

And be it further enacted that of all duties which from and after the passing of this Act shall be levied in the Province of Lower Canada upon any goods imported by sea into the said Province of Lower Canada, the Province of Upper Canada shall be entitled to receive one-fifth part as the proportion of such duties arising and due upon the quantity of such goods so imported into the said Province of Lower Canada but exported from thence into the said Province of Upper Canada and consumed therein.—And of all duties which from and after the passing of this Act shall be levied in the Province of Upper Canada upon any goods imported by land or inland navigation into the said Province of Upper Canada, the Province of Lower Canada shall be entitled to have and receive one-fifth part as the proportion of such Duties arising and due upon the quantity of such goods so imported into the said Province of Upper Canada but exported from thence into the said Province of Lower Canada and consumed therein. (Q. 329, pp. 204, 205.)

This appears to have been intended as a renewal of an old agreement, which was made in 1817, by which Upper Canada was entitled to one-fifth of the duties levied at Quebec less the expenses of collection, but this agreement was limited to the 1st of July, 1819, and no provision was made for its renewal in case of the legislature of Lower Canada not meeting, and as a consequence the withholding of revenue caused great difficulties. (Q. 163—2, p. 318.)

Throughout 1821, the complaints from Upper Canada were numerous. In May, Sir Peregrine Maitland called attention to acts of injustice, which he complained Lower Canada inflicted on Upper Canada. (Q. 329, p. 214.) In August he reported that there was no prospect of agreement between the two provinces as to the proportion of duties each was to receive. (Q. 329, p. 296.) In this letter are enclosed reports of scale of duties, and the proceedings of the commissioners meeting on behalf of the two provinces, from which his assertion that there was no chance of agreement was derived. In the same month, he wrote to Lord Dalhousie on the subject of the embarrassment caused by withholding the proportion of duties from Upper Canada that was due by Lower Canada. (Q. 332, p. 82.) In September he wrote to the Treasury to which he sent a copy of the estimates and of the revenue applicable to defraying the amount of these, pointing out the large sum that the proportion from the duties levied at Quebec bore to the whole revenue of Upper Canada. So irritated did Upper Canada become that a joint memorial was sent from the Council and Assembly praying Parliament to assume the entire and exclusive control of all imports and exports at the port of Quebec. (Q. 331, p. 9.) On the same date (8th January, 1822) a dispatch reported that for twenty years no dispute had taken place between Upper and Lower Canada, but since the lapse of the agreement of 1817, the misunderstanding, leading to the withholding of the proportion by Lower Canada, had caused great embarrassment financially to Upper Canada. In March of 1822, the Treasury called on Bathurst to take steps to have a proper arrangement, and in the following month (April) Attorney General Robinson wrote, but not in answer to the Treasury, whose demand could not then have been received, that there was no hope of a settlement between Upper and Lower Canada except by the interposition of the King and the Imperial Parliament, to procure indemnity for the injuries suffered by Upper Canada at the hands of Lower Canada. A demand of this nature appears to have been made, but not for some time, as it was not till the end of October, 1823, that the Treasury sent a list of the claims of Upper Canada on Lower Canada, which should be settled. (Q. 167—1, p. 213.) It was held by the