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Courtney took the memo. into the adjoining room to show to Sir Leonard Tilley, and gave the Treasurers to understand that Sir Leonard approved of it.

Mr. Courtney promised to have the accounts made out in accordance therewith. The Treasurers called upon Sir Leonard to pay their respects to him before leaving, and Sir Leonard expressed his pleasure at the amicable nature of their conference with Mr. Courtney, and his gratification that they had come to an agreement. The foregoing is the substance of Mr. Wood's evidence of what took place at this interview.

The memorandum signed by the Treasurers and approved of by Sir Leonard and Mr. Courtney, was as follows:—

MEMORANDUM WITHOUT PREJUDICE.

The Treasurers of the Provinces of Ontario and Quebec having met to discuss the subject of a settlement of accounts between the two Provinces and the Dominion, are of opinion that before proceeding thereto, it is expedient that a statement of accounts between the Dominion and each of the two Provinces should be prepared, showing for each year on the debit side the various amounts paid, giving date or average date and the various amounts chargeable to each Province, and on the credit side the amount of subsidy, of interest on school funds, on widows' pensions and uncomputed stipends, Upper Canada and Lower Canada, on the amount coming to each Province under the award for the library and on Common School lands and Crown Lands, improvement funds and other services. They are further of opinion that a balance should be struck yearly, and that in arriving at such a balance, interest should be allowed or charged half-yearly, and that the amounts determined by award to be taken as the basis so far as it applies to the statement in question.

The Treasurers therefore beg to request that such a statement be prepared and furnished to them at an early date, and that all special funds be carried to the credit of the Province to which they respectively appertain, as on 1st July, 1867.

S. C. WOOD,
Treasurer of Ontario.

J. WURTELE,
Treasurer of Quebec.

Ottawa, 23rd November, 1882.