

at the meetings of the Arbitrators in August and October last :—

Report of the Treasurer on the meeting of the Arbitrators held at Ottawa on the 31st of August, and the 1st and 2nd of September, 1869.

The undersigned has the honour to report for the information of His Excellency that on behalf of the Province of Ontario, he did, on the 31st of August and the 1st and 2nd of September, 1869, attend a meeting of the Provincial Arbitrators convened under the British American Act at Ottawa.

The Arbitrators met at about 12 o'clock, noon, on Tuesday, the 31st of August Hon. Mr. Rose, Minister of Finance, and the Auditor-General were present, to give any information or offer any explanation that might be required. The Treasurer of Quebec and Messrs. Casault and Ritchie, as his counsel, appeared on behalf of Quebec. After organizing, the Arbitrators entered upon an informal discussion with the parties present as to the manner in which the arbitration should proceed, and then adjourned until Thursday, the 2nd September, in order that they might have time to read and consider the various documents laid before them relating to the subject matter of the arbitration.

The Arbitrators again met on Thursday, the 2nd September, and it appearing that the Treasurer of Quebec was not ready to proceed, by reason of his not having obtained information which, as he alleged, he required from the Dominion Government in reference to the assets, and other matters and things which, he contended, were the subjects of arbitration; and the counsel for the Treasurer having gone home, the Arbitrators, after hearing discussion for and against it, adjourned to meet again on the 23d September.

The undersigned next offered all the opposition he could to the adjournment, reminding the Treasurer of Quebec that it was understood at Montreal that at this meeting the sitting of the arbitration was to be continued either by himself or some one acting for him until it should be closed, and urging upon him, as well as upon the Arbitrators, the pressing necessity for as speedily as possible determining all matters submitted to them.

The Arbitrators thought that, as both parties did not appear to be prepared to proceed, it would be a waste of time to longer continue the sitting. Hence the adjournment. The Treasurer of Quebec undertook to lay before the Arbitrators at the adjourned meeting, a statement in writing of the various assets and other matters and things which, in his opinion, formed the subjects for consideration and determination by the Arbitrators.

It was arranged that Mr. Langton should make up for the Arbitrators and the Treasurers of the Provinces a statement of the assets to be divided, with such explanatory remarks as might assist them in forming a correct opinion as to the value of each asset, accompanying the same with a table shewing the annual income derived from each asset for 4½ years immediately preceding Confederation, and the average annual per centum of such income for the 4½ years.

All of which is respectfully submitted.

(Signed) E. B. WOOD.

To the Hon. the Provincial Secretary.

Toronto, 5th Sept., 1869.

Report of the Treasurer of Ontario of the proceedings of the Provincial Arbitration, at its sitting on the 23rd, 25th, 26th and 27th October, 1869.

The undersigned has the honor to report, for the information of His Excellency, that the Provincial Arbitrators postponed the adjourned meeting, from time to time, until the 23rd October. On that day a session was held, the Treasurer of Quebec, with his counsel, Mr. Ritchie, appearing on behalf of the Province of Quebec, and the Hon. J. Hilliard Cameron and the undersigned on the behalf of the Province of Ontario.

In the interval between the adjournment, spoken of in my former report, and this meeting, the auditor, Mr. Langton, had furnished the Arbitrators and the Treasurers with a statement of assets, and the average annual per centum on the capital of each asset for 4½ years, also referred to in my former report.

After discussion, it was agreed on all hands, that the debt of the late Province of Canada was ascertained with sufficient definiteness to enable the Arbitrators to proceed with, and conclude the arbitration. The Treasurer of Quebec, however, was not ready with the statement which, at the last meeting, he had promised to lay before the Arbitrators at this meeting, but stated he would be ready on the following Monday to lay it before the Arbitrators. He further stated that Mr. Casault, the senior counsel retained by his Province, was not present, and he did not feel justified in proceeding in his absence; that he would telegraph to him to come to Ottawa without delay, and that he thought he would be there by Monday afternoon. Mr. Cameron and the undersigned stated that Ontario was fully prepared to proceed and regretted much that after all the delay that had taken place, Quebec should still be unprepared to go on. After some considerable informal discussion on various questions involved in the Reference, the Arbitrators adjourned until Monday morning following.

On Monday, the 25th October, the Arbitrators again met, when the Treasurer of Quebec stated to the Arbitrators that he had resigned, and, therefore, was not in a position to take any further part in the arbitration; that Mr. Ritchie was the junior Counsel and declined to act in the absence of Mr. Casault, the senior Counsel, and as a consequence, nothing could be done until the arrival of Mr. Casault.

The Arbitrators then adjourned until Tuesday.

The Arbitrators again met on Tuesday, the 26th October, but nothing was done, as Mr. Casault had not yet arrived. They again adjourned till Wednesday.

On the meeting of the Arbitrators on Wednesday, the 27th October, Mr. Casault and Mr. Ritchie were present; but Mr. Casault said he was not in a position to proceed, as he was without instructions and unprepared.

It was urged on behalf of Ontario that some decisive order should be made by the Arbitrators, or there would be no hope of making any progress with the Reference; and, after a lengthy discussion, the Arbitrators made an entry in their minutes to the purport that Ontario was ready to proceed with the arbitration, but, in consequence of Quebec not being prepared, an adjournment to some future day was unavoidable. The Arbitrators stated, however, that at the next meeting they should proceed, and effectually to do away with all future excuses and pleas for delay, made the following order :—

“The counsel for the Provinces of Quebec and Ontario shall prepare and print their respective cases, and shall communicate them to the Arbitrators and to each other for such observations in response as they may deem necessary, (together with an authoritative declaration by the Governments of Quebec and Ontario respectively, of their agreement with the Dominion Government in the matter of the amount of the debt of the Province of Canada) on or before the 15th January next. The Arbitrators may order either *mero motu*, or, upon the suggestion of the counsel, an oral argument upon such points as they may deem necessary.

“OTTAWA, 27th October, 1869.”

After which the Arbitrators adjourned to meet at Ottawa on the 1st day of the next meeting of the Parliament of Canada.

All of which is respectfully submitted.

(Signed)

E. B. WOOD.

Treasury Department, Toronto, }

Nov. 1, 1869. }

To the Hon. the Provincial Secretary.