

1st. Is it practicable to obtain such evidence of the actual amount of dutiable goods passing from Lower into Upper Canada, and consumed in the latter Province as will enable the Arbitrators to found thereupon an award, that would be correct, or would approximate to correctness? If this be practicable, from what sources and in what manner is such evidence to be procured?

2nd. In the absence of the evidence alluded to in the preceding question, whether or not is the comparative population of the two provinces a proper basis whereon to found an estimate of the consumption within the respective provinces, of the dutiable articles which are the subject of this Arbitration? If not, what other basis can be assumed for this purpose?

3rd. Supposing the comparative population of the two provinces, to be a proper basis for forming an estimate of the consumption of dutiable goods within the respective provinces, are there any circumstances affecting the consumption of such dutiable goods, or of any particular kinds of them, in either province, which should be admitted to modify or vary an estimate of consumption, founded on the basis of comparative population? and if so, by what means can information be procured as to such circumstances, and the extent to which they should be admitted to modify or vary such an estimate?

4th. It being stated in the report of the joint committee of the Legislative Council and Assembly of Upper Canada, bearing date the 22d December, 1821, that the commissioners of the two provinces, who concluded the last agreement, relating to the proportion of duties in the year 1817, whereby one-fifth was allotted to Upper Canada, took the comparative population of the two provinces for their basis; is it known, or can it now be ascertained what was the amount of the population of the respective provinces, which the said commissioners in 1817, made the basis of their agreement?

5th. What is the present population of the two provinces respectively, and how ascertained?

(Signed)

WARD CHIPMAN,

*Third Arbitrator under the Statute 3d. Geo : 4. Chap. 119:*

*Montreal. 18th July 1825.*

A true copy from a paper in the hands of the third Arbitrator.

(Signed)

JOHN MACAULAY,

*Secretary to the Arbitrator for Upper Canada,*

## No. 7.

*To His Excellency Sir Peregrine Maitland, Knight, Commander of the Most Honourable Military Order of the Bath, Lieutenant Governor of the Province of Upper Canada, and Major General Commanding His Majesty's Forces therein, &c. &c. &c.*

May it please Your Excellency,

When I had the honour to transmit for your Excellency's information, the late award of the Arbitrators, establishing the proportion of duties between the provinces, I did not then make known the reasons which induced me to open, and carry on the business of the arbitration, in the Lower, instead of the Upper Province, contrary to what I had reason to feel assured was your Excellency's expectation, and that generally entertained in Upper Canada.

Feeling myself bound to give such explanation, as may tend to remove the censure I may have incurred by the disappointed expectation, I beg humbly to submit the following statement.

After inspecting our respective commissions, the three Arbitrators, on the 15th July, proceeded to discuss the proportion of revenue to be allotted to Upper Canada.

The Honourable Arbitrator for Lower Canada, Mr. Richardson, then requested, that, as Upper Canada was the party making the claims, I would submit my statement.

I observed, that before entering upon the main subject of the arbitration, I had a few remarks to offer. That I had agreed to come to Montreal as had been explained in my correspondence with the honourable Mr. Irvine, and the honourable Mr. Chipman, on account of the infirm state of health of the former gentleman, and on that ground I had thus, waved the claim, which, as arbitrator for Upper Canada, I had felt myself bound to make for a meeting in that province. Three meetings had been held consequently in Lower Canada, and I felt that something was due in point of courtesy to my province. Understanding however, from Mr. Irvine, that the state of his health would not allow him to proceed to Upper Canada, I had resolved to meet that gentleman at Montreal. The unexpected resignation of Mr. Irvine, had, however, done away with the reasons on which I had acted, and I now therefore had to contend that the arbitration should, on the present occasion, be determined at some place in Upper Canada. I was perfectly ready to acquiesce in the decision of the other gentleman; but at the same time I must inform them that the government and the people of my province, desired to see one meeting within its limits, and that I was bound consequently to urge it upon the other arbitrators.

The honourable Mr. Richardson, upon hearing this statement, represented that for his part he could not think of proceeding to Upper Canada—that he had been nominated as arbitrator for Lower Canada, without his previous knowledge or consent, and that he would rather resign his commission than assent to a meeting at any other place than the present. He begged it to be understood, that his objection arose by no means from a discourteous feeling towards Upper Canada, but from the number of important duties pressing on his attention, which rendered it totally impossible for him to accede to my proposition.

The honourable Mr. Chipman expressed himself desirous that both provinces should distinctly understand his sentiments on the subject, and the motives by which he had been induced, in the first instance, to come to Montreal.

On the receipt of his commission, as third arbitrator between the Canadian provinces, he looked into the Statute under which he was to act, and for the first time attentively examined its provisions. He then wrote to the governors of the provinces, signifying the receipt of his commission, and stating that he held himself ready to repair to Canada, on being notified of the time and place where the Arbitrators would meet. He had received a letter from me suggesting a meeting in Upper Canada; but being solicitous to preserve a strict impartiality, he consulted His Excellency Sir Howard Douglass, Lieutenant Governor of New Brunswick, who approved of Mr. Chipman's intention of proceeding to Montreal in the first instance, and there waiting for the Arbitrators of the Provinces. He appointed the 30th day of June, as the period when he would be at Montreal. It could not of course be other than a matter of perfect indifference as it respected himself, in what town the meeting was held. He felt in no wise concerned in the meetings of former Arbitrators—he knew nothing on the subject, nor could he give any opinion relative to the point of courtesy between the provinces; he was under the impression that the Arbitrators for the respective provinces, would, between themselves, have agreed upon the place of meeting; he had accordingly resolved to repair to Montreal, which was the first place he could reach in Canada, and was besides rather central between York and Quebec—the places where the respective Arbitrators for the provinces resided.