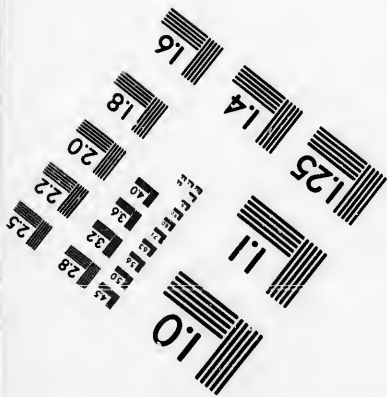
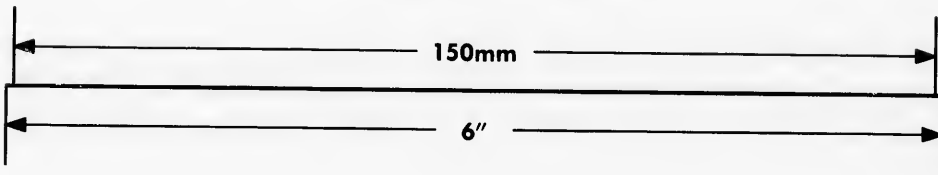
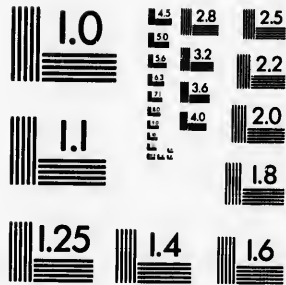
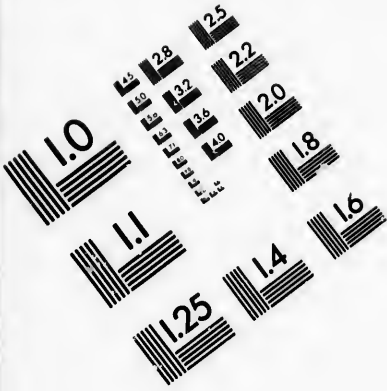
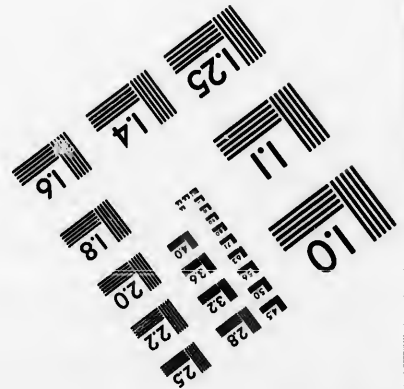


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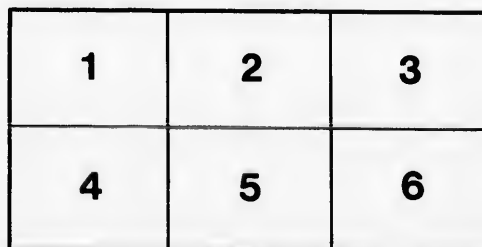
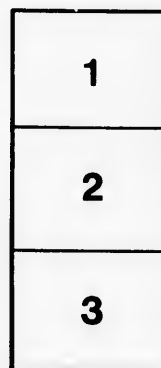
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MUNICIPAL LOAN FUND.

DISTRIBUTION SCHEME,

COMPOSED OF

SCHEDULES TO THE ACT AND RAILWAY TABLES,
REVISED AND SETTLED,

TOGETHER WITH

CALCULATIONS AND CORRESPONDENCE
RELATING THERETO.



TORONTO:

PRINTED BY HUNTER, ROSE & CO., 86 AND 88 KING STREET WEST.

1874.

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To The Hon

MUNICIPAL LOAN FUND.

COPY OF A MINUTE OF COUNCIL approved by His Excellency the Lieutenant-Governor, the twelfth day of February, A.D. 1874 :

Upon consideration of the Report of the Honorable the Treasurer, dated the 12th February, 1874, the Committee of Council advise that the annexed schedules be approved of by Your Excellency, and stand as the schedules to the Act intituled "An Act respecting the Municipal Loan Fund Debts," and respecting certain payments to Municipalities (36 Vic. cap. 47) within the intent and meaning of the third section of the said Act, except in so far as the amounts in the said schedules mentioned to be payable to the Corporations of the Counties of Huron and Bruce respectively, are concerned, which are to be taken as provisional, until further enquiry, as mentioned in the remarks contained in the said schedules in relation thereto.

Certified,

J. G. SCOTT,

Clerk Executive Council of Ontario.

Dated 12th February, 1874.

TORONTO, 12th February, 1874.

The undersigned having had under consideration the annexed certificate of the Hon. William Cayley, Auditor, and C. A. Brough, Esq., appointed to examine into the correctness of the schedules to the Act 36 Vic. cap. 47, intituled "*An Act respecting the Municipal Loan Fund Debt,*" "*and respecting certain payments to Municipalities,*" with the corrected schedules, begs respectfully to recommend that the said schedules so corrected, be approved of by His Excellency in Council, and do stand as the schedules to the said Act, within the intent and meaning of the 3rd section thereof, except in so far as the amounts in the said schedules mentioned to be payable to the Corporations of the Counties of Huron and Bruce respectively, are concerned, which are to be taken as provisional, until further enquiry, as mentioned in the remarks contained in said schedules in relation thereto.

Respectfully submitted,

A. CROOKS,
Treasurer.

TORONTO, 11th February, 1874.

The undersigned beg to report that having been directed to examine the schedules to the Act 36 Vic. c. 47, intituled "*An Act respecting the Municipal Loan Fund Debt, &c.,*" they have found certain errors within the 3rd section of said Act in such schedules, and that they have corrected such errors, and now submit herewith the said schedules as so corrected by them.

WM. CAYLEY,
Auditor.

C. A. BROUGH,

To The Hon. The Treasurer of Ontario.

TREASURY DEPARTMENT,
February 12th, 1874.

The undersigned begs to submit, for the information of His Excellency in Council, concurrently with his recommendation approving of the corrected Schedules under the 3rd section of the Act 36 Vict., cap. 47, the following report, upon the contentions of the Corporations of the Counties of Perth and Huron, and of the Town of Goderich respectively, for adopting new modes of calculating the Railway allowance to which they became respectively entitled under the said Act, and the resolutions and proceedings of the Legislative Assembly upon which the said Act is based.

The contentions referred to comprise the following:—

1st. That interest on the railway allowance should be computed at the rate of 6 per cent., from the date of the contraction of the debt until 1861.

2nd. That interest should be allowed from the 1st of January, 1873, till 1st February, 1874.

3rd. That the amount of the Railway allowance should be deducted from the amount of the original debt at the date of its contraction, and the interest and payments on account be computed accordingly.

All of these questions had been considered and disposed of during the year 1873, as will appear by the correspondence passing between the Government and the Municipalities; and the Government felt itself unable to agree with the views then contended for by the Municipalities, and the corrected schedules annexed to my recommendation of this date, have been settled solely according to the mode of computation adopted in the tables and statements laid before the Legislative Assembly as the basis for the schedules then submitted for its consideration, and which mode was to deduct the railway allowance with compound interest at 5 per cent. from the date of the creation of the debt, from the amount of debt due the Municipal Loan Fund as shown in the official books relating to that Fund.

The points firstly and secondly contended for do not require to be specially noticed in this Report further than to mention that the rate of interest on the railway allowance was stated in the tables submitted to the Legislative Assembly to be at the uniform rate of 5 per cent., and that the 1st of January, 1873, is the date fixed by the tables and the resolutions of the Assembly for ascertaining and stating the balances of all debts due the Municipal Loan Fund.

The third question, however, requires to be particularly mentioned, inasmuch as it had been assumed that this mode would increase the amount of debt, but the undersigned has had several calculations made according to that contention in order to practically test the result, and he finds that if it were adopted the difference would be substantial; thus, in the case of the County of Perth, the debt would be decreased about \$8000, and it would alter the amounts settled in respect of thirty-five municipalities.

The only ground upon which this contention can be sustained is, that by a literal reading of the language of the resolution, the amount of the railway allowance is to be allowed as a payment at the date of the debt therefor being contracted; but, if the circumstances of the Fund to be dealt with, and the circumstances also existing when the resolutions were considered and adopted by the House of Assembly are regarded, the language of the resolution must be construed so as to harmonise and not conflict with these circumstances.

The debt contracted was represented by the debentures issued on the credit of the Fund, and it was these debentures which the municipality was bound to redeem by the required payments for interest and sinking fund. The railway allowance can only therefore be properly referred to as a means of assisting in the redemption, and a literal reading of the resolution is consequently inapplicable.

Again, the statements and tables laid before the House of Assembly as the basis for its consideration of the proposed resolutions were specific, in taking as the debt of each

municipality to be dealt with the amount, appearing in the official books, relating to the Municipal Loan Fund debts, as kept by the late Province of Canada, and handed over to this Province, and the railway allowances were in these statements computed with compound interest at 5 per cent. from the date of the creation of the debt, and deducted from the amount of debt as so shown in the official books.

The Legislative Assembly in passing the resolutions must be taken to have done so upon this system of adjustment as to the railway allowance, and which was the only one submitted or suggested.

The undersigned further considers that the alterations sought by the mode of computation contended for does not involve an error within the true meaning of the third section of the Act; but, in truth, the adoption of a principle different from that actually sanctioned by the Legislature, and therefore without the powers conferred upon your Excellency in Council by the said Act.

Upon the foregoing grounds, the undersigned respectfully recommends your Excellency in Council not to concur in any of the contentions referred to.

Respectfully submitted

(Signed) ADAM CROOKS.

MENT,
2th, 1874.

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MUNICIPAL LOAN FUND

REVISED SCHEDULES

Showing the position of Accounts or amount of Indebtedness between the Province of Ontario and Municipalities as of 1st January, 1873.

SCHEDULE A.

MUNICIPALITY.	REMARKS.
Dundas Town.....	
Norwich, now North and South Norwich.....	
Prescott	
Simcoe	
Wyndham	
Woodhouse	
Woodstock	

The debts of these Municipalities were cancelled by the Municipal Loan Fund Act.

SCHEDULE B.

Municipalities still indebted to the Municipal Loan Fund after receiving Credit for the several Allowances provided in the Resolutions, and whose debts are not reduced by either the 5 cent rule or the 9 cent rule.

SCHEDULE B.

Municipalities still indebted to the Municipal Loan Fund after receiving Credit for the several Allowances provided in the Resolutions, and whose debts are not reduced by either the 5 cent rule or the 2 cent rule.

MUNICIPALITY.	Schedule to Act.	Revised Schedule.	REMARKS.
COUNTIES.			
Northumberland and Durham	223,665 31	223,665 31	As the result of an agreement made between the County of Perth and the Town of St. Mary's, on the separation of the Town from the County, St. Mary's is entitled to receive a share of the allowance made to the County of Perth, in respect of the Buffalo and Lake Huron Railway, and the County is only entitled to be credited on its debt, with the balance of such allowance. In a return prepared by St. Mary's, 1-12th of the allowance, and the County to the balance. It was stated that St. Mary's was entitled to that St. Mary's was entitled to the balance. It was, however, subsequently made to appear (16-17ths) sixteen-seventenths.
Perth	143,708 05	138,757 64	
CITIES.			
Ottawa	37,113 88	36,728 47	When the schedules to the Act were prepared, the Government had no exact information as to the sums retained from indebted municipalities in respect of the Clergy Reserve moneys, and the figures upon which the calculations were based, were (as was stated in the House) an approximation only to the exact figures. Since the schedules to the Act were prepared, a return, showing the exact amounts retained, has been received from the Dominion Government; from this return, it appears that Ottawa is entitled to a larger credit in respect of Clergy Reserve moneys than it received.
TOWNS AND TOWNSHIPS.			
Barrie	2,128 68	2,165 90	Barrie is not entitled to so large a credit in respect of Clergy Reserve money retained as it had been credited with. See remarks on Ottawa.
Cornwall	252 19	1,080 19	Cornwall had received credit for two sums which were supposed to have been retained from it out of Clergy Reserve moneys. By the corrected returns, it appears that the sums had been subsequently paid. See remarks on Ottawa.
Guelph	52,221 62	49,669 31	Guelph is entitled to interest on four-sevenths of its Railway allowance for a longer period than that for which it had been allowed in preparing the schedules to the Act, viz. from December, 1853, instead of from September, 1853. Guelph is also entitled to a larger allowance in respect of Clergy Reserve moneys retained. See remarks on Ottawa.
St. Catharines	165,182 48	160,571 52	There was an error in the calculation in the portion of the allowance of \$2 per head to be applied on the local debt of St. Catharines. St. Catharines is also entitled to a larger share of Clergy Reserve moneys retained. See remarks on Ottawa.

SCHEDULE B.—Continued.

(2)—Municipalities indebted to the Municipal Loan Fund, whose debts are reduced by the 5 cent rule.

MUNICIPALITY.	Schedule to Act.	Revised Schedule.	REMARKS.	
	\$ cts.	\$ cts.		
TOWNS AND TOWNSHIPS.				
Brantford Town	194,018 89	194,018 89	This debt has been settled by the arrangement with the Canada Central Railway. This debt has been reduced by the application of the principle established in the case of the Township of Hope. This debt has been reduced by the application of the principle established in the case of the Township of Hope. An error was made in the calculation. This debt has been reduced by the application of the principle established in the case of the Township of Hope.	
Chatham	103,478 29	103,478 29		
Elizabethown Township	98,847 23	98,847 23		
Goderich	93,854 55	93,932 22		
Port Hope	130,462 40	92,518 73		
Hope Township	36,546 95	34,949 03		
Peterborough	72,430 46	72,430 46		
Stratford	77,797 79	55,408 26		
COUNTIES.				
Laurel and Renfrew	322,069 93	322,069 93		

This debt has been settled by the arrangement with the Canada Central Railway.

SCHEDULE B.—Continued.

(3)—Municipalities indebted to the Municipal Loan Fund, whose debts are reduced by the 5 cent rule, and further reduced by the 2 cent rule.

MUNICIPALITY.	Schedule to Act.	Revised Schedule.	REMARKS.
	\$ cts.	\$ cts.	
Brockville	135,375 00	135,375 00	This debt has been settled by the arrangement with the Canada Central Railway. Error of the press. Owing to erroneous information as to the amount of aid given by the Town of Niagara towards the construction of the Erie and Niagara Railway, the proportion of the allowance in respect of that Railway with which Chippawa was credited was much smaller than it should have been. The revised calculations show that Chippawa should be credited with \$1,670, instead of being charged with \$3,338 62.
Colourg	69,580 00	69,580 00	
London	48,038 04	48,038 04	
Niagara	14,944 04	14,944 04	
Oranith Lindsay	47,914 80	37,915 00	
Chippawa	3,338 62	.....

SCHEDULE C.

(1)—Municipalities which have sums to receive, besides their debts to the Municipal Loan Fund, being satisfied.

Error of the press.
 Owing to erroneous information as to the amount of aid given by the Town of Niagara towards the construction of the Erie and Niagara Railway, the proportion of the allowance in respect of that Railway with which Chippawa was credited was much smaller than it should have been. The revised calculations show that Chippawa should be credited with \$1,670, instead of being charged with \$3,338 62.

SCHEDULE C.

(1)—Municipalities which have sums to receive, besides their debts to the Municipal Loan Fund, being satisfied.

MUNICIPALITY.	SCHEDULE TO ACT.	REVISED SCHEDULE.	REMARKS.
COUNTIES.	\$ cts.	\$ cts.	
Bruce	116,379 40	115,315 89	
Elgin (exclusive of St Thomas)	73,332 33	72,818 78	
Essex	15,057 06	46,057 06	
Grey	117,376 10	117,376 10	
Huron (exclusive of allowances to Town of Goderich and Townships of Stanley and Howick)	249,112 73	249,112 73	
Hastings (exclusive of population allowance allotted to Belleville)	12,505 07	12,505 07	
Lincoln (exclusive of population allowance allotted to the Towns of St. Catharines and Niagara)	35,031 46		
Lambton	59,425 82		
Oxford	70,985 87		
TOWNS AND TOWNSHIPS.			
Belleville, County Hastings	7,946 39		
Bertie		8,436 86	
Brantford Township, County Brant	24,986 70		
Brantford Township, County Brant	63,586 14		
Canborough, County Haldimand	6,148 13		
Moulton and Sherbrooke	20,593 74		
Middleton, County Norfolk	4,917 74		
Paris	33,747 78		
Stanley	15,082 89		
Wainfleet	21,658 25		
Wainfleet " Welland		21,658 25	

The amount in the Revised Schedule is only provisional, till certain questions between Huron and Bruce are determined, which may involve a special enquiry. The aggregate amount to be paid to the two Counties is settled, but the proportion to be received by each is not yet determined. The difference arises from Bruce having been erroneously credited in the Schedule to the Act, with \$1,063.51, in respect to Clergy Reserve moneys retained. Since last Session the claim of McMillan and Biddulph, as to the Railway allowance against Huron and Bruce, was referred to a Commission, and an application is pending to review their report in order to offer further material evidence. In Schedule to the Act, Elgin was credited with a portion of the Railway allowance belonging to St. Thomas.

