

It is matter of history that Upper Canada, whatever her undeveloped resources may have been, was in a condition of great financial embarrassment, in 1841, and it is not too much to say that she was rescued from a calamitous crisis by the union with Lower Canada.

It is stated in the life of Lord Sydenham, pp. 133-4, upon the authority of the Parliamentary papers of 1840, that:

"In the summer of 1839, Upper Canada was on the eve of bankruptcy, with an annual revenue of not more than £78,000. The charge for the interest of its debt was £65,000, and the permanent expense of its Government £55,000 more, leaving an annual deficiency of £42,000 while the want of a seaport deprived it of the power of increasing its revenue in the usual and least onerous way by the imposition of duties * * * and the ruinous expedient which had been adopted of late of paying the interest of the public debt out of fresh loans could no longer be repeated."

The Imperial Government to help Upper Canada out of the condition in which it was impossible to continue," brought about the union of Upper Canada and Lower Canada.

And again Lord Sydenham in his letters of 20th November and 8th December, 1839, pp. 144, 150, says:

"The finances are more deranged than we believed even in England. The deficit £75,000 a year, more than equal to the income. All public works suspended. Emigration going on fast from the Province. Every man's property worth only half what it was. The Union offered the only means of recruiting its finances by persuading Great Britain to help the Upper Canada Exchequer."

The foregoing extracts, to which others equally strong might easily be added, shew how urgent the necessity was, from which the Union relieved the Upper Province. How then can it be pretended that Lower Canada, without any stipulation to that effect and without having received any ostensible compensation or equivalent, ought to bear half of the debt of Upper Canada—and that—notwithstanding that free from debt herself, she brought with her in her treasury nearly \$190,000 against nothing in that of the other Province.