

" MONTREAL, May 16th, 1857.

" I. H. SMITH,  
" New York,

9 "In continuation of my letter of to-day. \* \* You to furnish me with a full statement of your operations from 1837 to 1849, that all books and papers of I. H. & J. B. Smith and I. H. Smith & Co. of New York, to be furnished by you, and also books and papers of I. H. & J. B. Smith and the old firm of J. B. Smith & Co. of Montreal to be furnished by me, that all commercial transactions (if any) of J. B. Smith from 1839 to 1849 shall be so furnished by me. Three merchants of standing and respectability residing in the city of Montreal to be chosen as arbitrators and all of said books and papers to be at the free use of the arbitrators. The arbitrators, after as full an examination as may require, shall state their award in writing, stating the amount of money (if any) that they may have found in your hands, that *legally* or *rightfully* belongs to me, or the old firm of J. B. Smith & Co., that amount so found shall be returned two (\$2.00) dollars for each dollar so found, payable with interest from the day of the receipt thereof, and J. B. Smith to do the same. The losing party shall pay all costs and expenses of said arbitrators. That I. H. Smith and J. B. Smith shall each deposit in the hands of said arbitrators *before* said arbitration commences, a sum of money not less than (\$10,000,) ten thousand dollars. The said arbitrators shall pay over to the *rightful* owner \$2.00 for each dollar so found, and payable with interest—and further, said I. H. Smith and J. B. Smith shall also deposit with the arbitrators good and sufficient security for \$10,000 *cash*, that the arbitrators may be more fully prepared with money and security to carry out the terms of said arbitration, and that I. H. Smith and J. B. Smith shall give security that the losing party shall pay all expenses of arbitration. You will notice this is not betting money, so there is no illegality. \* \* Should my proposition not be met by you, I again repeat that I wish this to end all correspondence on the matter." \* \*

Signed,

J. B. SMITH."

The reader will notice that the above is written as an *ultimatum*, and that he now requires \$10,000 to be put up by *each*