See note to Bruce.

In the Schedule to the Act the allowances to the Townships of Coizeur and Gainsborough are included, these Townships are treated separately in the Revised Schedule, as by 26 Vic. cap. xiii, they are exempt from contributions to the debt of the County of Lincoln.

Lambton is organized differently for electoral and municipal purposes; by the census for 1871 the organization for electoral purposes was followed, and in preparing the Schedule to the Act the difference was overlooked.

This difference arises from variations in the census returns.

In the Schedule to the Act, Belleville was not credited with anything in respect of Clergy Reserve moneys retained, payments by the returns received from the Dominion Government. Belleville is entitled to \$46,396. See remarks on Ottawa, Schedule B.

In the Schedule to the Act the allowance for Fort Erie was included.

In the Schedule to the Act the Townships of Brantford was improperly credited with \$839.50 in respect of Clergy Reserve moneys retained. See remarks on Ottawa, Schedule B.

In the Schedule to the Act the allowances for Dunnville were included.

In the Schedule to the Act, by an error of the press, \$33,747.78 was printed instead of \$94,747.78. In the Schedule to the Act also, Paris was credited with \$8,337.00 much, in respect of Clergy Reserve moneys retained. See remarks on Ottawa, Schedule B.

In the Schedule to the Act Stanley was improperly credited with \$910 in respect of Clergy Reserve moneys retained. See remarks on Ottawa, Schedule B.

SCHEDULE C.—Continued.

(2).—Sums going to Municipalities which were not indebted to Municipal Loan Fund.

MUNICIPALITY.	Schedule to Act.	Revised Schedule.	REMARKS.
Brant (exclusive of the Towns of Brantford and Paris, the and Township of Brant)	29,290 00 43,478 00	29,290 00 43,478 00	
Frontenac:			
Haldimand (exclusive of Cambridge, Moulton and Sherbrooke, and Village of Dunnville)	32,620 00	54,626 00	The County of Carleton is organized for electoral purposes in a different manner from that in which it is organized for municipal purposes. By the Census of 1871, the organization for electoral purposes was followed, and in preparing the schedules to the Act, this difference was over-looked.
Kent (exclusive of Chatham)	43,086 00	40,182 00	County of Frontenac organized differently for electoral and municipal purposes. See remark on Carleton.
Leeds and Grenville (exclusive of the Towns of Brockville and Prescott, Townships of Elizabethtown and Oxford, and Village of Kemptville)	43,212 00 69,522 00	43,212 00 69,522 00	In the Schedules to the Act, the population allowance of Dunnville was included; this is now calculated separately.
Lennox and Addington	81,350 00	79,806 00	In the Schedule to the Act, the population allowance of Kemptville was included; this is now calculated separately.
Middlesex	75,416 00	53,410 00	The United Counties of Lennox and Addington are organized differently for electoral and municipal purposes. See remarks on Carleton.
Norfolk (exclusive of the Town of Simcoe, and Townships of Middleton, Windham and Woodhouse)	156,078 57	157,078 57	Error of the press.
Ontario (exclusive of Thorah, Uxbridge and Scott)	33,958 00	33,958 00	
Peel (exclusive of Albion and Caledon, and Village of Bolton)	72,776 00	62,426 00	In the Schedule to the Act, the population allowance of the Township of Brock was included; this is now calculated separately.
Peterborough (exclusive of Town of Peterborough)	32,738 00	32,738 00	The Village of Bolton was not separated from the Township of Albion until after the Census of 1871.
Prescott and Russell	49,434 00	52,686 00	Prescott and Russell are organized differently for electoral and municipal purposes. See remarks on Carleton.
Prince Edward	71,982 00	40,672 00	
Simcoe	40,672 00	113,738 00	
Storham	113,738 00	112,510 00	In the Schedule to the Act, the population allowance of the Townships of Elkon, Bealey, Somerville and Laxton, are included, and allowances to Townships of Macanley, Stephenson, Draper, Ryde and Oakley are excluded. See note to Muskoka.
Victoria (exclusive of Ops and Lindsay)	112,510 00 45,662 00	38,460 00	In the Schedule to the Act, the population allowance of Galt is improperly included. This is now calculated separately.
Waterloo (exclusive of Berlin and Preston)	72,200 00	64,546 00	
Welland (exclusive of Bertha, Chippewa and J. W. Wisniewski)	33,464 00	36,794 00	In the Schedule to the Act, the population allowance of Fort Erie was included. This is now calculated separately.
Wellington (exclusive of Guelph, Township of Guelph Township, Elora, Ferguson, Maryborough, Mineo, Nichol, Peel, and Orangeville)	62,148 00	46,770 00	
Wentworth (exclusive of Dundas)	53,496 00	55,496 00	In the Schedule to the Act, the population allowances of Amaranth, Arthur and Mount Forest were included; these are now calculated separately.
York (exclusive of Scarborough and Markham)	94,230 00	94,230 00	

SCHEDULE C.—Continued.

(2).—Sums going to Municipalities which were not indebted to Municipal Loan Fund.

SCHEDULE C.—Continued.

(2).—Sums going to Municipalities which were not indebted to Municipal Loan Fund.

MUNICIPALITY.	Schedule to Act.	Revised Schedule.	REMARKS.
DISTRICTS.			
Algoma	10,014 00	10,014 00	
Manitoulin	4,022 00	4,022 00	
Muskoka	10,800 00	6,012 00	Since the census of 1871, the Townships of Macaulay and Stephenson, and also the United Townships of Draper, Eyde, and Oakley have been separated from Muskoka and added to County of Victoria.
Nipissing	3,582 00	3,582 00	
Perry Sound	3,033 00	3,038 00	
CITIES.			
Hamilton	83,895 80	43,083 97	The amount of the City of Hamilton, "Sterling interest account," has been deducted.
Kingston	24,814 00	24,814 00	Reduced by corrected adjustment of Railway allowances. See notes to Albion and Baxley (inf.)
Toronto	167,764 00	165,984 08	
TOWNS AND TOWNSHIPS (Not included in the foregoing.)			
Albion	14,575 00	13,785 43	The Village of Bolton was included in the Schedule to the Act. Changes have also been made as to the allowance in respect of the Toronto, Grey and Bruce Railway. Certain municipalities entitled to share in the allowance made in respect of the railway were omitted when the Schedules to the Act were prepared (viz., Amaranath, Arthur and Mount Forest), and the length of the line in respect of which aid is to be granted has been increased from 48 miles to 72 miles.
Amaranath	8,385 00	8,385 00	See note to Albion.
Arthur	4,069 00	4,069 00	See note to Albion.
Berlin	21,125 52	21,125 52	See note to Albion.
Baxley	2,608 03	2,608 03	This place is entitled to an allowance in respect of the Toronto and Nipissing Railway, and was improperly omitted in the Schedule to the Act.
Bolton	1,928 57	1,928 57	See note to Baxley.
Brock	15,783 37	15,783 37	See note to Baxley.
Caustar	4,332 00	4,332 00	This place was included in the County of Lincoln in the Schedule to the Act as, however, it is exempt from contribution to the County debt by 26th Victoria, chapter xiii, it has been treated separately.
Caledon	15,038 00	16,320 00	There has been a change in the distribution made in respect of the Wellington, Grey and Bruce Railway.
Ellice	4,565 00	5,177 83	See note to Elton.
Elton	4,901 00	10,885 36	See note to Elton.
Fergus	4,901 00	5,513 83	See note to Elton.
Gainsborough	13,654 00	6,032 00	See note to Caustar.
Galt	13,654 00	13,654 00	

Welland (exclusive of Bertie, Chippawa, and Weainfeeth).
 Wellington (exclusive of Guelph Township, Guelph Town, Elora, Fergus, Maryborough, Minto, Nichol, Peel, and Orangeville).....
 Wentworth (exclusive of Dundas).....
 York (exclusive of Scarborough and Markham).....

In the Schedule to the Act, the population allowances of Amaranath, Arthur and Mount Forest were included; these are now calculated separately.

In the Schedule to the Act, the population allowances of Amaranath, Arthur and Mount Forest were included; these are now calculated separately.

In the Schedule to the Act, the population allowance of Fort Erie was included. This is now calculated separately.

33,464 00
 36,794 00
 62,148 00
 55,496 00
 94,230 00

46,770 00
 55,496 00
 94,230 00

SCHEDULE C.—Continued.
 (2)—Sums going to Municipalities which were not indebted to the Municipal Loan Fund.

MUNICIPALITY.	Schedule to Act.	Revised Schedule.	REMARKS.
Guelph Township	\$ cts 14,397 72	\$ cts 15,144 50	Guelph Township was entitled to interest on its Railway allowances for a longer period than that for which interest had been allowed, viz., from December, 1853, instead of from September, 1855 only.
Howick	28,542 73	29,769 38	See note to Elora.
Kempville	.....	4,762 75	This was included in the Township of Oxford.
Laxton, Digby and Longford	.....	3,658 35	See note to Bexley.
Markham	21,344 00	19,564 03	See note to Bexley.
Maryborough	15,112 00	17,563 26	See note to Elora.
Minto	19,914 00	23,903 79	See note to Elora.
Mono	13,428 00	14,710 00	See note to Albion.
Mount Forest	.....	5,740 00	See note to Albion.
Nichol	7,043 00	7,655 83	See note to Elora.
Orangeville	4,739 00	5,166 00	See note to Albion.
Oxford Township	24,334 94	21,061 10	This included the Railway allowance of Kempville, which place is now treated separately.
Peel	17,764 00	20,215 26	See note to Elora.
Preston	19,790 33	21,251 58	Preston was entitled to interest on its Railway allowance for a longer period than that for which interest had been allowed, viz., from December, 1853, instead of from September, 1855 only.
St. Thomas	14,396 50	14,918 09	St. Thomas' share of the Railway allowance to the County of Elgin is included here.
Scarborough	10,910 00	10,316 69	See note to Bexley.
Somerville	.....	3,778 03	See note to Bexley.
Scott	.....	6,636 69	See note to Bexley.
Thorah	7,230 00	23,389 00	See note to Bexley.
Thornburg	25,590 00	14,967 37	See note to Bexley.
Wallace	17,924 00	5,484 55	See note to Elora.

Unindebted Towns and Villages separated from Indebted Municipalities.

MUNICIPALITY.

Schedule to Revised

Undebted Towns and Villages separated from Indebted Municipalities.

MUNICIPALITY.	Schedule to Act.	Revised Schedule.	REMARKS.
Dunville	\$ cts. 9,005 09	\$ cts. 9,005 09	Included in Schedule to Act in Monlton and Sherbrooke. Included in Schedule to Act in Township of Perth. The Schedule to the Act was calculated on the supposition that the Town of St. Marys was entitled to (1-12th) one-twelfth of the Railway allowance due to the County of Perth, whereas the correct share was (1-17th) one-seventeenth. See note to Perth, Schedule B. The population allowance of St. Marys was also credited to the County of Perth.
Fort Erie	3,811 06	3,811 06	
St. Marys	16,831 41	18,121 00	

MUNICIPAL LOAN FUND.

TABLE No. 3 A.

TABLE shewing how the Municipalities indebted under the Municipal Loan Fund would stand which invested money in the Buffalo and Lake Huron Railway, allowing them \$2,000 per mile as from date of debt, compounded at 5 per cent.

MUNICIPALITIES.	Loan.	Proportion to be allowed.		Total Principal and Interest.	REMARKS.
		Principal.	Interest.		
Bertie Township	\$ cts. 40,000 00	\$ cts. 15,537 00	\$ cts. 25,107 23	\$ cts. 40,644 23	Loan made 16th April, 1853, 19 years 260 days. Loan made 16th April, 1853, 19 years 260 days. Loan of \$100,000 made 16th April, 1853, 19 years 260 days—and loan of \$400,000 made 18th August, 1854, 18 years 136 days. This town received back on the securities held, \$360,000, which are deducted from the loan in adjusting the Railway allowance.
Brantford "	50,000 00	19,421 00	31,383 64	50,804 64	
Brantford Town	500,000 00	54,377 00	85,305 67	139,682 67	
Bruce County	R 53,571 00 L 1,429 00	20,809 00	33,295 40	54,104 40	Loan made 1st June, 1853, 19 years 214 days.
Camborough Township	55,000 00	3,109 00	5,024 02	8,133 02	Loan made 16th April, 1853, 19 years 260 days. Loan made 1st June, 1853, 19 years 214 days.
Huron County	R 246,529 00 L 6,571 00	95,716 00	153,150 35	248,866 35	
Manitou and Sherbrooke, United Townships	253,000 00				Loan made 16th April, 1853, 19 years 260 days. Loan made 1st June, 1853, 19 years 214 days. Loan made 1st June, 1853, 19 years 214 days.
Paris Town	20,000 00	7,769 60	12,554 41	20,323 41	
Perth County	R 200,000 00 L 88,000 00	15,537 00 77,682 00	24,859 95 124,295 03	40,396 95 201,977 03	
Stratford Town	288,000 00 100,000 00	4,274 00	6,199 39	10,473 39	Loan made 18th August, 1854, 18 years 135 days. This Town received back on the securities held, \$39,000, which are deducted from its Loan in adjusting the allowance.
Wainfleet Township	20,000 00	7,769 00	125,54 41	20,323 41	Loan made 16th April, 1853, 19 years 260 days.
Totals	1,374,000 00	322,000 00	513,729 50	835,729 50	The amount in respect of which the Railway allowance has been divided is only \$823,000, being the total of the sums borrowed and expended on Railway.

* When R. appears before amount of Loan it signifies that such amount was applied in aid of the Railway.
 † When L. appears before amount of Loan it signifies that such amount was applied for local purposes.

MUNICIPAL LOAN FUND.

TABLE No. 3 B.

MUNICIPAL LOAN FUND.

TABLE NO. 3 B.

Allowances made in respect of several Railways.

Wanucet Township	20,000 00	7,769 00	125,54 41	20,323 41	Loan made 16th April, 1853, 19 years 260 days.
Totals.....	1,374,000 00	322,000 00	513,729 50	835,729 50	The amount in respect of which the Railway allowance has been divided is only \$829,000, being the total of the sums borrowed and expended on Railway.

* When R appears before amount of Loan it signifies that such amount was applied in aid of the Railway.
 † When L appears before amount of Loan it signifies that such amount was applied for local purposes.

RAILWAY AND MUNICIPALITY.	Loan.		Proportion of Railway Allowance.				Total principal and Interest.		REMARKS.
	\$	cts.	Principal.		Interest.		\$	cts.	
			\$	cts.	\$	cts.			
Bytown and Prescott Railway, 54 miles at \$2,000 per mile, \$108,000—	200,000 00	00	67,826 00	105,262 57	173,088 57	15,977 75	189,066 32	Loan made 17th October, 1853, 19 years 75 days.	
Ottawa City.....	\$30,000 stock		6,261 00	9,716 75	15,977 75			Loan made 17th October, 1853, 19 years 75 days.	
Oxford Township	24,000 "		33,913 00	52,631 28	86,544 28			The Village of Kemptville is entitled to receive 17 1/2% of this amount, viz., \$3,018.65.	
Prescott Town.....	30,000 "		108,000 00	167,610 60	275,610 60			Loan made 17th October, 1853, 19 years 75 days.	
50 Brockville and Ottawa Railway, 86 1/2 miles at \$2,000 per mile, \$173,000—	400,000 00	00	51,108 00	76,490 03	127,598 03			Loan made 1st April, 1854, 18 years 276 days.	
Brockville Town.....	154,000 00	00	19,676 00	29,447 78	49,123 78			do do do	
Elizabethown Township.....	800,000 00	00	102,216 00	152,860 06	255,196 06			do do do	
Lanark and Renfrew Counties	1,354,000 00	00	173,000 00	258,917 87	431,917 87			do do do	
Cobourg and Peterborough Railway, 32 miles at \$2,000 per mile, \$64,000—	500,000 00	00	64,000 00	96,376 39	160,376 39			Loan of \$120,000 made 30th June, 1853, 19 years 184 days.	
Cobourg Town.....	280,000 00	00	45,750 00	74,225 52	119,975 52			Loan of \$100,000 made 31st December, 1853, 19 years.	
Erie and Niagara Railway, 30 1/2 miles at \$2,000 per mile, \$61,000—	26,000 00	00	13,250 00	24,741 84	37,991 84			Loan of \$100,000 made 30th June, 1854, 18 years 184 days.	
Niagara Town.....	306,000 00	00	61,000 00	98,967 36	159,967 36			Loan of \$100,000 made 3rd February, 1855, 17 years 332 days.	
Chippawa								Loan made 1st April, 1853, 19 years 275 days.	
								Loan made 19th April, 1853, 19 years 257 days.	
								\$80,000 only of the amount borrowed were given in aid of the Railway, viz., \$50,000 by Niagara, and \$30,000 by Chippawa.	

