10	4	162,200	10	11
Sinking Fund (10)	44,000	0	0	53,533	6	8
	4,281,074	6	10	5,208,640	8	11½

* The figures are referred to in the preceding pages.

ASSETS.	Sterling.			Currency.		
	£.	s.	d.	£.	s.	d.
Public works as per detailed statement appended, marked B. }	3,703,781	9	4	4,506,267	9	0 $\frac{1}{4}$
Debentures held on account of special funds (11) }	337,709	15	3	410,880	4	2 $\frac{1}{4}$
Cash in hand, and balances due to the Province (12) . }	62,267	11	11	75,758	18	2 $\frac{1}{4}$
Liabilities to the Province for Debentures loaned as per contra (13) }	133,315	10	4	162,200	10	11
Investment by Bank of England in the Funds, on account of Sinking Fund, as per contra (14) }	44,000	0	0	53,533	6	8
	<hr/>			<hr/>		
	£4,281,074	6	10	£5,208,640	8	11 $\frac{3}{4}$
	<hr/>			<hr/>		

B.

Detailed Statement of the Cost of Public Works forming the aggregate amount charged in Statement A.

		£.	s.	d.
St. Lawrence Canals	(1)	1,442,314	1	8
Welland Canal . . . . .	.	1,394,022	8	8
Chambly Canal	}	86,409	7	10
Improvement of River Richelieu . . . . .					(2)
Lake St. Peter	(3)	74,500	0	0
Burlington Bay Canal . . . . .	.	48,376	13	7
Ottawa Works	(4)	81,979	19	6
Harbours and Lighthouses	(5)	266,504	17	10
Improvement of the Trent	(6)	135,445	2	10
Roads and Bridges, Upper Canada	(7)	530,384	4	4
Ditto Lower Canada	(7)	268,326	11	11
Provincial Penitentiary	(8)	34,207	15	1
Miscellaneous Works . . . . .	.	31,507	11	2
Losses by Public Works and otherwise	(10)	112,288	14	7
		<hr/>		
Halifax Currency		£4,506,267	9	0
		<hr/>		
Sterling at 24s. 4d.		£3,703,781	9	4
		<hr/>		

(1) These Canals are the Lachine, Beauharnois, Cornwall, and three smaller ones. The works have been constructed in the most substantial manner, and are unequalled on the American continent.

(2) The Chambly Canal connects the St. Lawrence and Richelieu with Lake Champlain. Business is increasing rapidly through it; but it is not of sufficient magnitude, and at present it would be imprudent for the Province to undertake the enlargement or construction of another on the scale of the St. Lawrence canal.

(3) This money has been expended in making a new channel through Lake St. Peter. There has been great difference of opinion as to the propriety of deepening the old channel or forming a new one, and the works are at present suspended.

(4) The slides on the Ottawa have been of immense advantage to the lumber trade, and yield a fair return for the capital invested.

(5) Tolls are charged on all the Government Harbours sufficient to meet the interest of the expenditure. Such works are of the utmost importance, affording, as they do, facilities for the export of the produce of the country. They are principally on the shores of Lakes Erie and Ontario.

(6) The improvements on the Trent are principally slides to facilitate the operations of the lumberers in the county of Peterboro'.

(7) These are macadamised or plank roads on which tolls are exacted, and toll bridges. They have been of the greatest advantage to the people; and though at first tolls were strongly objected to, the people now pay them most cheerfully, and are anxious for the continuation of such works. The want of capital has wholly put a stop to them.

(8) This amount is very far short of the actual cost of the Penitentiary, the remainder having been defrayed out of the current revenue.

(10) This account is charged with various kinds of losses, and is in fact analogous to the profit and loss account of a merchant. It includes the amount lost by the failure of a house in London some years ago, and losses by exchange and otherwise.

For statement of Revenue from the Public Works, see Appendix D.

C.

Extracts from the "Appendix to First Report of the Board of Registration and Statistics in Canada. Members of the Board:— Hon. F. Hincks, Inspector-General; Hon. L. M. Viger, Receiver-General; Hon. James Leslie, Secretary of the Province. W. C. Crofton, Esq., Secretary."

POPULATION OF LOWER CANADA.

1825	.	.	423,630
1827	.	.	471,876
1831	.	.	511,920
1844	.	.	690,782
1848 estimate	.	.	766,000

POPULATION OF UPPER CANADA.

