

Whereas it was in and by the Act of the Parliament of Canada, 54-55 Victoria, chapter 6, in and by an Act of the Legislative Assembly of Ontario, 54 Victoria, chapter 2, and in and by an Act of the Legislature of Quebec, 54 Victoria, chapter 4, among other things, provided that for the final and conclusive determination of certain questions and accounts which had arisen or which might arise in the settlement of accounts between the Dominion of Canada and the Provinces of Ontario and Quebec, both jointly and severally, and between the two Provinces concerning which no agreement had theretofore been arrived at, the Governor-General in Council might unite with the Governments of the Provinces of Ontario and Quebec in the appointment of three arbitrators, being judges, to whom should be referred such questions as the Governor-General and Lieutenant-Governors of the provinces should agree to submit.

And whereas we, the undersigned, John Alexander Boyd, Louis Napoléon Casault and George Wheelock Burbidge, have been duly appointed under the said Acts and have taken upon ourselves the burdens thereof.

And whereas it was provided in and by the said Acts that such arbitrators, or any two of them, should have power to make one or more awards, and to do so from time to time.

And whereas certain questions relative to the making up of such accounts have arisen between the said parties, that is to say :

Firstly.—It is contended on behalf of the Dominion of Canada that interest should be calculated upon the debits and credits forming the Province of Canada account, from the date of each payment up to the 31st December, 1867, and the amount of the interest so calculated to be deducted from the subsidy payable on the 1st of January, 1868. And that a similar course should be pursued each half year down to and including the subsidy payable on the 1st January, 1873.

While for the Provinces of Ontario and Quebec it is contended that interest only on the excess of debt, as actually ascertained on the 1st July, 1867, should be deducted from the subsidy payable on the 1st January, 1868, and that no interest on the intermediate debits and credits in the said account, between the 1st July, 1867, and 1st January, 1868, should be allowed to form part of the deduction to be made from the subsidy so payable as aforesaid on the 1st January, 1868. That from each succeeding subsidy, up to and including 1st January, 1873, the interest to be deducted should be calculated for six months upon the actual balance of excess of debt as ascertained six months before the deduction is made.

Secondly.—It is contended for the Dominion of Canada that on the 23rd May, 1873, after crediting the Province of Canada account with the sum of \$10,506,088.84, the balance of that account should be carried into the separate accounts of the Provinces in the proportions of the award of 1870, and that the Province of Canada account should be continued thereafter down to the 31st December, 1892, as provided in the agreement of submission.

While for the Provinces of Ontario and Quebec it is contended that the balance of the Province of Canada account on the 23rd May, 1873, after crediting that account with the sum of \$10,506,088.84, should not be carried into the respective accounts of the Province, but that the Province of Canada account should be continued down to the 31st December, 1892, as provided in the agreement of submission.

Thirdly.—It is contended for the Dominion of Canada that interest upon the excess of debt as it existed on the 1st January, 1873, should be calculated up to the 23rd May, 1873, and charged to the Province of Canada account on that date.

While for the Provinces of Ontario and Quebec it is contended that no such interest on the excess of debt is chargeable after the 1st January, 1873.