MUNICIPAL LOAN FUND.

TABLE No. 3 B—Continued.

Allowances made in respect of several Railways—Continued.

RAILWAY AND MUNICIPALITY.	Loan. \$ cts.	Proportion of Railway Allowance.		Total principal and Interest.	REMARKS.
		Principal.	Interest.		
Peterborough and Port Hope Railway, 79 miles at \$2,000 per mile, \$158,000					
Hope Township	60,000 00	8,618 00	14,058 51	22,676 51	Loan made 21st March, 1853, 19 years 10 months.
Ops	80,000 00	11,491 00	17,692 85	29,098 85	Loan made 14th December, 1853, 19 years 17 days.
Peterborough	100,000 00	14,364 00	15,619 31	29,983 31	Loan made 29th November, 1857, 15 years 33 days.
Port Hope	860,000 00	123,527 00	177,865 51	301,512 51	Loans made, \$290,000, 1st March, 1853, 19 years 10 months. \$120,000, 31st March, 1854, 18 years and 9 months. \$200,000 on 18th August, 1854, 18 years 134 days, and \$340,000 on 19th September, 1855, 17 years 103 days.
London and Port Stanley Railway, 24½ miles at \$2,000 per mile, \$49,000—	1,100,000 00	158,000 00	225,266 18	383,266 18	
London City	375,400 00	28,038 00	34,025 13	64,053 13	Loan made 9th July, 1854, 18 years 165 days.
Middlesex County .....	.....	5,469 00	14,071 57	23,540 57	Loan made 3rd May, 1854, 18 years 243 days.
St. Thomas Town .....	.....	4,024 00	5,980 01	10,004 01	Loan made 3rd May, 1854, 18 years 243 days.
Elgin County	80,000 00	9,469 00	14,071 57	23,540 57	Loan made 3rd May, 1854, 18 years 243 days.
\$414,000	455,400 00	49,000 00	72,148 28	121,148 28	

MUNICIPAL LOAN FUND.

TABLE No. 3 C.

MUNICIPAL LOAN FUND.

TABLE No. 3 C.

Allowance made in respect of several Railways.

RAILWAY AND MUNICIPALITY.	Loan.	Proportion of Railway Allowance.		Total principal and Interest.	REMARKS.
		Principal.	Interest.		
Welland Railway, 31 miles at \$3,000 per mile, 93,000—	\$ cts.	\$ cts.	\$ cts.	\$ cts.	Loan made of \$50,000 on 17th September, 1853, 19 years 105 days— Loan made of \$100,000 on 1st July, 1854, 18 years 183 days— Loan made of \$40,000 on 21st July, 1855, 17 years 163 days— Loan made of \$100,000 on 17th September, 1853, 19 years 105 days. St. Catharines raised this last sum, \$100,000, on its own credit, and \$190,000 through the Municipal Loan Fund.
St. Catharines	190,000 00	16,034 48	25,051 16	41,085 64	
		32,063 97	47,023 53	79,087 50	
		12,827 58	17,220 55	30,048 23	
		32,063 97	56,102 85	82,171 32	
Galt and Guelph Railway, 15½ miles at \$2,000 per mile, \$31,000—		93,000 00	139,407 30	232,407 30	
Guelph Town	\$70,000	7,294 00	11,203 56	18,497 56	Loan made of \$40,000 on 5th December, 1853, 19 years 26 days.
Preston "	40,000	5,471 00	7,331 34	12,802 34	Loan made of \$30,000 on 1st August, 1853, 17 years 153 days.
Guelph Township	20,000	7,294 00	11,141 58	18,435 58	Loan made of \$40,000 on 29th December, 1853, 19 years 2 days.
Hamilton City	40,000	3,647 00	5,357 80	9,004 80	Loan made of \$20,000 on 16th December, 1853, 19 years 15 days.
		7,294 00	11,175 60	18,469 60	Loan made of \$46,000 on 16th December, 1853, 19 years 15 days.
Berlin and Preston Railway—		31,000 00	46,439 88	77,439 88	
Hamilton City					
Bonds owned by the Province of Ontario, part of issue of \$200,000 invested in this Railway					
Berlin stock taken and paid for in this Railway \$20,000		80,000 00	76,395 20	156,395 20	Interest for 11 years and 6 months from 30th June, 1861, to 1st January, 1873. This sum will be liquidated by the Government cancelling the \$80,000 bonds and past due interest coupons, \$76,395.10.
Allowance made thereon at same rate as to Hamilton		8,000 00	7,639 52	15,639 52	Interest for 11 years and 6 months, from 30th June, 1861, to 1st January, 1873.

MUNICIPAL LOAN FUND.

TABLE No. 3 D.

Allowance made in respect of several Railways.

RAILWAY AND MUNICIPALITY.	Loan.		Proportion of Railway Allowance.		Total.	REMARKS.
	\$	cts.	Principal.	Interest.		
Toronto, Grey and Bruce Railway, 72 miles at \$1,000 per mile, \$72,000—						
Toronto City	\$	37,500 00	\$	cts.		
Alton Township	\$250,000	6,000 00				
Colborne	40,000	6,750 00				
Georgetown	45,000	4,500 00				
Manarath	30,000	2,250 00				
Orangeville Village	15,000					
Arthur Township	35,000	5,250 00				
Mount Forest Village	20,000	3,000 00				
	\$480,000	72,000 00				
Toronto and Nipissing Railway, 42 miles at \$1,000 per mile, \$42,000—						
Toronto City	\$150,000	16,300 08				
Scarborough	10,000	1,086 69				
Markham	30,000	3,260 03				
Uxbridge	50,000	5,433 37				
Scott	10,000	1,086 69				
Brook	50,000	5,433 37				
Eldon	44,000	4,781 36				
Bexley	15,000	1,630 03				
Somersville	15,000	1,630 03				
Laxton, Digby & Longford	12,500	1,368 36				
	\$386,500	42,000 00				

The Township of Luther also voted a bonus of \$20,000 to aid this Railway, but it was forfeited by the Railway Company and never paid.

TABLE No. 3 D.—(Continued.)

TABLE No. 3 D.—Continued.

RAILWAY AND MUNICIPALITY.	Loan. \$ cts.	Proportion of Railway Allowance.		Total \$ cts.	REMARKS.
		Principal. \$ cts.	Interest. \$ cts.		
Wellington, Grey and Bruce Railway, 48 miles at \$1,000 per mile, \$48,000—					
Elora Town.....	\$10,000	2,181 82			
Fergus.....	10,000	2,181 82			
Nichol.....	10,000	2,181 82			
Peel.....	10,000	2,181 82			
Maryborough.....	40,000	8,727 26			
Wallace.....	25,000	5,427 26			
Minto.....	25,000	5,427 26			
Howick.....	65,000	14,184 34			
	20,000	4,363 64			
\$220,000		48,000 00			
Galt and Doon Railway—					
Galt Town.....		6,000 00			
Midland Railway, from Lindsay to Beaverton, 22 miles, at \$1,000 per mile—					Allowances in respect of \$25,000 contributed for reconstruction of the line, and allowed in original tables.
Bonus of Thorah Township.....		22,000 00			See Sessional Papers, 35 Vic., 1871-2, No. 23.

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APPENDIX.

CORRESPONDENCE MUNICIPAL LOAN FUND.

AUDITOR'S OFFICE, TORONTO, 8th July, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the District of Algoma, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$10,014 00, being an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement as to the amount going to the District under the said Act, it should be brought under our notice within fourteen days from this date.

The sum of \$10,014 00 is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of said Act.

We remain, your obedient servants,
(Signed) WILLIAM CAYLEY, Auditor.
(Signed) C. A. BROUGH, Acting Secretary.

P. Carney, Esq.,
Treasurer, District of Algoma.

TORONTO, June 21st, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Township of Albion (exclusive of the Village of Bolton), on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$13,785 43.

Of this sum \$5,571 43 are for an allowance in respect of the Toronto, Grey and Bruce ^{Counties}.

The remainder of the sum to be paid to the Municipality, amounting to \$8,214, is an allowance at the rate of two dollars per head of the population according to the census of 1871, exclusive of the population of Bolton at that date (750).

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

(Signed) WILLIAM CAYLEY, Auditor.
C. A. BROUGH, Acting Secretary.

George Evans, Esq.,
Treasurer, Township of Albion,
Bolton.

TORONTO, June 21st, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Township of Amaranth, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$8,386 00.

Of this sum \$4,500 00 are for an allowance in respect of the Toronto, Grey and Bruce Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$3,886 00, is an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

(Signed).

WILLIAM CAYLEY,
Auditor.

R. Wansbrugh, Esq.,
Clerk, Township of Amaranth,
Laurel.

C. A. BROUGH,
Acting Secretary.

TORONTO, June 27th, 1873.

SIR.—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Township of Arthur on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$14,002 00.

Of this sum, \$5,250 00 are for an allowance in respect of the Toronto, Grey and Bruce Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$8,752 00, is an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

WILLIAM CAYLEY,
Auditor.

W. Cushing, Esq.,
Clerk, Township of Arthur,
Kenilworth.

C. A. BROUGH,
Acting Secretary.

AUDITOR'S OFFICE, TORONTO, June 20, 1873.

SIR.—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Municipalities in the County of Brant, other than the Towns of Brantford and Paris and the Township of Brantford, on the first of February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$29,290, being two dollars per head of the population, according to the census of 1871.

This sum of \$29,290 is to be divided by the Government among the towns, townships, and incorporated villages in the County of Brant, other than the Towns of Brantford and Paris, and the Township of Brantford, according to their respective populations, as directed by the seventh paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the twelfth section of the said Act, as may be provided for by by-laws of the local Municipalities passed after the first day of February next, in accordance with the thirteenth section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The Towns of Brantford and Paris, and the Township of Brantford, are excluded from participating in the above allowance, as they are separately dealt with by the Government.

(Signed)

WILLIAM CAYLEY,
Auditor.

To C. R. Biggar, Esq.,
Treasurer, County of Brant.

(Signed)

C. A. BROUGH,
Acting Secretary.

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COUNTY OF BRUCE, KINCARDINE, May 15th, 1873.

DEAR SIR.—I take the liberty to ask you to explain to me as plainly as possible, the manner of the distribution of the Municipal Loan Fund as regards Bruce County; our County Council meets soon, and I am requested to be able to explain to the Council in reference to it.

On page 7 of the schedule there appears to be coming to the County of Bruce the sum of..... \$81,675 40
And on page 9, under another heading..... 13,809 92

On the same page there appears coming to the Townships of Kinloss, Huron, Kincardine and Kincardine Village, \$30,128 64, besides \$486 69 to Kincardine village; and \$10,116 40 to Culross; is the \$81,675 40 and the \$13,809 92 to be paid per capita to the whole county, and do the above townships and the Village of Kincardine get the sums set opposite to them, paid, per capita, to them exclusively, besides their participating in the amount set apart for the whole county?

There are various opinions about the manner of the distribution, and I hope you will be pleased to give me such information on the subject as you think necessary. Waiting your reply,

I am, your most obedient servant,
(Signed) R. BAIRD,
Warden.

To the Honourable O. Mowat,
Attorney-General.

AUDITOR'S OFFICE, TORONTO, June 4th, 1873.

SIR,—In reply to your letter of the 15th ultimo, we, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the County of Bruce, under the amended Municipal Loan Fund Resolution of the 26th of March last, and that the same amounts to \$139,691 61, which sum is to be divided among the local municipalities in the county in accordance with the seventh resolution.

The following is a statement of our calculations: aid was granted to the Buffalo and Lake Huron Railway by various Municipalities along the line to the extent of \$1,278,000; towards this sum the County of Bruce has contributed to the extent of \$53,571; of the allowance of \$322,000 made under the fourth resolution to those Municipalities granting aid to the said railway, the County of Bruce is therefore entitled as its proportion to \$20,809.

By the same resolution this sum is to be considered as having been payable by the Province to the County on the 1st June, 1853, the date at which the debt of the United Counties of Huron and Bruce to the Municipal Loan Fund was contracted, and compound interest at the rate of five per cent. has been allowed on the said sum of \$20,809 00 from the last mentioned date to the 1st of January, 1873; this interest amounts to \$33,295 40, making the total sum to be credited by the Province to the County in respect of the Buffalo and Lake Huron Railway, \$54,104 40.

Of the sum of \$447,000 voted by way of bonus in aid of the Wellington, Grey and Bruce Railway prior to the passing of the Railway Aid Act of 1871, the County of Bruce contributed \$227,000 00; it is therefore entitled to the sum of \$24,375 72, as its proportion of the allowance of \$48,000 made under the fifth resolution in respect of the Wellington, Grey and Bruce Railway.

The population of the County of Bruce according to the census of 1871, was 48,515; the allowance per head under the seventh resolution will therefore be \$97,030 00. The County of Bruce is not entitled to any allowance in respect of Clergy Reserves retained, under the sixth resolution.

According to the foregoing statement, therefore, the total amount with which the County of Bruce is to be credited by the Province is \$175,510 12. From this amount

however, is to be deducted \$35,818 51, the balance of the County debt to the Municipal Loan Fund, on the 1st of January, 1873, leaving the sum to be paid over by the Province to the County, \$139,691 61.

If you have any suggestions or objections to make with reference to the foregoing calculations, you are to make the same within fourteen days from this date.

We remain, your obedient servants,

(Signed) WILLIAM CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting Secretary.

To Robert Baird, Esq.,
Warden, County of Bruce.

COUNTY OF BRUCE, KINCARDINE, June 24th, 1873.

DEAR SIR,—Your favour of the 4th instant came duly to hand here, although I expected it at Walkerton, as our County Council was then in session. I have no serious objection to make to your mode of distribution of the Municipal Loan Fund, except that we are of opinion that the County of Bruce should receive the full sum of \$175,510 12, and that the \$35,318 50, claimed to be due by the County to the Municipal Loan Fund on account of the Buffalo and Lake Huron Railway, should have been fully remitted, as we paid over \$92,000 00 on account of said indebtedness, when in fact—as we represented last winter in our memorial—the said railway was but a very indirect benefit to the County of Bruce; and the loan was forced upon us against our will, in fact before we even became a separate municipality, and when the whole county was represented by only one Reeve. I trust the Government will yet consider this point, and remit the balance claimed from us.

The Townships of Culross, Kinloss, Huron, Kincardine and Kincardine Village, also claim that they should be considered favourably, on account of special bonuses granted by them to railways; but this lies with the Government.

I have no suggestion to make on this point.

I have the honour to be, Sir,
Your obedient servant,
ROBERT BAIRD,
Warden, Bruce.

To the Honourable Attorney-General,
Toronto.

AUDITOR'S OFFICE, TORONTO, 2nd July, 1873.

SIR,—We, the undersigned, have been instructed to inform you that a claim has been made by the Townships of McGillivray and Biddulph, to receive a portion of the railway allowance allotted to the Counties of Huron and Bruce, under the Municipal Loan Fund scheme.

We enclose you a copy of a statement showing the grounds upon which the County of Huron opposes the claim of the Townships. The Townships deny the facts mentioned in the statement.

