

CANADA.

burden as the joint indemnities would probably amount to. No steps were accordingly taken during the subsistence of the first Baldwin and Lafontaine Administration. In 1845, however, Lord Metcalfe's Conservative Council proposed that a special fund derived from Tavern and Marriage Licenses, which formed part of the revenue of the Consolidated Fund, and was more productive in Upper Canada than Lower Canada, should be surrendered to the municipalities, and that in Upper Canada it should in the first place be charged with the payment of the indemnity. This proposal was carried through Parliament. On the same day, however, and at an earlier hour, the following resolution was adopted by the House of Assembly unanimously.

*Resolved*,—That an humble address be presented to his Excellency the Governor-General, praying that his Excellency will be pleased to cause proper measures to be adopted, in order to ensure to the inhabitants of that portion of this province formerly Lower Canada, indemnity for just losses by them sustained during the rebellion of 1837 and 1838."

4. In order that the scope and purpose of the Address thus unanimously voted, and of the measures taken by the Government upon it may be properly understood, it is necessary that attention should be directed to the following circumstance. Ordinances were passed by the Special Council in the years 1838 and 1839, under which the losses of those loyal inhabitants of the province whose property had been destroyed while they were supporting the Government had been ascertained and reported upon. It was therefore clearly the intention of the Government and Parliament, in the proceedings adopted at this period, to extend the indemnity beyond that limit.

5. The mode of getting over the pecuniary difficulty in the case of the indemnity for Upper Canada which the Parliament thus sanctioned, was unquestionably a costly one, and it has always been contended by those who opposed the plan that, as in the financial arrangements consequent on the union between the provinces, Lower Canada had by no means the best of the bargain, it was not fair to give up a portion of the common fund, to which the Upper happened to contribute more largely than the Lower province, without granting an equivalent to the latter.

6. The Commissioners appointed to apportion the indemnity in Upper Canada appear to have been unfettered by any special instructions, and to have acted under the provisions of the Acts to which I have referred, which gave large discretionary powers. At the close of their labours they delivered to the Government lists of the claims rejected or allowed by them, without, however, any statement of the grounds of their decision. There is no reason to doubt they discharged their trust with fidelity. During the course of the recent debates in Parliament, quotations were, however, made from these lists, with the view of showing that in some instances the names of persons who had been actually convicted of treason appeared upon them as recipients of indemnity. Much irritating discussion took place on this point; for, while on the one hand the Conservative opposition affirmed that such cases were both few in number, and defensible on special grounds, Mr. Papineau and his adherents contended that the insertion of a clause in the Lower Canada Act excluding persons so situated from participating in the indemnity fund on any pretext whatsoever, was only a fresh proof of the invidious distinction between the provinces, constantly made to the disadvantage of Lower Canada.

7. In pursuance of the Address of the Assembly above quoted, Commissioners were appointed to inquire into the claims of persons in Lower Canada whose property was destroyed during the rebellion in 1837 and 1838. I enclose herewith copies of the document under which they were appointed, and of the instructions by which it was accompanied and followed. Your Lordship will observe that the Commissioners were directed to classify the cases of those who may have joined in the said rebellion, or may have been aiding and abetting therein, from the case of those who did not; and when they inquired, through their secretary, how they were to establish such a classification, they were answered by Mr. Secretary Daly, under the authority of the Governor in Council, in the following terms: "In making out the classification called for by your instructions of the 12th December last, it is not his Excellency's intention that you should be guided by any other description of evidence than that furnished by the sentences of the courts of law."

8. The Commissioners furnished their report (a copy of which I enclose) in

Pages 7 and 8.

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