1824	.	.	151,097
1832	.	.	261,060
1834	.	.	320,693
1836	.	.	372,502
1842	.	.	486,055
1848	.	.	723,292

80 per cent. of the whole population derive their subsistence directly from agriculture.

ACRES OF CULTIVATED LAND IN UPPER CANADA.

1825	.	.	535,212
1830	.	.	775,014
1835	.	.	1,208,508
1840	.	.	1,710,000
1845	.	.	2,311,238
1848	.	.	2,673,820

HOUSES OF ALL KINDS.

1825	.	.	8,876
1830	.	.	12,082
1835	.	.	18,488
1840	.	.	25,857
1845	.	.	37,214
1848	.	.	42,937

GRIST MILLS.

1825	.	.	71
1830	.	.	273
1835	.	.	352
1840	.	.	420
1845	.	.	478
1847	.	.	492
1848	.	.	527

SAW MILLS.

1825	.	.	394
1830	.	.	555
1835	.	.	753
1840	.	.	963
1845	.	.	1,272
1847	.	.	1,489

CARRIAGES KEPT FOR PLEASURE.

1825	.	.	587
1830	.	.	986
1835	.	.	1,495
1840	.	.	1,863
1845	.	.	3,800
1847	.	.	4,685

MERCHANTS' SHOPS.

1825	.	.	456
1830	.	.	748
1835	.	.	982
1840	.	.	1,123
1845	.	.	1,636
1848	.	.	1,945

VALUE OF ASSESSED PROPERTY ACCORDING TO ASSESSMENT LAWS.

1825	.	.	£2,256,874
1830	.	.	2,929,269
1835	.	.	3,880,994
1840	.	.	5,607,426
1845	.	.	7,778,917
1848	.	.	8,567,001

LOCAL DIRECT TAXES.

1825	.	.	£10,235
1830	.	.	13,335
1835	.	.	22,464
1840	.	.	37,465
1845	.	.	76,291
1848	.	.	86,058

PUBLIC BUILDINGS, UPPER CANADA.

Town Halls	.	.	68
Churches	.	.	895
Colleges and High Schools	.	.	39
Common Schools	.	.	2,464

PRODUCE.				
Bushels of Wheat	.	1842	.	3,221,991
		1848	.	7,558,773
Oats	.	1842	.	4,788,167
		1848	.	7,055,730
Rye	.	1842	.	292,970
		1848	.	446,293
Peas	.	1842	.	1,193,551
		1848	.	1,753,846
Maize	.	1842	.	691,359
		1848	.	1,137,555
Barley	.	1842	.	1,031,355
		1848	.	515,727
Potatoes	.	1842	.	8,080,397
		1848	.	4,751,331
				lbs.
Wool	.	1842	.	1,302,510
		1848	.	2,339,756
				Head.
Neat Cattle		1842	.	504,963
		1848	.	565,845
Horses	.	1842	.	113,657
		1848	.	151,389
Sheep	.	1842	.	575,730
		1848	.	833,807
Hogs	.	1842	.	394,366
		1848	.	484,241

NO COMPARATIVE RETURNS OF THE FOLLOWING.

1848.			
			lbs.
Flax	.	.	41,590
Butter	.	.	3,380,406
Cheese	.	.	668,357

Owing to causes which I need not explain, the last census was not taken for Lower Canada. The statistics given, therefore, are for Upper Canada alone.

D.

Statement, exhibiting the Revenue from Public Works in successive years.

			<i>£.</i>	<i>s.</i>	<i>d.</i>
1842	.	.	24,232	13	9
1843	.	.	34,604	13	3½
1844	.	.	44,259	14	8½
1845	.	.	41,039	9	9¼
1846	.	.	61,486	14	1½
1847	.	.	83,335	15	0

E.

Estimated Revenue and Expenditure of Canada for the current year
1849.

REVENUE.			
		£.	s. d.
Customs		450,000	0 0
Public Works		50,000	0 0
Excise		30,000	0 0
Territorial		20,000	0 0
Other sources		24,640	0 0
		<hr/>	
		£574,640	0 0
		<hr/>	
EXPENDITURE.			
		£.	s. d.
Interest on debt		200,000	0 0
Sinking Fund		75,000	0 0
Civil List		73,884	0 0
Other charges, (including Educational Grants, about £70,000; Agriculture £10,000; Charita- ble Institutions £15,000)		216,519	2 9
		<hr/>	
		£565,403	2 9
		<hr/>	

Abridged from the detailed Estimate submitted to Parliament.

F. HINCKS,
Inspector-General.