If you wish to resist the claim of the Townships, the onus will, therefore, lie upon you and upon the County of Huron to give evidence of the facts contained in the statement; and it would be well also to bring forward all such other circumstances as you may consider sufficient to deprive the Townships of their right to share in your railway allotment.

We remain, your obedient servants,
WILLIAM CAYLEY,
Auditor.

C. A. BROUGH,
Acting Secretary.

To Robert Baird, Esq.,
Warden, County of Bruce.

COUNTY OF BRUCE, KINCARDINE, 21st Aug., 1873.

DEAR SIR,—I was in Toronto a few days ago, when Mr. Wells, M.P.P., and myself agreed to see you in reference to the distribution of the Municipal Loan Fund as regards the County of Bruce, but you were out of the city at that time.

Now, sir, I do not wish to trouble you too much about this vexed question, but I have always contended Bruce was not compensated from the fund sufficiently for the amount paid by Bruce to the Buffalo and Lake Huron Railway. You are no doubt aware that the loan was forced upon us when united to Huron. The 4th resolution clearly makes our case good, as it states that Municipalities shall be credited out of said fund in proportion to the sum they have contributed. Now, during the time Bruce was united to Huron, Bruce paid back on account of the Buffalo and Lake Huron Railway Loan, about \$193,000 00; and at the separation in 1866 from Huron, Bruce had to carry away a balance still against her of \$55,000 00; and she had to her credit to the sinking fund, say, \$20,000 00. During the last four years the County of Bruce has contributed in aid of the Wellington, Grey and Bruce Railway Company, to the extent of \$337,000, in County and sectional County bonuses, and to the Toronto, Grey and Bruce, \$43,000 00, by Culross.

I feel it a delicate matter to trespass too much on your valuable time as, during the last session of Parliament, I presented you, with memorials in behalf of the County, and did what we could to make our case as plain as possible; our worthy representatives, Messrs. Wells and Sinclair, also represented our case, and the very exceptional position of Bruce, to you; and still, our municipal representatives and the people think our peculiar position has been overlooked by your Government. And I am solicited by some to ask you to appoint a commission to hear our grievances. But, sir, I think when you have time now, and look over the correspondence and our memorials which set forth the facts and the position of the County, you will plainly see that Bruce is fully entitled to receive an additional allowance of about \$50,000 00, on account of contributions to railways and the *per capita* allowance.

I enclose you a copy of memorial presented to your Parliament last session.

Trusting and feeling satisfied you will favourably consider this application, and waiting your reply,

I have the honour to be, Sir,

Your obedient servant,

ROBERT BAIRD
Warden, Bruce.

To the Hon. Oliver Mowat,
Attorney-General.

COUNTY OF BRUCE, KINCARDINE, 8th September, 1873.

DEAR SIR,—About two weeks ago I wrote to the Honourable Attorney-General in reference to the Municipal Loan Fund and the County of Bruce, enquiring whether under the Municipal Loan Fund Resolutions (particularly resolution four), if something more could not be done for Bruce than is allotted her. I have received no reply. Will you be kind enough to advise me if any reply will be made, as it is of importance in the interests of the County, that we should know the views of the Honourable Attorney-General in the matter.

Waiting your reply,

I am, Sir, your obedient servant,

(Signed) R. BAIRD,
Warden,

C. A. Brough, Esq.,
Auditor's Office, Toronto.

COUNTY OF BRUCE, PAISLEY, 24th September, 1873.

DEAR SIR,—I desire to draw your attention to an error in the distribution of the railway allowance apportioned to the Counties of Huron and Bruce whereby the sum of 16,500 00 to which the County of Bruce is equitably entitled, is improperly allotted to the County of Huron.

The united Counties of Huron and Bruce aided the Buffalo, Brantford and Goderich Railway to the extent of \$300,000 00. Of that amount the contribution of the County of Huron was in round numbers, \$230,000 00, and of the County of Bruce, \$70,000 00.

The total amount of the railway allowance apportioned to the Counties of Huron and Bruce, on account of their said joint contribution, is \$302,970. This amount divided between the two Counties in proportion to their several contributions of \$230,000 00, and \$70,000 00 would give the County of Huron, \$232,300 00, and the County of Bruce, \$70,600 00; which would be \$16,500 00 less to the County of Huron, and \$16,500 00 more to the County of Bruce than the present allotment of \$248,866 00 to Huron, and \$54,104 00 to Bruce.

The injustice of the present distribution is felt keenly in Bruce, for the railway aided was built through the County of Huron and for the benefit of the County of Huron, and the people of Bruce always considered it a great hardship to be compelled to pay for it. And now having been compelled under our municipal institutions to pay a large amount in aid of it, we think it would be a monstrous injustice to hand over to the County of Huron a portion of the railway allowance accruing from the forced contribution from the County of Bruce.

I should think the Government would find no difficulty in correcting the error in question, provided my statement of the amounts contributed severally by the Counties of Huron and Bruce is found correct. And its correctness will not, I think, be controverted by the municipal authorities of the County of Huron. The Treasurer's books will show that, during their connection, the united counties paid, on account of the indebtedness to the Municipal Loan Fund, the sum of \$311,480 00, of which the County of Bruce contributed \$92,638 00.

The sinking fund accumulated during the connection; amounted to \$139,787 00 Bruce's share of which being in proportion to its contribution to the aggregate amount as above, I place at \$41,344 00, and the share of Huron at \$98,443 00. These two sums form the several portions of the contributions of Huron and Bruce to the railway, which were provided for during their municipal connection.

The balance to be provided for, viz: \$308,000 minus the aforementioned sinking fund, \$139,787 00, being \$168,213 00 was allotted at the separation as follows: To Huron in round numbers, \$138,000, and to Bruce, \$30,000 00.

In short the contribution of Huron in aid of the Buffalo, Brantford and Huron Railway is composed and constituted of—

First, Portion provided for during connection.	\$ 98,000 00
Second, Portion to be provided for after separation.....	138,000 00
Total.....	\$236,000 00

And the contribution of Bruce :

First, Portion provided for during connection.....	\$41,000 00
Second, Portion to be provided for after separation.....	30,000 00
Total.....	\$71,000 00

Leaving out of account the sum of \$8,000 00 borrowed for local purposes, it will be seen, that, of the \$300,000 00 given by the united counties in aid of the Buffalo, Brantford and Goderich Railway, the County of Huron contributed \$230,000 00, and the County of Bruce, \$70,000 00.

Upon these amounts the distribution of the railway allowance ought to have been made, and not upon the sums of \$253,000 00 and \$55,000 00, which were but terms of the formula which indicated the additional amounts which the two counties agreed severally to provide for, after separation, viz: Huron, \$253,000, minus \$114,325 00, equals \$138,675 00, and Bruce \$55,000, minus \$24,961, equals \$30,039 00.

Trusting that the Government will see it their duty to correct the error which I have

brought under your notice, and hoping that the representatives of Huron, municipal and otherwise, possess enough of the spirit of honesty and fair play to be willing to consent to what is right,

I remain, yours respectfully,
(Signed) DONALD SINCLAIR.

P. S. I am aware that the representatives of Huron may be unfair enough to claim that section five of the Resolutions settle the question that I have raised, but I maintain that the said section cannot have a meaning and force which it was never intended either by the Government or the House that it should have.

To the Hon. Oliver Mowat,
Attorney-General, Toronto.

(Signed) D. S.

KINCARDINE, COUNTY OF BRUCE.
4th November, 1873.

DEAR SIR.—Nearly two months ago I had the pleasure of writing to you in behalf of the County of Bruce, praying that our claim to a further consideration in the Municipal Loan Fund matter might be more fully considered by you.

As stated in my letter then, we claim that a larger sum should be refunded to us on account of the large amount paid by Bruce on account of the repayment of the Buffalo and Lake Huron Railway loan. I feel confident that when you examine the amount repaid by Bruce, compared with Huron, you will at once see we are entitled to a further participation of about \$20,000.00 over what has already been allotted to us.

Trusting this will meet with your approbation, and that I shall be favoured with a reply,

I have the honour to remain,

Yours, &c.,
(Signed) ROBERT BAIRD.

Warden,
County Bruce.

To the Honourable O. Mowat,
Attorney-General:

AUDITOR'S OFFICE,
TORONTO, June 5th, 1873.

SIR—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid, by the Town of Barrie, to the Province, under the amended Municipal Loan Fund Resolutions of 26th March last, and that the same amounts to \$2,165 90

The following is the statement of our calculation:—

Barrie is not entitled to any railway allowance under either the 4th or under the 5th Resolutions.

Under the 6th Resolution, Barrie is entitled to an allowance (as corrected) of \$3,034 78, in respect of Clergy Reserves.

By the census of 1871, the population of Barrie was three thousand three hundred and ninety-eight (3,398): the allowance of \$2 per head, under the 7th Resolution, will, therefore, amount to \$6,796 00

The total amount, therefore, with which the Town of Barrie is to be credited by the Province is \$9,830 78.

The arrears of the debt of Barrie to the Municipal Loan Fund, on 1st January, 1873, were \$11,996.68; this amount, less \$9,830 78, the sum to the credit of the town, leaves the debt of the Town of Barrie to the Province, on the 1st January, 1871, \$2,165 90.

If you have any suggestions or objections to make with reference to the foregoing calculations, you are to make them within fourteen days from this date.

With reference to the debentures to be given under the Municipal Loan Fund Act, we beg to state that a form will be prescribed by the Lieutenant-Governor in Council.

We remain,

Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary.

To A. B. McPhee, Esq.
Treasurer,
Town of Barrie.

COUNTY CLERK'S OFFICE,
BELLEVILLE, June 24th, 1873.

SIR—I have the honour to inform you that when the Town of Belleville was separated from the County of Hastings, for municipal purposes, the terms of separation were as follows:—

I. It being ascertained that the debts of the county were incurred for works chiefly done outside of the Corporation of Belleville, they were wholly assumed by the county.

II. The county paid the town its proportion of the value of the Court-House, Goal and Registry Office, and assumed the sole right and title to the same.

III. The town was to pay the county, annually, \$400 00 for the use of the Court-House, Goal, and Registry Office, which has been done.

IV. The town was also to pay the county \$800 00, per annum, as its proportion of the expenses of the administration of justice.

V. A special bargain was made between the county and the town, that if the county would purchase all the toll roads in the county, and make all the roads free of toll, the town should pay, for twenty years, a certain proportion of the debt incurred for such purpose.

The county subsequently did so, and the town has been paying to the county, on this account, the yearly sum of \$2,456.80, ever since the separation which did take place in 1860.

I am, Sir,

Your obedient servant,
(Signed) THOS. MILLS,
County Clerk.
County Hastings.

To the Honourable W. Cayley,
Provincial Auditor,
Toronto.

AUDITOR'S OFFICE,
TORONTO, 27th June, 1873.

SIR—We, undersigned, are instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Town of Belleville, on the 1st of February next, according to the provisions of the Loan Fund Act, and that the same amounts to \$8,102 49

The following is a statement of the mode by which that sum was arrived at:—

The amount of Clergy Reserve Money which appears to have been retained by the Government was, for 1st January, 1873.....	\$190 56
Interest thereon from 1st January, 1873, to 1st February, 1874.....	26 57
	<hr/> \$517 13
\$2 per head of population, according to census of 1871, payable at 1st February, 1874.....	\$14,610 00
	<hr/> \$15,127 13

Deduct balance due Municipal Loan Fund 1st January, 1873	\$6,663 70
Interest thereon from 1st January, 1873, to 1st February, 1874	\$ 360 94
	\$7,024 64
	\$8,102 49

This sum of \$8,102.49 is to be paid over for such purposes pointed out in the 12th section of the Municipal Loan Fund Act as may be provided for by by-law passed after the 1st of February, 1874, in accordance with 13th section of said Act.

Should there appear to be any errors in the above statement it should be brought to our attention within fifteen days of this date.

We remain,
Your obedient servants,
(Signed) Wm. CAYLEY,
Auditor.
(Signed) C. A. BROUGH.

To R. P. Davey, Esq.,
Treasurer,
Belleville.

(Duplicate.)

TORONTO, June 28th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Town of Berlin, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$21,125 52.

Of this sum, \$15,639 52 are for an allowance in respect of the Berlin and Preston Railway.

The remainder of the sum to be paid to the municipality, amounting to \$5,486 00, is an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
W. CAYLEY,
Auditor.
C. A. BROUGH,
Assistant-Secretary.

Clerk, Town of Berlin.

AUDITOR'S OFFICE,
TORONTO, 20th June, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Township of Bertie (exclusive of Fort Erie) on 1st February, 1874, under the Municipal Loan Fund Act, and that the same amounts to \$21,925 96.

The following is a statement of our calculation: the debt of Bertie and Fort Erie to the Municipal Loan Fund amounted on 1st of January last to \$25,881 53; interest on that sum from 1st January, 1873, to 1st February, 1874, amounts to \$1,401 90 making the total indebtedness of Bertie and Fort Erie on 1st February, 1874, amount to \$27,283 43.

Bertie and Fort Erie are entitled as of 1st January, 1873, to an allowance of \$40,644 23, in respect of the Buffalo and Lake Huron Railway; interest on that sum, from 1st January, 1873, to 1st February, 1874, amounts to \$2,201 56; making the total railway allowance going to both Bertie and Fort Erie on 1st February next \$42,845 79.

Upon deducting the debt from this amount, there remains a balance of \$15,926 35, payable on 1st February, 1874, of which balance Bertie is entitled to receive \$13,626 15.

Bertie is entitled to an allowance (as of 1st January last) of \$2024.01, in respect of Clergy Reserve moneys retained; interest thereon to 1st February, 1874, amounts to \$109 80, making in all \$2,133 81.

Bertie is also entitled to an allowance (as of 1st January, 1874,) of \$5,866 00 being at the rate of \$2 per head of the population according to the census of 1871.

The sum of \$21,925.96, going to the township, is to be paid over for such purposes pointed out in the 12th section of the Municipal Loan Fund Act as may be provided for by by-laws passed after 1st February next, in accordance with the 13th section of the said Act.

Should there appear to be any error in the above statement, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servant,
(Signed) W. CAYLEY,
Auditor.
(Signed) C. A. BROUGH.

To Joseph Johnstone, Esquire,
Treasurer, Township of Bertie.

(Duplicate.)

TORONTO, June 21st, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Township of Bexley, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$2,608 03.

Of this sum, \$1,630 03 are for an allowance in respect of the Toronto and Nipissing Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$978 00, is an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
W. CAYLEY,
Auditor.
C. A. BROUGH,
Assistant Secretary.

Michael Heaphy, Esq.,
Clerk, Township of Bexley, Carden.

BOLTON, March 10th, 1873.

SIR,—I desire to draw your attention to the following matter in connection with the resolutions before the House, as to the distribution of the surplus moneys of Ontario. In the schedules, as published, the sum of \$14,232 is set down for Albion Township, in the County of Cardwell.

The Village of Bolton was incorporated in June of last year, and became a separate municipality from Albion, of which it was previously a part, in January last. Therefore it will be entitled, I presume, to a proper share of the sums allotted to Albion, both as to railway debt and population; but whether, as the matter now stands, it would not be held that the Village of Bolton being a separate corporation from Albion, was included in the rest of the County of Peel, and is not entitled to share with Albion in the grant to that township. This, of course, would be wrong, the population of Bolton being counted in that of Albion, and the village being still liable for its proper proportion of the railway debt.

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R. Biggar,
Treasur

The population of Bolton at the time of the last census, I presume, was between 700 and 750, as in June last it was 810, and the proportionate rate of assessment in 1872 is $\frac{175}{100}$ of the whole township.

I fear, that if no provision is made for the circumstances, that we in Bolton would have difficulty in getting an equitable settlement, and therefore have taken the liberty to draw your attention to it.

I am, dear sir,

Your obedient servant,
(Signed) L. R. BOLTON,
Reeve of the Village of Bolton.

The Hon. Oliver Mowat,
Attorney-General, Ontario.

TORONTO, June 21st, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Village of Bolton, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$1,928 57.

Of this sum, \$428 57 are for an allowance in respect of the Toronto, Grey and Bruce Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$1,500 00, is an allowance at the rate of two dollars per head of the population at the time of the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

(Signed) W. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting Secretary.

L. R. Bolton, Esq.,
Reeve, Village of Bolton.

(Duplicate.)

TORONTO, June 20, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Township of Brantford, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$67,290 55.

