

da, exclusive of those Goods passing up the Ottawa River and by land carriage, of which no account has been taken.

The Commissioners of Upper Canada are impressed with the opinion that the plan proposed by the Commissioners of Lower Canada to ascertain the proportion of Duties for Upper Canada until the 1st July 1821, is not only novel and unprecedented in these Provinces, but impracticable at this late period, particularly when they advert to the indelicacy of inspecting the Books of all the different Merchants who have furnished Goods for Upper Canada; the impossibility of obtaining the amount of Goods purchased for Cash, Barter, or in any other way, or of the numerous Merchants and Traders who may have removed with their Books from the country, to whom no recourse can be had: such a research could only tend to delay and vex all parties, without a possibility of obtaining any true state of the Goods actually sent to Upper Canada.—The Commissioners of Upper Canada, convinced that such an enquiry would not give the satisfactory information required, therefore trust that on mature consideration the Commissioners on the part of Lower Canada will remove this obstacle to arrangement and consent to agree to such an aliquot part of the Duties as Upper Canada has received during the last Agreement. \*

Although for twenty years past much Spirits from Corn has been made in Upper Canada, still a large quantity of Rum and other Foreign Spirits is used in that Province.

The higher Districts of Upper Canada have usually been supplied with Salt from the United States or made from Springs in that Province; but the excess used in Upper Canada of British Dry Goods is probably more than an equivalent for these articles.

From the immense length of the Frontier in Upper Canada bordering on the United States, and to which access is so easy, it is impossible to prevent an illicit trade, however, Teas and Indian Goods are the principal Articles smuggled; but at the same time the Commissioners of Upper Canada are aware that the same illicit trade is carried on fully to the same extent in Lower Canada.

Although the undersigned Commissioners are convinced that at present there passes from Lower Canada into the Upper Province, Articles of Merchandize on which Duties are paid in the Lower Province to fully one fourth of all the amount levied in Lower Canada, they are nevertheless for the sake of conciliation and of bringing matters as far as possible to a close, willing to enter into a Provisional Agreement at the rate of one fifth part of all duties being paid to Upper Canada to the 1st of April 1822, being the period to which the Commissioners of Lower Canada seem only inclined to agree.

The Commissioners of Upper Canada observe in the communication of the eleventh instant, that the Plan proposed for the ascertaining of drawbacks on Duties after the 1st April 1822, is by ascertaining at the nearest Custom Houses in each Province the amount of Duties on Goods going from one Province into the other.

If the Commissioners of Lower Canada persist in this mode, it will be unnecessary from the local situation and extent of the boundary line, and the various ways of entering into the Province of Upper Canada from Lower Canada, to enter into any agreement, as the system would in fact be most injurious to the revenue of the Upper Province by consuming, at least, the portion of Duties she may be entitled to receive from Lower Canada in the expense of establishing innumerable Custom Houses on the different Water and Land Communications, exclusive of a barrier across the ice on Lake St. Francis in the Winter, and all which, even if attempted with their train of Custom House Officers, would not, as the undersigned are well convinced, be the means of obtaining the desired end.

In making a proposition for the future, it appeared to the undersigned that the proportion of population in each Province would be the best and least exceptionable mode for ascertaining the proportion of duties to be received by each Province; but as this mode appears not to be consonant to the views and objectionable in the judgement of the Commissioners of Lower Canada, the undersigned Commissioners beg leave to suggest that all dutiable Goods thereafter destined to pass from Lower Canada, be entered at the Custom House of Montreal, aided by a Barrier at La Chine, with an Inspector stationed there, with power to stop all carriages and boats, to ascertain that their loading going to Upper Canada has been so entered, or to receive an entry of the same there, to be by this Inspector

reported to the Custom House in Montreal.

(Signed)

THOMAS CLARK,  
ALLAN McLEAN,  
JONAS JONES.

Montreal, 15th July 1821.

*Copy of a Letter which accompanied the foregoing.*

Montreal, 15th July, 1821.

Sir,

I am requested by the Commissioners on behalf of the Province of Upper Canada, to transmit to you the enclosed communication, and to request a meeting as soon as convenient on the subject of the Commission.

I have the Honor to be,  
Sir,

Your very Obedient Servant,

(Signed)

ALLAN McLEAN.

*(See Memorandum at the end with Report.)*

No. 4.

The undersigned Commissioners on the part of Lower Canada, have taken into consideration the reply which they received last evening from the Commissioners of Upper Canada, to the observations and proposals which the undersigned had the honor to submit on the 11th instant. The undersigned conceive it to be unnecessary to enter into any further discussion on the subject of the arrangements under former Agreements, alleged to be due by the Commissioners of Upper Canada, since both parties seem to admit that the fulfilling of those Agreements belonged to the Executive Government of both Provinces respectively, and the undersigned are of opinion that any misunderstandings which may exist on the subject can only regularly come before the respective Legislatures through the Executive. The undersigned think it however again proper to repeat their conviction, so far as their present information goes, that the settlement which they mentioned in their observations of the 11th instant, must be considered final. The Commissioners on the part of Lower Canada do not feel themselves warranted in any departure from the mode which they assigned for ascertaining the proportion of dutiable articles which have passed into Upper Canada, for consumption, since the 1st July 1819.

There being no Agreement in force, it is only on grounds of equity and former practice, that the Province of Upper Canada can claim any share of the Duties levied in Lower Canada.

The Commissioners on the part of Lower Canada, are willing on these grounds to enter into an Agreement for a proportion of the Revenue of Lower Canada being paid to Upper Canada, but in order to determine this proportion it is necessary that they should know as nearly as the case will admit of, what proportion of dutiable Goods entered in Lower Canada, have actually passed into Upper Canada for consumption, within the period for which such proportion is to be allowed. It would perhaps be fortunate if the exportations from Lower Canada into Upper Canada were still to exist as in the first years after the War, but every one of the Inhabitants of both Provinces knows by his own experience that it is no longer the case. The Commissioners of Lower Canada cannot consent to any measure which might probably authorise the taking of the money levied on the Inhabitants of Lower Canada, and actually paid by them in the first instance, to make an allowance to Upper Canada, for a consumption and consequent repayment of duties which may not have existed. The Commissioners of Lower Canada are well aware that novel and unprecedented circumstances will give rise to novel and unprecedented modes of proceeding, but they have the satisfaction to observe that on this occasion the mode proposed by them is precisely that which was carried into practice, when the first Agreement was entered into in 1785. The Commissioners on the part of the Pro-