

in settling the claims against that Province, arising out of the disputed territory fund, between the old Province of Canada and the Province of New Brunswick, did not appear upon the 15th instant, the day fixed for that purpose; and that the examination therefore did not take place.

In connection with this matter, the undersigned desires to invite the attention of the Privy Council to the following facts:

The Order-in-Council of the 16th May last, providing for the appointment of Commissioners to represent the Dominion Government and that of New Brunswick, to settle the disputed territory fund and the cognate matters connected therewith, stipulated that the Commissioners were to take up the subject from the point at which Messrs. Harding and Dawson made their last report.

The Government of New Brunswick, in a despatch and enclosures from the Lieutenant-Governor, of the 26th ultimo, whilst agreeing to the appointment of a Commissioner to act on their behalf, were nevertheless averse to restricting the enquiry as proposed by the Order in Council of the 16th May, contending that the Commissioners ought not to be so limited in their enquiry, but that such enquiry should extend to and embrace the entire subject of the disputed territory fund, and the cognate matters in relation thereto, or that the question of extending the enquiry beyond and before the time when Messrs. Harding and Dawson made their last report, should be referred, among other matters, to the arbitration of the Commissioners. This Government was not prepared to accede to the above proposition, and the New Brunswick Government was so informed by the undersigned by telegraph on the 3rd instant. A copy of this telegram, the terms of which are confirmed by Order in Council of the 10th instant, is enclosed.

To this telegram a reply has been received from the New Brunswick Government, under date of the 9th instant, declining, for reasons given in a memorandum of the Provincial Secretary, of which a copy is enclosed, to consent to its terms.

Under these circumstances, and inasmuch as the Commissioner appointed by New Brunswick failed to appear on the day named for the investigation, the undersigned recommends that the Orders in Council of the 16th and 19th May last, and of the 10th instant, providing for the appointment of Commissioners by the Dominion Government and the Government of New Brunswick, respectively, for the settlement of these claims, be rescinded, and that the Order in Council of the 31st March last, instructing the Auditor-General to audit and settle the claims connected with the said Fund, be acted upon.

(Signed)

J. C. AIKINS,
Secretary of State.

OTTAWA, July, 1879.

SIR,—I have the honour to give you an abstract of the result of my examination of the claim of Messrs. Glasier and Tibbits against the Government of New Brunswick.

Messrs. Harding and Dawson gave evidence before me, and I was supplied with several documents by Mr. Dawson, which, unitedly, make it sufficiently clear to my mind how the matter stands, presuming that the investigation should begin from the point where the report of Messrs. Harding and Dawson left it.

Mr. Harding, unfortunately, lost some of his papers by the St. John fire, and very naturally did not pretend to be able to speak with accuracy from memory of what took place more than twenty years ago.

He gave, from a document which he had saved from the fire, figures which made the result at the farthest within £500 of what the testimony of Mr. Dawson would make it.

I have assumed Mr. Dawson's figures to be the more correct, because,

1st. He has been following up the question continually, while it has been dismissed from Mr. Harding's mind.