Of this sum, \$53,556 55 are for an allowance in respect of the Buffalo and Lake Huron Railway (interest being allowed to 1st February, 1874).

The remainder of the sum to be paid to the Municipality, amounting to \$13,734, is an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

(Signed) W. CAYLEY,
Auditor.

C. A. BROUGH,
Acting Secretary.

R. Biggar, Esq.,
Treasurer, Township of Brantford.

AUDITOR'S OFFICE.

TORONTO, 5th June, 1873.

SIR—We, the undersigned, have been instructed, by the Government, to inform you that we have calculated the sum to be paid by the Town of Brantford to the Province, under the amended Municipal Loan Fund Resolutions of 26th March last, and that we find the debt of the Town of Brantford, by the operation of the five cent rule, under the 3rd Resolution, to be reduced to \$194,018 87.

The indebtedness of the Town of Brantford to the Municipal Loan Fund, without the intervention of the five cent rule referred to above, and after receiving the benefit of its Clergy Reserve, Railway and Population allowances, would have stood at \$717,811 97.

The town is, consequently, benefited by the application of the five cent rule to the extent of \$523,793 10.

If you have any suggestions or objections to make, with reference to the foregoing calculations, you are to make the same within fourteen days from this date.

With reference to the debentures to be given, under the Municipal Loan Fund Act, we beg to state that a form will be prescribed by his Excellency the Lieutenant-Governor in Council.

We remain,

Your obedient servants,

(Signed) WM CAYLEY,

Auditor.

(Signed) C. A. BROUGH,

Acting-Secretary.

To James Walker, Esq.,
Treasurer,
Brantford.

TORONTO, June 21st, 1873.

SIR—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Township of Brock, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$15,783 37. Of this sum \$5,433 37 are for an allowance in respect of the Toronto and Nipissing Railway.

The remainder of the sum to be paid to the municipality amounting to \$10,350 00, is an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,

Your obedient servants,

(Signed) W. CAYLEY.

Auditor.

(Signed) C. A. BROUGH.

Acting-Secretary.

T. H. Walshe, Esq.,
Clerk, Tp. of Brock,
Cannington.

TORONTO, 14th June, 1873.

SIR—We, the undersigned, have been instructed by the Government to inform you that we have calculated the amount to be paid by the Town of Brockville, as of 1st January last, under the amended Municipal Loan Fund Resolutions of 26th March last, and find that the sum amounts to \$135,375 00. The debt of the town, after receiving credit for the Railway,

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Clergy Reserve and Population allowances, would have stood at \$719,736 63, but the application of the two cent rule, under the ninth paragraph of the said Resolutions, further reduces the debt by the sum of \$584,361 63, leaving the amount to be paid, as of 1st January last, \$135,375 00

We call your attention to the liability of the town to pay interest upon its debt from 1st January last, as provided by the sixth section of the Municipal Loan Fund Act.

If you have any suggestions or objections to make with reference to the calculations of the amount to be paid by the Town of Brockville, on the basis of the Resolutions, you are to make the same within fourteen days from this date.

With reference to the debentures to be given under the sixth section of the Municipal Loan Fund Act, we are instructed to state that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

The foregoing communication is made independently of the consideration of the proposal of the Canada Central Railway Company, and we are instructed to say that the determination of the Government, as to that proposal, will be communicated to you probably in the course of a few days.

We remain,

Your obedient servants,

(Signed) W. CAYLEY,

Auditor.

(Signed) C. A. BROUGH,

Acting-Secretary.

G. S. McLean, Esq., Treasurer,
Town of Brockville.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the County of Carleton, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$43,478 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$43,478 00 is to be divided by the Government among the towns, townships, and incorporated villages in the County of Carleton, according to their respective populations, as directed by the seventh paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the twelfth section of the said Act, as may be provided for by by-laws of the local municipalities passed after the first day of February next, in accordance with the thirteenth section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

(Signed)

WILLIAM CAYLEY,

Auditor.

(Signed)

C. A. BROUGH,

Acting-Secretary.

To the Treasurer, County of Carleton.

TORONTO, June 21st, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Township of Caledon, on 1st of February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$16,320 00.

Of this sum, \$6,750 00 are for an allowance in respect of the Toronto, Grey and Bruce Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$9,570 00, is an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

(Signed) WILLIAM CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting-Secretary.

D. Kirkwood, Esq., Treasurer,
Township Caledon, Rockside.

AUDITORS' OFFICE,
TORONTO, June 20th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Township of Canborough, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$6,350 18.

The following is a statement of the mode in which that sum was arrived at :—

Railway allowance granted to the Municipality in respect of its aids to the Buffalo and Lake Huron Railway, as of 1st Jany., 1873	\$8133 02	
Interest thereon from 1st January, 1873, to 1st February, 1874	440 54	
	\$8573 56	
Allowance of \$2 per head of population, census 1871, payable 1st February, 1874		2418 00
		10991 56
Less balance of debt to Municipal Loan Fund, 1st January, 1873...	4402 89	
Interest thereon from 1st January, 1873, to 1st February, 1874.....	238 49	
	4641 38	
		\$6350 18

Should there appear to be any error in the above calculation, it should be brought to our attention within fifteen days of this date.

We remain,
Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.
(Signed) C. A. BROUGH.

To John Tolmsbee,
Treasurer, Township of Canborough.

AUDITOR'S OFFICE,
TORONTO, 5th June, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Town of Chatham to the Province, under the amended Municipal Loan Fund Resolutions of 26th March last, and that we find the debt of the Town of Chatham, by the operation of the 5 cent rule under the 3rd Resolution, to be reduced to \$103,478 29.

The indebtedness of the Town of Chatham to the Municipal Loan Fund, without the intervention of the 5 cent rule referred to above, and after receiving the benefit of it, Clergy Reserve and Population allowances would have stood at \$145,018 22.

The town is consequently benefited by the application of the 5 cent rule to the extent of \$41,539 93.

If you have any suggestions or objections to make with reference to the foregoing calculations, you are to make them within fourteen days from this date.

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With reference to the debentures to be given under the Municipal Loan Fund Act, we beg to state that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

We remain,
Your obedient servants,
(Signed) Wm. Cayley,
Auditor.
C. A. Brough,
Acting-Secretary.

To Malcolm Weir, Esq.,
Treasurer, Chatham.

CHATHAM, 18th September, 1873.

DEAR SIR,— I wish to submit a few statements to you in reference to the Municipal Loan Fund debt of the Town of Chatham; you will remember that in the year 1856 we paid to the Chatham and Camden Plank Road..... \$12,000 00
And to the St. Clair and Rondeau Gravel Road..... 32,000 00

Making altogether..... \$44,000 00
The simple interest on the amount for the last 18 years at 6 per cent. 47,520 00

Now, as you are well acquainted with the Honourable Mr. Mowat, I wish you would urge upon him the necessity of deducting at least the \$44,000 00 invested in these roads from the \$69,522 00, to be paid to the County of Kent by the Government; and credit the same to the town, thereby reducing its Municipal Loan Fund debt, as the money paid for the roads by the town was all taken from the Municipal Loan Fund.

The Government have got the money in their own hands, and it will be the easiest, surest, and best way of getting our debt reduced, while, at the same time, it will be doing no injustice to the County, as it has received \$91,520 in principal and interest as shewn above in the roads, and they are more of a county than town work, and the town paid about \$20,000 interest on this amount to the Receiver General, &c., which is quite enough for all the indirect benefit it has received, while the County has not paid one dollar for principal or interest. that I am aware of, for the whole 18 years past; the trifling tolls received are all expended on the roads, and scarcely sufficient to keep them in repair; equal, perhaps, to the statute labour saved. The whole amount received by the town from the roads up to this time was only \$5,087 65.

You may show this letter to the Honourable Mr. Mowat if you think best.
Hoping to receive a satisfactory reply soon,

I am, dear Sir,
Yours truly,
(Signed) M. WEIR.

Hon. Archibald McKellar,
Toronto.

AUDITOR'S OFFICE,
TORONTO, November 27th, 1873.

DEAR SIR—In reply to your letter of 18th September last addressed to the Honourable the Commissioner of Public Works, urging that certain sums invested by the Town of Chatham in the Chatham and Camden Plank Road, and in the St. Clair and Rondeau Gravel Road should be deducted by the Government from the sums payable to the County of Kent under the Municipal Loan Fund Act of last session, and that the amount so deducted should be credited to the Town of Chatham on account of its debt to the Municipal Loan Fund. I am instructed to say that the Government has no legal power to interfere between the Town and County of Kent in the manner you mention, and that such an arrangement could only be accomplished by mutual agreement between the County and Town.

I remain,
Your obedient servant,
(Signed) C. A. BROUGH,
Acting Secretary.

To Malcolm Weir, Esq.,
Treasurer, Chatham.

AUDITOR'S OFFICE,

TORONTO, July 8th, 1873.

SIR.—We the undersigned, have been instructed by the Government, to inform you, that we have calculated the sum to be paid by the Province to the Village of Chippawa on 1st February, 1874, in accordance with the Municipal Loan Fund Act; and that the same amounts to \$1,660 57.

This sum is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-law after 1st February next, under the 13th section of the said Act.

The following is a statement of our calculations:—

Railway allowance (Erie and Niagara) as of 1st January, 1873	\$39,911 84	
Interest thereon from 1st January, 1873, to 1st February, 1874	2,166 23	
Clergy reserve allowance (corrected) as of 1st January, 1873	1,733 16	
Interest thereon, from 1st January, 1873, to 1st February, 1874 ...	93 87	
Allowance as of 1st February, 1874, at \$2 per head, according to census of 1871	1,844 00	
		\$45,829 09
Less debt to M. L. F., 1st January, 1873	\$41,899 00	
Interest to 1st February, 1874	2,269 52	
		44,168 52
Amount due to Chippawa	\$ 1,660 57	

Should there appear to you any error in the foregoing statement, you are to bring the same to our notice within fourteen days from this date.

We remain,

Your obedient servants,

(Signed)

W. CAYLEY,

Auditor.

C. A. BROUGH,

Acting Secretary.

Charles Keller, Jun., Esq.,
Clerk, Village of Chippawa.

TORONTO, June 10th, 1873.

SIR,—We the undersigned, are instructed by the Government to inform you that we have calculated the sum to be paid by the Town of Cobourg, as of 1st January, 1873, under the amended Municipal Loan Fund Resolutions of 26th March last, and find that the same amount to \$69,580 00. The debt of the Town after having received credit for Railway, Clergy Reserve and Population allowances, would have stood at \$1,013,611 36, but the application of the 2 cent rule, under the 9th paragraph of the said Resolution further reduces the debt by the sum of \$944,031 36, leaving the amount to be paid as of the 1st January last, \$69,580 00. We also call your attention to the liability of the Town to pay interest on its debt (as reduced) from 1st January last, in the manner provided by the 6th section of the Municipal Loan Fund Act.

If you have any suggestions or objections to make with reference to the calculations, on the basis of the Resolution, as to the amount to be paid by the Town of Cobourg, you are to make the same within fourteen days from this date.

We are also instructed to state that a form for the Debentures to be given under the 6th section of the Municipal Loan Fund Act, will be prescribed by His Excellency the Lieutenant-Governor in Council.

With reference to your communication of 20th ultimo, to the Honourable the Provincial Secretary, stating that the Town of Cobourg is unable to pay the sum found to be due by it under the Resolutions, the Attorney-General, to whom your letter was referred, desires me

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to call your attention to the fact that the debt of Cobourg, under the 2 cent rule, has been calculated on the basis of $\frac{1}{2}$ cent in the dollar on the assessment of 1872, an infinitely smaller rate than in the case of many other places; and that Cobourg seems more able to pay the amount of its indebtedness, than other Municipalities to pay the sums for which they are liable under the Resolution. Thus Chatham with a population of 5,873 has to pay \$103,478 29; and Goderich, with a population of 3,954, besides having paid interest every year, is obliged to pay \$58,932 22, and means to pay it.

We remain,
 Your obedient servants,
 (Signed) W. CAYLEY,
Auditor.
 C. A. BROUGH,
Acting Secretary.

David Brodie, Esq.,
 Treasurer Town of Cobourg.

AUDITOR'S OFFICE,
 TORONTO, June 5th, 1873.

SIR,—We, the undersigned, have been instructed by the Government, to inform you that we have calculated the sum to be paid by the Town of Cornwall to the Province, under the amended Municipal Loan Fund Resolutions of the 26th of March last, and that the same amounts to \$1,082 19.

The following is a statement of our calculations:—

Cornwall is not entitled to any railway allowance under either the 4th Resolution or the 5th Resolution. Nor is it entitled to any allowance under the 3th Resolution in respect of Clergy Reserve money retained.

The population according to the census of 1871, was 2,033; the allowance of \$2 per head under the 7th Resolution will, therefore, amount to \$4,066, which sum is credited to the Town by the Province. The arrears of the debt of the Town to the Municipal Loan Fund on 1st of January, 1873, were \$5,148 00, this sum less \$4,066 00, the sum to the credit of the Town, leaves the sum to be paid by the Town of Cornwall to the Province, on the 1st January last, \$1,082 19.

If you have any suggestions or objections to make with reference to the foregoing calculations, you are to make the same within fourteen days from this date.

With reference to the debentures to be given under the Municipal Loan Fund Act, we beg to state that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

We remain,
 Your obedient servants,
 WM. CAYLEY,
Auditor.
 C. A. BROUGH.

To James Kilgour, Esq.,
 Treasurer, Town of Cornwall.

AUDITOR'S OFFICE,
 TORONTO, July 5th, 1873.

DEAR SIR,—Referring to our conversation of yesterday, as to the debt of the Town of Cornwall, to the Municipal Loan Fund, I beg to say, that according to the first schedule as prepared, the debt was \$252 19, but that according to the schedules as corrected it amounts to \$1,082 19. The increase in amount is owing to the fact that in the first schedules, Cornwall was incorrectly credited with \$830 00, on account of Clergy Reserve moneys retained.

The table relative to Clergy Reserve moneys, from which the first schedules were prepared, was imperfect. This was stated in the House by the Honourable the Attorney-General, and the reason given was, that the books relating to these moneys were in the hands of the Dominion Government. Since the close of the Session, a correct return of Clergy Reserve moneys

retained has been received from Ottawa, and from these returns it appears that Cornwall had been incorrectly credited with the \$830 00, and that all Clergy Reserve moneys that should have been paid, have been paid.

I remain,
Yours very truly,

C. A. BROUGH.

To James Bethune, Esq., M. P. P.,
&c., &c., Toronto.

CORNWALL, ONTARIO,
10th July, 1873.

DEAR SIR,—Will you kindly send me a statement of the year in which the mistake of the \$800 occurred in the Municipal Loan Fund account of this Town.

The Mayor tells me that the payments were all punctually made.

Yours truly,
(Signed)

JAMES BETHUNE.

To C. A. Brough, Esq.,
Auditor's Office.

AUDITOR'S OFFICE,
TORONTO, July 16, 1873.

DEAR SIR,—In reply to your letter of the 10th instant, enquiring as to the year in which Clergy Reserve moneys were supposed to have been retained from the Town of Cornwall, I beg to enclose you a statement furnished by Mr. Cayley.

I remain,
Yours very truly,

C. A. BROUGH.

To James Bethune, Esq., M.P.P.,
Cornwall.

AUDITOR'S OFFICE,
TORONTO, 15th July, 1873.

DEAR SIR,—To explain fully how the errors with respect to the Clergy Reserve moneys paid, and supposed to have been withheld, requires a little history.

When the Audit Clerk was called upon to make out a statement of what municipalities had been excluded from their share of the Clergy Reserves, and the amounts, the only source of information within his reach was the Public Accounts of Canada, which led him into error (as you will say, naturally enough), if you will turn to the Public Accounts of 1860, page 46, part 2, and Public Accounts, page 47, stating that in those two years Cornwall had been excluded. He consequently assumed that the town had received nothing, and estimated the amount at \$830 00. When, however, the complete returns had been received from Ottawa, we were enabled to trace that the amount said to have been withheld in 1860, was not withheld; (see Public Accounts, 1860, page 38, part 2), and the amount said to have been withheld in Public Accounts, 1861, page 47, part 2, quoted above, was subsequently paid by Order in Council. (See Public Accounts of 1862, page 48, part 2, \$511 20).

Yours truly,
(Signed) WILLIAM CAYLEY.

To C. A. Brough, Esq.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Village of Dunnville, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$9,335 56.

