

owned beneficially at that time Bridewell and other grounds adjoining, of the value of \$20,066. The total value of all this property at that time was approximately as follows:—

Present Hospital and Poor House grounds	\$ 60,000 00
Bridewell, &c.	20,066 00
Cost of Hospital building,	38,000 00
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	\$128,066 00

In addition to this the City was beneficially entitled to \$20,000, bequeathed by the late William Murdoch, for the use of the Halifax City Hospital. The then Commissioners of the Poor were under no statutory obligation to provide for paupers other than those legally chargeable to the City of Halifax, but they did to a very large extent provide for transient and non-resident paupers, their maintenance being charged to the Provincial Government.

2. In the session of 1866, what may be called a partnership between the Province and the City in regard to the Hospital and the Asylum, was created by Chapter 42 of the Acts of that year. Further legislation was had in 1867 and 1868 to carry out what was evidently the original intention of the legislature, and the substantial effect of such legislation was as follows:—

(a) All the property above mentioned was vested in a new Board, called "the Commissioners of the Hospital and Poors' Asylum," composed of twelve persons—eight appointed by the Government, three by the Council, and the Mayor.

(b) A new Poors' Asylum was to be erected and paid for, first by the proceeds of the sale of Bridewell, &c., the balance being contributed two-thirds by the Government and one-third by the city.

(c) Paupers in the Poor House were to be supported as before, the City Council providing for city paupers and the Government for all others.

(d) "The annual expense of the Hospital" was to "be paid and borne two-thirds by the Government and one-third by the City Council."

3. In pursuance of this legislation, Bridewell, &c., was sold and realized the net sum of \$20,066, which went into the erection of an Asylum building (the one recently burnt) on the present Poor House grounds. Of the balance necessary to erect the building, the Province contributed about \$60,000 and the City \$30,000, so that the total amount of the City's contribution in cash was \$50,066 to the Government's \$60,000.

4. It will thus be seen that towards this partnership the Government contributed only the sum of \$60,000, while the City contributed in actual cash the sum of \$88,066, and lands of the value of at least \$60,000, making together \$148,066; these lands being, however, charged with the \$38,000 borrowed for the Hospital.

5. In 1878 the partnership assets and the corporate functions of the Board were, without the city's assent, transferred to the Board of Charities—a Government Board in which the City Council was practically unrepresented, the Mayor being the city's only representative, and he being an *ex officio* member only.

6. Shortly after the legislation of 1868 was passed, the City Council became dissatisfied with the manner in which the Board's accounts against the city were made up. For two years it refused to assess or estimate for the service, and in 1875 an able report of the committee of Public Accounts was adopted, in which the injustice that was being done to the city was clearly shown. As instances of such injustice the following may be mentioned: The statute provided that "the annual expense of the Hospital" should be borne two-thirds by the Government and one-third by the city. Any accountant will say that the \$2,280, the annual interest on the City Hospital debentures was a portion of the "annual expense of the Hospital"; yet the city was yearly asked to pay and paid this amount on account of the City Hospital, and in addition paid one-third of all other expenses beside. The result was that the city contributed nearly one-half instead of one-third of "the annual expense of the Hospital." Another instance may be given. The Commissioners collected annually about \$1200 interest on the Murdoch bequest. That money was left for the benefit of a city institution, and the city was entitled to the benefit of it, yet the annual interest was *not* credited to the city, but to the partnership—the Province taking an advantage to which it was not entitled and which Mr. Murdoch never dreamed of. It appears that the City Council after 1875 was threatened with litigation in connection with the Board's claim, and it (as I think) unwisely paid up the full amount of the demand made on it. Though complaints were from time to time afterward made in the Council about the matter, no effective efforts were ever made to have the matter complained of remedied, and it became in the opinion of the arbitrators (as I am told) a "stale" demand—unenforceable on the ground of acquiescence by the city authorities.

7. During the existence of the partnership there was expended in permanent improvements and furniture in connection with the Hospital over the sum of \$45,000, of which amount the city contributed one-third.