

the other. That is our contention. Well, it has been agreed to refer this matter to arbitration—an arbitration of Judges—and if we get this matter settled it will remove one of the difficulties that have been keeping us back in connection with the settlement of the accounts. I may say in connection with that fund, that the Province of Ontario, as a Province, has nothing to gain, but rather to lose by our contention, but the Government recognize the rights of the people of the municipalities, and feel bound to do everything possible to sustain their interests and see that they are protected. The reason I say this is, that if the amount of the Award is a liability against the late Province, Ontario will have to provide five-ninths, and Quebec the other four-ninths of the sum to be paid to the municipalities, so that as regards our Province, the Treasury will not gain, but the municipalities will. The Government will do all that is possible in the interest of the municipalities; they will employ eminent counsel to have the matter decided, and I may suggest to those connected with the municipalities, that it might be advisable to name an associate counsel in connection with the counsel appointed by the Government to represent the municipalities, so that there can be no question that the rights of the municipalities will be looked after; otherwise, if the Award is found to be against Ontario's contention, some of the municipalities might think that the Government had not done its full duty in connection with the Award. I do not think that any objection would be taken to the small expense that might be incurred in connection with this, and believe that counsel employed by the Government, would be glad to have associated with them counsel, who would see that the interests of the municipalities were fully protected.

Then again, another matter that has also to be referred to arbitration is the question of what interest Ontario is liable to pay in connection with the collections that we have made on account of Common School Fund. It will be recollected that the amount now held by Ontario embraces collections made from 1867 to the present time; that the Award of the arbitrators which directed that this fund was one in which Quebec had an interest, was not made until September, 1870; that that Award was repudiated by Quebec, and not confirmed by the Privy Council until 1878. The question then arises, from what date ought Ontario to pay interest to Quebec? It would hardly be reasonable that we should pay interest on a fund before the direction was made giving Quebec an interest in it, and