Of this sum, \$6,431 56 are for an allowance in respect of the Buffalo and Lake Huron Railway.

The remainder of the sum to be paid to the municipality, amounting to \$2,904 00, is an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

(Signed) W. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting Secretary.

Hugh Asher, Esq.,
Treasurer, Village of Dunnville.

CLERK'S OFFICE,
DUNNVILLE, 10th July, 1873.

SIR,—I am instructed by the council of this village to acknowledge the receipt of your communication of 30th June, giving the amount to which this municipality is entitled, under the settlement of the Municipal Loan Fund Debt.

You state that the sum is \$9,335 56, being composed of \$6,431 56 as our allowance in respect of the Buffalo and Lake Huron Railway, and \$2,904 00 as our per capita allowance.

Are we to understand that in addition to this amount, \$9,335 56, our indebtedness to the Municipal Loan Fund is cancelled?

An answer will greatly oblige.

Your obedient servant,
(Signed) CHARLES E. S. BLACK,
Clerk.

The Hon. W. Cayley,
Auditor.

AUDITOR'S OFFICE,
TORONTO, July 22nd, 1873.

SIR,—In reply to your letter of the 10th instant, relating to the sum to be paid to the Village of Dunnville, under the Municipal Loan Fund Act, I beg to say that the sum of \$9,335 56, mentioned in our letter of 30th ultimo, will be paid by the Province to the village, in addition to its debt to the Municipal Loan Fund being cancelled.

I remain,
Your obedient servant,
(Signed) C. A. BROUGH,
Acting Secretary.

Charles E. J. Black, Esq.,
Clerk, Village of Dunnville.

To his Excellency the Honourable WILLIAM PEARCE HOWLAND, C. B., *Lieutenant-Governor*
of the Province of Ontario.

The Petition of the Mayor and Town Council of the Town of Durham,

HUMBLY SHEWETH:—

That the Town of Durham was incorporated by an Act of the Legislature of Ontario, passed on the second day of March, in the year of our Lord 1872.

That by a census taken of the said Town in 1871, prior to the Act of Incorporation, the population was found to be fourteen hundred.

That prior to such Act, the said Town formed parts of the Townships of Bentinck and Glenelg, in the County of Groy.

That by the said Act of Incorporation, it appears that the population of the said Town of Durham, at the time of said incorporation, was fourteen hundred, or thereabout.

That the part of said Town taken from the Township of Bentinck, contained at that time about seven hundred and fifty inhabitants.

That the part taken from the Township of Glenelg, contained six hundred and fifty that is to say, 750 from Bentinck, and 650 from Glenelg; in all, 1400.

That the population of said Town is not now less than at the incorporation.

That by the Act of the said Legislature respecting the Municipal Loan Fund debt, and respecting certain payments to Municipalities, the County of Grey is to receive \$117,376 10 as on the first day of February, 1874, which is to be distributed by your Excellency in Council among the local municipalities therein, respectively, according to the census of 1871, or in case the population of the municipality does not appear by said census, then according to the population as may be ascertained in any way satisfactory to your Excellency.

That your Petitioners therefore pray that in the distribution of the said sum of \$117,376 10, the Town of Durham receive a proportion of the same according to its population, as ascertained in the manner aforesaid.

(Signed) ALEXANDER COCHRANE,
Mayor, Durham.

Council Chamber,
5th November, 1873.

AUDITOR'S OFFICE,
TORONTO, 9th December, 1872.

SIR,—I am directed to acknowledge the receipt of the Petition of the Mayor and Town Council of the Town of Durham, setting forth the incorporation of the town in 1871, and praying that the town may receive its proportion of the amount appropriated to the County of Grey, under the Municipal Loan Fund Act.

As the Townships of Bentinck and Glenelg are concerned in the question of the allotment to be made to the Town of Durham, based on its population, these two townships should be made assenting parties through their respective clerks, to the statement showing the numbers of inhabitants separated from each.

I remain,
Your obedient servant,
(Signed) WM. CAYLEY,
Auditor.

Alexander Cochrane, Esq.,
Mayor, Town of Durham.

AUDITOR'S OFFICE,
TORONTO, 19th June, 1873.

SIR,—Will you please send me for the use of The Honorable The Attorney-General, a statement of the arrangement as to the payment of the county debt, including that to the Municipal Loan Fund, made between the Town of St. Thomas and the County of Elgin, at the time of separation.

I remain,
Your obedient servant,
(Signed) WM. CAYLEY, *Auditor.*

NOTE.—For reply to above letter see St. Thomas correspondence.

To William McKay, Esq.,
Clerk of County of Elgin, St. Thomas.

AUDITOR'S OFFICE,
TORONTO, 30th June, 1873.

SIR,—We, the undersigned, are instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the County of Elgin, exclusive of St. Thomas, under the Municipal Loan Fund Act, on 1st February, 1874, and that the same amounts to \$73,354.03.

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The following is a statement of our calculation :—

Debt of the County to the Municipal Loan Fund on 1st January last.....	\$13,139.71
Interest thereon from 1st Jan. 1873 to 1st Feb. 1874.....	711.72
Total indebtedness on 1st February, 1874....	13,851.43

An allowance of \$23,540.57 is made to the whole county in respect of the London and Port Stanley Railway, as of 1st January, 1873. Interest on same from 1st of January, 1873, to 1st February, 1874, amounts to \$1,275.10, making in all \$24,815.67. On deducting the debt as shown above, from this sum, there remains a balance of \$10,964.34. Of this balance, St. Thomas receives one-twentieth, and the remainder, amounting to \$10,416.03, goes to the county, exclusive of St. Thomas.

The County, exclusive of St. Thomas, is also entitled to receive \$62,938.00, being an allowance at the rate of \$2 per head of the population according to the census of 1871.

The sum of \$73,354.03 going to the county, exclusive of St. Thomas, is to be divided by the Government among the Towns, Townships, and incorporated Villages (other than St. Thomas, in the County), according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolutions, and is to be paid over for such purposes pointed out in the 12th section of the Municipal Loan Fund Act, as may be provided by By-laws of the Local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

If there appears to you to be any errors in the foregoing statement, they should be brought to our attention within fourteen days from this date.

We remain,

Your obedient servant,

(Signed)

WM. CAYLEY, Auditor.

(Signed)

C. A. BROUGH.

To William McKay, Esq.,
Clerk County of Elgin.

AUDITOR'S OFFICE,

TORONTO, July 21st, 1873.

SIR,—I have been instructed to inform you that a claim has been made by the County of Middlesex, that in the distribution of the allowance of \$49,000.00, made under the Municipal Loan Fund Act, to the Municipalities aiding the construction of the London and Port Stanley Railway, it is, in addition to ranking in respect of stock subscribed, also entitled to rank for a sum of \$7,701.75 lent to the railway in 1855, and of which loan it has been unable to recover either principal or interest.

If the claim of Middlesex be admitted, the share of the above mentioned railway allowance, credited to the County of Elgin, will be diminished by the sum of \$173.00, interest on which, from 3rd May, 1854, to 1st February, 1874, amounts to \$278.38, making a total reduction of \$451.55 from the sum going to the County of Elgin.

If you wish to resist the claim of the County of Middlesex, you will please forward statement of your objections thereto as soon as possible.

I remain,

Your obedient servant,

(Signed)

C. A. BROUGH.

William McKay, Esq.,
Clerk, County of Elgin.

ELGIN COUNTY COUNCIL OFFICE,

ST. THOMAS, 1st August, 1873.

DEAR SIR,—In reply to yours of the 21st ult., I have been instructed to state, that being without any evidence as to the legitimacy of the claim made by the County of Middlesex for money said to have been advanced by way of loan to the London and Port Stanley

Railway Company, nor as to the nature of the security held by the County for the payment of the same.

We therefore cannot give our consent to the allowance of the claim so made by the County of Middlesex.

I remain,

Your obedient servant,

WILLIAM MCKAY,
County Clerk, Elgin.

C. A. Brough, Esq.,
Auditor's Office, Toronto.

AUDITOR'S OFFICE,
TORONTO, June 9th, 1873.

SIR,—We, the undersigned, have been instructed to inform you, that we have calculated the sum to be paid by the Province to the municipalities in the County of Essex on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$45,009.65.

The following is a statement of the mode in which that sum was arrived at. The arrears of the County debt to the Municipal Loan Fund on 1st January, 1873, were \$19,336.94.

According to the census of 1871, the population of the County of Essex was 32,697. The allowance of \$2 per head under the 7th paragraph of the Amended Municipal Loan Fund Resolutions, will therefore amount to \$65,394.00.

Upon the county debt, as it stood on 1st January last, being deducted from this sum, there remains a balance of \$46,057.06, as of 1st January last, to be paid by the Province from this balance; however, there is to be deducted a further sum of \$1,047.41 for interest upon \$19,336.94 from 1st January, 1873, to 1st February, 1874, leaving the amount to be paid by the Province to the Municipalities in the County of Essex on 1st February next, \$45,009.65. This sum of \$45,009.65 is to be divided by the Government among the local Municipalities (towns, townships and incorporated villages) in the County, according to their respective populations, as directed by the 7th paragraph of the Resolutions, and is to be paid over for purposes pointed out in the 12th section of the Municipal Loan Fund Act, and provided by by-law of the local municipalities, passed in accordance with the 13th section of the said Act.

In reply to the questions contained in your letter of the 4th instant to the Honourable the Attorney-General, we are to inform you that it is not the intention of the Government to guarantee the debentures given by indebted municipalities in pursuance of the Municipal Loan Fund Act; but if delivered to the municipalities it will be at the market price, whatever that may be at the time, and the Government has taken power to sell the debentures and hand over the money to the municipalities entitled to receive the same—a power which they will probably exercise in order that the sale may be made in the way most advantageous to the municipalities. We refer you to the 9th section of the Municipal Loan Fund Act in regard to these particulars.

If you have any suggestions or objections to make with reference to the foregoing calculations, as to the balance going to the County, you are to make the same within fourteen days from this date.

We remain,

Your obedient servants,

(Signed) W. CAYLEY, Auditor.
(Signed) C. A. BROUGH, Act.-Secretary.

To W. McGregor,
Warden, County Essex.

TORONTO, June 21st, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Township of Eldon on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$10,885.36.

Of this sum, \$4,781 36 are for an allowance in respect of the Toronto and Nipissing Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$6,104 00 is an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.

George W. Millar, Esq.,
Clerk Township Eldon, Woodville.

C. A. BROUGH,
Act.-Secretary.

(Duplicate)

TORONTO, June 28th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Village of Elora, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$4,069 85.

Of this sum, \$1,073 85 are for an allowance in respect of the Wellington, Grey and Bruce Railway.

The remainder of the sum to be paid to the municipality, amounting to \$2,996 00, is an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) W. CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary.

Clerk, Village of Elora.

AUDITOR'S OFFICE, 23rd Jan., 1874.

SIR,—After full consideration, the Government have decided that the municipalities entitled to share in the Government Railway Allowance, on account of the Wellington, Grey and Bruce Railway, are as follows:—Elora, Fergus, Nichol, Peel, Maryborough, Wallace, Minto and Howick, in proportion to their respective advances, at the rate of \$218 18 per \$1,000 00.

I am instructed, therefore, to inform you that the amount going to Elora will be \$2,181 82.

I remain,
Your obedient servant,
(Signed) W. CAYLEY,
Auditor.

To the Clerk of Town of Elora.

With undermentioned shares of Railway Allowance, above circular sent to:—

Elora.....	\$2,181 82
Fergus	2,181 82
Nichol	2,181 82

Maryborough	\$8,727 27
Peel	8,727 27
Wallace.....	5,454 54
Minto	14,181 82
Howick	4,363 64

AUDITOR'S OFFICE,
TORONTO, 6th June, 1873.

SIR,—The undersigned have been instructed by the Government to inform you that we have calculated the sum to be paid by the Township of Elizabethtown to the Province, under the amended Municipal Loan Fund Resolutions of 26th March last, and that we find the debt of the Township of Elizabethtown, by the operation of the 5 cent Rule under the 3rd Resolution to be reduced to \$98,847 23.

The indebtedness of the Township of Elizabethtown to the Municipal Loan Fund, without the intervention of the five cent rule referred to above, and after receiving the benefit of its Clergy Reserves, Railway and Population allowances would have stood at \$244,052 16. The Township is consequently benefited by the application of the 5 cent rule, to the extent of \$145,204 93.

If you have any suggestions or objections to make with reference to the foregoing calculations, you are to make the same within fourteen days from this date.

With reference to the debentures to be given under the Municipal Loan Fund Act of last session, we beg to state that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

We remain,
Your obedient servants,
W. CAYLEY,
Auditor,
C. A. BROUGH,
Acting-Secretary.

To Fred. J. Moore, Esq.,
Treasurer, Township of Elizabethtown, Brockville.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the County of Frontenac on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$54,626 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$54,626 00 is to be divided by the Government among the towns, townships, and incorporated villages in the County of Frontenac, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the local municipalities passed after the first day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.
To the Clerk, Co. of Frontenac.

(Duplicate.)

TORONTO, June 28th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Village of Fergus on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$4,405 85.

Of this sum, \$1,073 85 are for an allowance in respect of the Wellington, Grey and Bruce Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$3,332 00 is an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) W. CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary.

Clerk, Village of Fergus.

Note.—For change in amount of railway allowance coming to Fergus, see circular under Elora correspondence.

AUDITOR'S OFFICE,
TORONTO, June 20th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that the sum to be paid by the Province to the Village of Fort Erie, on the 1st February, 1874, under the Municipal Loan Fund Act, amounts to \$3,927 04.

The following is the statement of our calculations: The debt of Bertie and Fort Erie to the Municipal Loan Fund amounted on 1st January last to \$25,881 53. Interest on that sum from 1st January, 1873, to 1st February, 1874, amounts to \$1,401 90, making total indebtedness of Bertie and Fort Erie on 1st February, 1874, amount to \$27,283 43.

Bertie and Fort Erie are entitled as of 1st of January, 1873, to an allowance of \$40,644 23, in respect of the Buffalo and Lake Huron Railway; interest on that sum from 1st January, 1873, to 1st February, 1874, amounts to \$2,201 56; making the total railway allowance going to both Bertie and Fort Erie on 1st February next, \$42,845 79. Upon deducting the debt as given above from this allowance, there remains a balance of \$15,562 35, payable on 1st February, 1874, of which balance Fort Erie is entitled to receive \$1,636 20 as its share.

Fort Erie is further entitled to receive (as of 1st January, 1873) an allowance of \$588 95, in respect of Clergy Reserve moneys retained; interest thereon to 1st February, 1874, amounts to \$31 89, making in all \$620 84.

Fort Erie also receives an allowance as of 1st February, 1874, of two dollars per head of population, according to the census of 1871, which allowance amounts to \$1,670 00.

The total sum of \$3,917 04, going to Fort Erie, is to be paid over for such purposes pointed out in the twelfth section of the Municipal Loan Fund Act as may be provided for by by-laws passed after 1st February next, in accordance with the 13th section of the Municipal Loan Fund Act.

Should there appear to be any error in the above statement, it should be brought under notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) WILLIAM CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary

Richard Graham, Esq.,
Treasurer, &c., Village Fort Erie.

AUDITOR'S OFFICE,
TORONTO, June 4th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Municipalities of the County

of Grey on 1st of February next, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$117,299 52.

The following is a statement of the mode in which that sum was ascertained:

The balance of the county debt to the Municipal Loan Fund, on 1st of January, 1873, was	\$1,413 96
Interest on this sum under the sixth section of the said Act, from 1st January, 1873, to 1st February, 1874, amounts to.....	76 52
Making together	\$1,490 48

According to the census of 1871, the population of Grey was 59,395; the allowance of \$2 per head under the seventh paragraph of the Resolution, will therefore amount to \$118,790 00, which sum is payable by the Province on 1st of February, 1874. Upon the amount of the county debt, as mentioned above, being deducted from this sum, there remains a balance of \$117,299 52, to be paid by the Province to the Municipalities of the County of Grey on 1st of February, 1874.

This sum of \$117,299 52, is to be divided by the Government among the various municipalities (Towns, Townships, and Incorporated Villages) in the county, according to their respective populations, as directed by the seventh paragraph of the Resolutions, and is to be paid over for the purposes pointed out in the twelfth section of the Municipal Loan Fund Act, and provided by by-laws of local municipalities, passed in accordance with the thirteenth section of said Act.

If you have any suggestions or objections to make with reference to the calculation of the amount to be paid by the County on the basis of the Resolution, you are to make the same within fourteen days from this date.

We remain,
Your obedient servants,
WILLIAM CAYLEY,
Auditor.
C. A. BROUGH,
Acting Secretary.

To Frederick LePan, Esq.,
Treasurer, County of Grey.

COUNTY TREASURER'S OFFICE,
OWEN SOUND, June 26th, 1873.

SIR,—In reply to yours, with regard to the Municipal Loan Fund, I have to state that this county has paid up in full, and holds receipts to that effect, so that we are entitled to the full amount, say \$118,790 00.

Yours most obediently,
(Signed) FRED. LE PAN,
Treasurer, County Grey.

To the Honourable William Cayley,
Auditor, Toronto.

AUDITOR'S OFFICE,
TORONTO, 2nd July, 1873.

DEAR SIR,—You are quite correct; the payments made by you, January, April and May of this year, wiped out the indebtedness of the County of Grey to the Municipal Loan Fund.

You will have noticed, however, that the statement rendered to you was made up as of 1st January, 1873, and consequently would be subject to any corrections which might be necessary, arising out of any subsequent payments. In making out the amounts of upwards of one hundred Municipalities, having balances either to pay to, or receive from, the Govern-

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ment, it was necessary to start from the same period, 1st January, 1873, up to which date all the Municipal Loan Fund accounts had been made up.

I remain,
Your obedient servant,
(Signed) W. M. CAYLEY,
Auditor.

F. Le Pan, Esq.,
Treasurer, County of Grey.

AUDITOR'S OFFICE,
TORONTO, 5th June, 1873.

Sir,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Town of Goderich to the Government, under the Amended Municipal Loan Fund Resolutions of the 26th March last, and that we find the debt of Goderich as reduced under the 3rd Resolution by the 5 cent. rule, and further reduced under the 9th Resolution, by the principle established in the case of the Township of Hope to be \$58,932 22.

The following is the statement of our calculation:—

The Local debt of Goderich, which is reduced under the 3rd Municipal Loan Fund Resolution, by the 5 cent. rule, is further reduced under the 9th Municipal Loan Fund Resolution, by the rule established in the case of the Township of Hope.

The original Loan was.....	\$100,000 00
Arrears of interest to 1st January, 1873.....	55,508 14
Total arrears to 1st January, 1873.....	155,508 14
Which, less the Railway allowance in respect of the Buffalo and Lake Huron Railway (County allowance) amounting to.	10,636 26
The Population allowance.....	7,908 00
And the Clergy Reserve allowance.....	5,165 82

Amounting together to..... 23,710 08

would leave the balance due by Goderich on its local debt, independently of the 3rd and 9th Resolutions, \$131,798 06.

Five cents on the dollar on the assessed annual value for 1858, amounts to \$4,318 93, say \$4,319 00.

The payments by the Town to the County of Huron, on account of the County debt to the Municipal Loan Fund, have been on an average, \$1,100 a year. The balance, therefore, to be applied on the local debt yearly, would be, according to the principle established in the case of the Township of Hope (9th Resolution) \$3,219 00. \$3,219 00, capitalized at 5 per cent. amounts to \$64,380 00. From this sum is to be deducted the balance of payments made since the Act of 1859 in excess of interest at 5 per cent. on the sum of \$64,380 00, this balance amounts to \$5,447 78; and therefore, the debt of Goderich, on 1st January, 1873, must be considered to have been \$58,932 26.

If you have any suggestions or objections to make with reference to the foregoing calculations, you are to make the same within fourteen days from this date.

With reference to the debentures to be given under the Municipal Loan Fund Act, we beg to state that a form will be prescribed by His Excellency, the Lieutenant-Governor in Council.

We remain,
Your obedient servants,
(Signed) W. M. CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary.

To the Rev. J. C. Fleteher,
Treasurer, &c. &c. &c., Town of Goderich.

GODERICH, 19th June, 1873.

GENTLEMEN,—I was duly honoured by your communication of the 5th current, containing a statement of the indebtedness of our Town to the Municipal Loan Fund, under the late legislation for relieving municipalities in arrears.

And I have now the honour to say that I laid your calculations before the mayor and leading members of our Council, and they join me in stating that whilst we do not profess to have the data which would enable us to test your calculations with perfect accuracy, yet we know enough to enable us to feel confident, that you have done justice to our interests in this matter.

We would respectfully inform you that it would be for our advantage, in settling our debt with this fund, were the Government to pay our Debentures to the County of Huron. I may state that we have good reason to believe that the County would be willing to receive them. With deep respect,

I have the honour to be, Gentlemen,
Your most obedient servant,
(Signed) CHARLES FLETCHER,
Town Treasurer.

To the Honourable W. Cayley, Auditor,
And C. A. Brough, Esq., Acting Secretary.

AUDITOR'S OFFICE,
TORONTO, July 7th, 1873.

DEAR SIR,—In reply to your communication of the 19th ultimo, requesting that the Debentures to be given by the Town of Goderich under the Municipal Loan Fund Act, may be paid over to the County of Huron as a portion of its share of the surplus, I have been instructed to inform you that no definite promise can be made with reference to the matter at present, although it is possible that such an arrangement as you desire may be ultimately effected.

I remain,
Your obedient servant,
(Signed) C. A. BROUGH.

To the Rev. Charles Fletcher,
Treasurer, &c., Goderich.

AUDITOR'S OFFICE,
TORONTO, July 12th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Town of Guelph to the Province under the Municipal Loan Fund Act of last session, and that the same amounts to \$49,669 31, as of 1st January, 1873.

The following is our calculation :

Debt on 1st January, 1873.....		\$99,230 18
Less allowance in respect of Galt and Guelph Railway..	\$31,300 00	
Clergy Reserve allowance (as corrected).....	4,504 87	
Allowance at rate of \$2 per head of population, according to census of 1871.....	13,756 00	49,560 87
Balance due by Town of Guelph, as of 1st January, 1873...		\$49,669 31

We also call your attention to the 6th section of the said Act, which refers to the payment of interest subsequently to the 1st of January, 1873.

Should there appear to you to be any errors in the foregoing calculation, you are to bring the same to our notice within fourteen days from this date.

With reference to the Debentures to be given under the Act, we are instructed to say that a form will be prescribed by his Excellency the Lieutenant-Governor in Council.

We remain,

Your obedient servants,
(Signed) WILLIAM CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting-Secretary.

To S. Harvey, Esq.,
Treasurer, Town of Guelph.

AUDITOR'S OFFICE,
TORONTO, July 12th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Township of Guelph, on 1st February, 1874, under the Municipal Loan Fund Act of last session, and that the same amounts to \$15,646 94.

Of this sum, \$9,736 94 are for an allowance in respect of the Galt and Guelph Railway; the balance of \$5,910 00, is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

The sum of \$15,646 94, payable by the Province to the Township of Guelph, is to be paid over for such purposes pointed out in the twelfth section of the said Act, as may be provided for by by-laws passed after 1st February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, you should bring the same to our notice within fourteen days from this date.

We remain,

Your obedient servants,
(Signed) WILLIAM CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting-Secretary.

To A. McCorkindale, Esq.,
Clerk, Township of Guelph.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the County of Haldimand, exclusive of the Townships of Canborough, Moulton, Sherbrooke and Dunnville, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$40,182 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$40,182 00 is to be divided by the Government among the towns, townships, and incorporated villages in the County of Haldimand, other than those Municipalities excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The Municipalities excepted above are excluded from sharing in the above allowance, because they have been separately dealt with by the Government.

We remain,

Your obedient servants,
W. CAYLEY,
Auditor.

C. A. BROUGH,
Act. Secretary.

To Treasurer, County of Haldimand.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the County of Halton, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$45,212 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$45,212 00 is to be divided by the Government among the towns, townships, and incorporated villages in the County of Halton, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

(Signed) W. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Act-Secretary.

To Clerk, Co. of Halton.

AUDITOR'S OFFICE,
TORONTO, 18th June, 1873.

SIR,—For the information of the Honourable Attorney-General, be good enough to inform me what arrangements were made at the time of the separation of the Town of Belleville from the County of Hastings, with reference to the indebtedness of the County.

Your obedient servant,
(Signed) WM. CAYLEY,
Auditor.

To Thomas Wells, Esq.,
County Clerk, County of Hastings.

In reply to above letter, see correspondence under Town of Belleville.

AUDITOR'S OFFICE,
TORONTO, 27th June, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the County of Hastings, on the 1st February, 1874, according to the provisions of Municipal Loan Fund Act, and that the same amounts to \$8,734 38.

The following is a statement of the mode in which that sum was arrived at:—

According to the census of 1871 the population of the County of Hastings, after deducting that of Belleville, which is separately dealt with, was 41,059; the allowance of \$2 per head under the 7th paragraph of the Resolutions, and payable on the 1st February, 1874, amounts to.....

.....	\$82,118 00
Deducting therefrom the balance found to be due to the Municipal Loan Fund, as of the date of 1st January 1873, was.....	\$69,612 93
Interest on this sum from 1st January, 1873, to 1st February, 1874, amounts to.....	3,770 69
	73,383 62
Balance due to County.....	\$8,734 38

This sum of \$8,734,38 is to be divided by the Government among the Local Municipalities of the County of Hastings, with the exception of the Town of Belleville, according

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To T. M
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to their respective populations, as directed by the 7th paragraph of the Resolutions, and is to be paid over for purposes pointed out in the 12th section of the Municipal Loan Fund Act, as provided by by-law passed in accordance with said Act.

Should there appear to be any errors in the above calculations, be pleased to call our attention to them within fourteen days from this date.

We remain,

Your obedient servants,
 (Signed) WM. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Act.-Secretary.

To T. McAnnay, Esq.,
 Treasurer, County of Hastings.

BELLEVILLE, COUNTY OF HASTINGS,
 7th July, 1873.

SIR,—F. McAnnay, Treasurer of the County of Hastings, handed me your letter of 27th June, in reference to this county's participation in the distribution of the Municipal Loan Fund, from which I discover that you place the amount coming to our county, exclusive of the Town of Belleville, at \$8,734 38, payable 1st February, 1874.

I also notice that you put down the "population of the County of Hastings, after deducting that of Belleville, which is separately dealt with, was 48,364, the allowance of \$2 per head, under the paragraph of the Resolutions, and payable on the 1st February, 1874, amounts to \$82,118." This is evidently an error one way or the other, the population, deducting Belleville, would be 41,059 (and not "48,364") which would be \$82,118 00.

- I again notice that you put down
 - "Municipal Loan Fund, as of date 1st January, 1873, was..... \$69,612 93
 - "Interest on the sum from 1st January, 1873, to 1st February, 1874,
 - "Amounts to 3,770 69
- \$73,383 62"

To this statement I demur.

I can see no good reason for it, as upon looking over the schedule I find as follows in reference to Hastings:

Total arrears	\$69,612 93
Allowance at the rate of \$2 per head of population.....	82,118 00
Total amount going to Municipality under resolution.....	12,505 07

Now, as these resolutions state that amount is coming to the Municipality on the 1st February, 1874, I ask by what right or authority you charge \$3,770 69 interest, and cut down the \$12,505 07 to \$8,734 68.

Unless the Act itself has been made different from Table No. 4, first part, page 14 of the printed schedule, I can find no authority for charging interest on the amount found due 1st January, 1873. Not having the Act, I ask for information.

Yours &c.,
 BILLA FLINT,
Warden,
 County of Hastings.

To Messrs. Cayley and Brough,
 Auditors, Municipal Loan Fund.

AUDITOR'S OFFICE,
 TORONTO, 9th July, 1873.

SIR,—You are quite correct in observing that the population of Belleville had not been deducted in the paragraph of my letter to which you refer, viz., in the figures 48,364. The population of Belleville, in the census of 1871, is stated to be 7,035, leaving 41,059 for the balance of the county, which, at \$2 per head, produces the sum of \$82,118 00, as stated in my letter, and verified by you.

It is evident from the latter part of your letter that you are under the impression, either that all interest on the debt of the county ceases from 1st of January, 1873, or that the county is entitled to an offset of its population allowance as of that date. You will find that this is not the case by a reference to the text of which I forward to you a copy without the schedules, as the figures in the latter had not been tested at the time the Act was printed, and which it has been found necessary to correct in many instances, and provision was made for this contingency in the 3rd section. Indeed, section 3 would be a complete answer to your question.

"By what right or authority do the auditors charge interest or change an amount printed in the schedules, presuming such an amount to be incorrect."

But it is not an error, and the County of Hastings would be entitled to receive and would receive \$12,505 07, on the 1st day of February, 1874, if it complied with the conditions of the 6th section of the Act, and paid up its interest for the intervening period, from the 1st of January last.

And you will notice by the second section of the Act, that the population allowance is not due or payable prior to the 1st of February, 1874, and consequently cannot be chargeable with interest until after that date should there be any delay in the Government payment.

I remain,
Your obedient servant,
WM. CAYLEY,
Auditor.

I may add that it was at the suggestion of the auditor, that the Honorable the Treasurer consented that the accrued interest should be brought into final settlement with all those Municipalities to which balances would ultimately be payable by the Government.

To Billa Flint, Esq.,
Warden of the County of Hastings, Belleville.

COUNTY TREASURER'S OFFICE.
GODERICH, July 12th, 1873.

SIR,—I beg respectfully to bring under your notice an evident error in the calculations in Table No. 3 A., in connection with the Municipal Loan Fund Act of last session, in which Table the interest is given on the allowance as 5 per cent. compounded.

By the clause of the Resolutions providing for certain allowances to be made to Municipalities, which in past years had aided railways,—which Resolutions are referred to in section 3 of the Municipal Loan Fund Act, and made a part of the said Act,—it is provided that the said allowances "are to be allowed the Municipalities as a payment at the date of the debt therefor being contracted." By this provision in the Resolution it is evident that the allowance must be treated as if it were a cash payment made by the Municipality, and the same rate of interest allowed upon it from the date when the debt was contracted, as has been allowed upon cash payments made by the Municipality towards the liquidation of its debt, which interest upon the sinking fund has always been 6 per cent. per annum, compounded half yearly.

It is true, that since 1861 the interest charged upon the Municipal Loan Fund debts has been only 5 per cent., and Municipalities who have been largely in arrears for interest, and whose railway allowances will be swallowed up by such arrears of interest, will not practically receive or be entitled to 6 per cent. for the whole time on the railway allowances, but even they can clearly claim 6 per cent. from the date of the debt up to the 31st December, 1860, and 5 per cent. thereafter, compounded in the same manner as charged.

But with the Municipalities, which have always paid up their interest, the allowance must be as a credit to the sinking fund; and such allowance will thus, as before stated, bear interest at the rate of 6 per cent. per annum, compounded half yearly, in the same manner as cash payments have been treated. I think, upon looking carefully at the Resolutions and Act, you will see that this my contention is just, and that Table No. 3 A. is evidently not

correct, and that the various allowances therein will require to be recalculated in accordance with the positions the Municipality has held, whether in default as to interest or not.

The County of Huron having always paid up its interest, is therefore entitled to have 6 per cent. allowed upon its railway allowance, instead of five as in the table, which will make a very important difference to the county.

The claim I make on behalf of the county is but just and regular, and in accordance with the provisions of the Act and Resolutions, and I feel assured that when your attention is drawn to it the just claims of the county will be acceded to.

Might I ask the favour of a reply after the matter has been taken into consideration and a decision come to.

I have the honour to be, Sir,

Your most obedient servant,

(Signed)

A. M. ROSS,

Treasurer, County of Huron.

To The Honourable Oliver Mowat,
Attorney-General, Toronto.

AUDITOR'S OFFICE,

TORONTO, 16th June, 1873.

DEAR SIR,—The Townships of McGillivray and Biddulph claim to have a share of the \$200,000 per mile allowance (Railway allowance) going to the County of Huron, in consideration of their having paid, and are paying the amounts severally awarded against them by the Arbitrators about the month of February, 1863, on the separation of their Townships from the County of Huron.

To enable the Government to decide upon the propriety of allowing said claim, it is necessary that they should be supplied with a copy of the accounts submitted to the Arbitrators at that time, which are without doubt filed in your office.

Be pleased to furnish a copy.

Your obedient servant,

(Signed)

WM. CAYLEY,

Auditor.

To P. Adamson, Esq.,
County Clerk, Huron,

AUDITOR'S OFFICE,

TORONTO, July 22nd, 1873.

SIR,—In reply to your letter of the 12th instant, to the Honourable the Attorney-General, urging that the County of Huron should be credited with compound interest on the Railway allowance, under the Municipal Loan Fund Act, at the rate of 6 per cent. per annum, instead of 5 per cent. per annum, as at present.

I have been instructed to say that the alterations which you suggest cannot be made, and for the following reasons:—

The 4th paragraph of the Resolutions is silent as to interest on the Railway allowance.

The allowance of 6 per cent. compound interest on the sinking fund was not directed by any statutory enactment, and was not the legal right of the Municipalities which had balances to the credit of the sinking fund; but the account having been made up in that way before Confederation, it was not thought fit in the new disposition of Municipal Loan Fund debts to allow less interest in respect of the same particulars than the Municipalities had theretofore been credited with. But on the other hand, it was not thought right to give Municipalities the benefit of a like advantage in crediting the interest in respect of the railway allowance, for this allowance compound interest at 5 per cent., seemed ample.

If any change were to be made, so as to make the interest uniform in regard to both classes of accounts, it ought rather to be by reducing the amount of interest allowed in respect of other payments, than in increasing the interest allowed in respect of the railway credit.

I remain,

Your obedient servant,

(Signed)

C. A. BROUGH,

Acting-Secretary,

A. M. ROSS, Esq.,
Treasurer, County of Huron.

COUNTY TREASURER'S OFFICE,
GODERICH, August 26th, 1873.

SIR,—I am in receipt of a letter from Mr. Brough of the Audit Office, of date July 22nd, stating that he was instructed to say that the claim made for six per cent. interest on the Railway Allowances cannot be allowed.

The reasons given for the refusal, viz: that no rate of interest is mentioned in the Resolutions, and that the rate of six per cent. heretofore allowed upon the sinking fund was not under the authority of any statute; does not appear to me conclusive and satisfactory.

The Resolutions provide, that the allowances are to be credited as a payment made at the date of the debt being contracted, which must mean that they are to be treated as a money payment made at that date, and to carry interest, and the rate of interest in the absence of any being fixed by statute, must be governed I think by the rate which it has been the practice of the Government to allow upon such payments, and I think it can be fairly argued that the Legislature meant that, by the said provisions in the Resolutions.

I understood from Mr. Cayley, the Provincial Auditor, that he claims that five per cent. compound interest is equal to six per cent. charged as has been the practice in the books of the Department to defaulting municipalities.

If this is so, (which I have not verified) then the alteration I suggest would only affect the allowance to Municipalities which had not been in default, and whose allowances would go as a credit to the Sinking Fund, and it is but right that some little advantage should be given to paying Municipalities over defaulting ones. In all other respects they have had no advantage over those who have repudiated and gone in default.

As this is a matter of some importance to this county, may I ask if the Government would have any objection to have the matter put in the state of a friendly case for decision by some of the Superior Courts, and to act upon the decision given.

I have the honour to be,

Sir,
Your obedient servant,
(Signed) A. M. ROSS,
Treasurer

County of Huron.

To the Honourable O. Mowat,
Attorney-General, Toronto.

COUNTY TREASURER'S OFFICE,
GODERICH, November 11th, 1873.

SIR,—On the 26th August last, I wrote to you, asking if in the event of the Government still adhering to its decision to allow only five per cent. on the railway allowances under the late Municipal Loan Fund Act, the Government would have any objection to submit the matter to the opinion of the Courts.

As the County Council meet in a few days, might I ask the favour of an early reply.

I trust, however, that the Government will see the justice of the contention of the County for an allowance of the same rate of interest as has heretofore been allowed on cash payments.

Your obedient servant,
(Signed) A. M. ROSS,
Treasurer
County of Huron.

To the Honourable O. Mowat,
Attorney-General, Toronto.

AUDITOR'S OFFICE,
TORONTO, July 11th, 1873.

SIR,—We, the undersigned have been instructed by the Government to inform you, that we have calculated the sum with which the City of Hamilton is to be credited by the Province as of 1st January, 1873, and that the same amounts to \$228,296.80, which is made up as follows:—

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Berlin and Preston Railway Bonds and past due interest ; coupons held by the Government.....	\$156,395 20
Allowance in respect of Galt and Guelph Railway (interest from 15th December, 1853).....	18,469 60
Allowance at rate of \$2 per head of population, according to census of 1871.....	53,432 00
Total to be credited by Province as of 1st January, 1873.....	\$228,296 80

Of this total, \$156,395.20 will be discharged by cancelling the Berlin and Preston Railway Bonds and past due interest coupons. The balance will be paid by the Province to the City of Hamilton, on 1st February, 1874, interest being given on the railway allowance of \$18,469.60 from 1st January, 1873, to 1st February, 1874. This interest amounts to \$1,004.28, making the sum to be paid by the Province to the City of Hamilton on 1st February, 1874, \$72,905.88.

The sum above-mentioned, as being payable by the Province to the City of Hamilton, is to be paid over for such purposes pointed out in the 12th section of the Municipal Loan Fund Act, as may be provided for by by-laws passed after 1st February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the amount credited, or in the amount payable to the City of Hamilton, you are to bring the same to our notice within fourteen days from this date.

We remain,
 Your obedient servants,
 (Signed) W. CAYLEY, Auditor.
 (Signed) C. A. BROUGH, Act.-Secretary.

Alexander Stuart, Esq.,
 Treasurer, City of Hamilton.

NOTE.—The foregoing refers exclusively to the state of the accounts between the City and the Government in connection with the debt due to the Municipal Loan Fund, and the railway and population allowances, as provided for by the Act of last session.

There is, however, another account known as the City of Hamilton interest account, which, under the instructions of the Attorney-General, will have to be brought into the settlement in February next.

A statement of this account was rendered to the City a short time back, showing a balance against the City, as of 1st July, 1872, of \$29,727.92. This balance was reduced on the 1st of the month to \$28,813.41, by crediting the City with the Clergy Reserve moneys for 1872, less 12 months' interest on the former balance. By calculating the interest on the present balance to the 1st of February next, the period of settlement, the amount then payable will be \$28,821.91, to be deducted from \$72,905.88, leaving \$43,083.97 as the amount to be paid by the Government.

(Signed) W. CAYLEY, Auditor.

AUDITOR'S OFFICE,
 TORONTO, 27th June, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Township of Hope to the Province under the amended Municipal Loan Fund Resolutions of 26th March last, and that the same amounts to \$34,949 03, as of 1st January, 1873.

We also call your attention to the liability of the Township to pay interest from the First of January last on its debt, (as reduced,) in accordance with the sixth section of the Municipal Loan Fund Act.

Should there appear to you to be any error in the calculation of the amount to be paid by the Township, it should be brought to our notice within fourteen days from this date.

It is understood that the Township holds certain revenue bearing investments made with money obtained from the Municipal Loan Fund, or with the produce of such money; will you therefore be pleased to state for the information of the Government, the particulars of such investments, and of the securities connected therewith, held by the township.

With reference to the debentures to be given under the sixth section of the Municipal Loan Fund Act, we are instructed to state that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

We remain,

Your obedient servant,

WILLIAM CAYLEY,

Auditor.

C. A. BROUGH,

Acting-Secretary.

To N. Peters, Esq.,
Clerk, Township of Hope, Carleton.

AUDITOR-GENERAL'S OFFICE,
OTTAWA, 12th March, 1873

MY DEAR SIR,—I gave Mr. Walter Ross for transmission to Williams, a copy of a report of mine, and of an Order in Council founded thereon, in the matter of the Township of Hope.

These documents, which will no doubt be laid before you, give the whole history of the transaction. You ask in your telegrams whether the intention was that Hope should be released from the balance? Now, we never released anything. My argument was, as far as I can recollect,—for I am writing at home (having received your telegram at midnight) but you will see the report yourself,—my argument, I say, was, that Hope would have paid its own interest, and something more, by five cents on its assessment, but that it had to pay its share of the county debt which was gradually being extinguished, and which did not take the whole of the five cents. I proposed therefore that we should be content if it paid five cents in all; the balance not required for the county being credited on its own debt, thus postponing the full amount which it should have paid on this latter, until it was released from any further claims for the former.

The debt was not released, but our claim was not to be pressed for, as long as it paid five cents. But there were three assessments which might be taken as the guide,—its assessment in 1858; its annual assessment for local purposes, and its assessment as equalized for county purposes, and it was to pay five cents on whichever of these three was the highest.

I received Cayley's telegram about the Municipal Loan Fund debtors excluded from the Municipalities Fund, and gave orders for the preparation of the statement.

You will probably have it by to-morrow evening's mail.

Yours, truly,
(Signed) JOHN LANGTON.

To the Honourable the Attorney-General.

(Duplicate.)

TORONTO, June 28th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Township of Howick on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$28,342 69.

Of this sum, \$2,147 67 are for an allowance in respect of the Wellington, Grey and Bruce Railway, and \$15,391 32 are Howick's share of the allowance made to the County of Huron in respect of the Buffalo and Lake Huron Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$ is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

NOTE.—The allowance in respect of the Buffalo and Lake Huron Railway is liable to be reduced, as a claim has been put in by the Townships of McGillivray and Biddulph, to receive a portion of the Railway allowance made to the County of Huron.

We remain,

Your obedient servants,

W. CAYLEY, *Auditor.*

C. A. BROUGH, *Act.-Secretary.*

Clerk, Township of Howick.

NOTE.—For change in amount of allowance in respect of Wellington, Grey and Bruce Railway, see circular in Elora correspondence.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the County of Kent, exclusive of Chatham, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$69,522 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$69,522 00 is to be divided by the Government among the towns, townships, and incorporated villages in the County of Kent, other than those municipalities excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolutions; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The Municipality excepted above is excepted from sharing in the above allowance, because it has been separately dealt with by the Government.

(Signed) W. CAYLEY, *Auditor.*

(Signed) C. A. BROUGH, *Act.-Secretary.*

To Treasurer, Co. of Kent.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Village of Kemptville on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$4,926 15.

Of this sum, \$3,182 15 are for an allowance in respect of the Bytown and Prescott Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$1,744 00 is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality under the said Act, it should be brought under our notice within fourteen days from this date.

(Signed) W. CAYLEY, *Auditor.*

C. A. BROUGH, *Secretary.*

Clerk of the Village of Kemptville.

AUDITOR'S OFFICE,
TORONTO, July 10th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the City of Kingston on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act of last session, and that the same amounts to \$24,814 00, being an allowance at the rate of two dollars per head of the population, according to the census of 1871.

Should there appear to you to be any error in the amount to be paid to the City of Kingston, you are to bring the same to our notice within fourteen days of this date.

The sum of \$24,814 00 above mentioned is to be paid over by the Province for such purposes pointed out in the 12th section of the said Act as may be provided for by by-laws passed after the 1st day of February next, in accordance with the 13th section of the said Act.

We remain,

Your obedient servants,
(Signed) W. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Act. Secretary.

To William Ireland,
Treasurer, &c., City of Kingston.

AUDITOR'S OFFICE,
TORONTO, 19th June, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that the sum to be paid by the Province under the Municipal Loan Fund Act to the Municipalities in the County of Lambton, (as organized for Municipal purposes,) on the 1st of February, 1874, amounts to \$72,984 72.

The following is a statement of the mode in which that sum was arrived at:—

The debt of the County on the 1st of January, 1873, was.....	\$4,562 18
Interest on that sum from 1st of January, 1873 to 1st February, 1874, amounts to	247 10

Making together.....	\$4,809 28
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The population of the County of Lambton, as organized for Municipal purposes, was 38,897, according to the census of 1871; the allowance of \$2 per head under the 7th paragraph of the Municipal Loan Fund Resolutions, will therefore be \$77,794 00. Upon deducting \$4,809 28 from this last amount, there will remain a balance, payable by the Province, on the 1st of February next, of \$72,984 72.

This balance of \$72,984 72 is to be divided by the Government among the local municipalities (towns, townships and incorporated villages) in the County, according to their respective populations as directed by the 7th paragraph of the said Resolutions; and it is to be paid over for purposes pointed out in the 12th section of the Municipal Loan Fund Act, and provided by by-laws of the local Municipalities passed in accordance with the 13th section of said Act.

If you have any objection to make with reference to the calculations of the amount given to the County of Lambton on the basis of the said Resolutions, you are to make the same within fourteen days of this date.

We remain,

Your obedient servants,
(Signed) WILLIAM CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting Secretary.

To the Treasurer of the County of Lambton.

10th, 1873.
to inform you,
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of last session,
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BY,
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AUDITOR'S OFFICE,
TORONTO, 6th June, 1873.

SIR,—We, the undersigned, have been directed by the Government to inform you, that we have calculated the sum to be paid by the United Counties of Lanark and Renfrew to the Province under the amended Municipal Loan Fund Resolutions of 26th March last, and that we find that the debt of the United Counties to the Municipal Loan Fund by the operation of the five cent. rule under the Third Resolution, to be reduced to \$322,069 93.

The indebtedness of the United Counties to the Municipal Loan Fund, without the intervention of the five cent. rule referred to above, and after crediting them with their railway and population allowances, would have stood at \$1,182,857 23. The counties are consequently benefited to the extent of \$860,787 30, by the application of the five cent. rule.

If you have any suggestions or objection to make with reference to the foregoing calculations; you are to make the same within fourteen days from this date.

With reference to the Debentures to be given under the Municipal Loan Fund Act of last session, we beg to state, that a form will be prescribed by His Excellency, the Lieutenant-Governor in Council.

We remain,
Your obedient servants,
(Signed) WILLIAM CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary.

To W. W. Burford, Esq.,
Treasurer, County of Lanark.

AUDITOR'S OFFICE,
TORONTO, 6th June, 1873.

SIR,—I have been instructed by the Honourable the Attorney-General, to inform you that the communication from the Government of the 6th instant, as to the indebtedness of the United Counties of Lanark and Renfrew, under the Municipal Loan Fund Resolutions, was made independently of the considerations of the proposal on behalf of the Canada Central Railway, and that the determination of the Government as to that proposal, will be communicated to you, probably in the course of the next few days.

I remain,
Your obedient servant,
(Signed) C. A. BROUGH,
Acting Secretary.

To W. W. Burford, Esq.,
Treasurer, County of Lanark.

TORONTO, June 30, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the United Counties of Leeds and Grenville, exclusive of the Towns of Brockville and Prescott, and Townships of Elizabethtown, Oxford and Kemptville, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$79,806 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$79,806 00, is to be divided by the Government among the towns, townships, and incorporated villages in the United Counties of Leeds and Grenville, other than the Municipalities excepted above, according to their respective populations, as directed by the seventh paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities, passed after the first day of February next, in accordance with the thirteenth section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The Municipalities excepted above, are excluded from sharing in the above allowance because they have been separately dealt with by the Government.

(Signed) WILLIAM CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting Secretary.

To the Treasurer of the United Counties of
Leeds and Grenville.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the United Counties of Lennox and Addington, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$53,410 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$53,410 00 is to be divided by the Government among the towns, townships, and incorporated villages in the United Counties of Lennox and Addington, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

WM. CAYLEY,
Auditor.

C. A. BROUGH,
Acting-Secretary.

To the Treasurer United Counties,
Lennox and Addington.

AUDITOR'S OFFICE,
TORONTO, 27th June, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid on 1st February, 1874, under the Municipal Loan Fund Act, by the Province to the Municipalities (other than the Towns of Niagara and St. Catharines) in the County of Lincoln, as organized for Municipal purposes, and that the same amounts to \$31,583 52, which sum is to be distributed in the manner hereinafter mentioned.

The following is a statement of our calculation :—

On the 1st January, 1873, the County of Lincoln owed to the Municipal Loan Fund the sum of \$12,438 16.

By the statute 26th Victoria, cap. 13, the Town of Niagara, and the Townships of Caistor and Gainsborough were relieved from all liability on account of this debt, which must therefore be borne by the remainder of the County, including St. Catharines.

The share of the county debt, which is paid by St. Catharines, amounts to \$4,296 67, leaving the amount to be paid by the other Municipalities liable for the debt, as of 1st January last, \$8,141 49 interest on \$8,141 49 from 1st January, 1873, to 1st February, 1874, amounts to \$440 99, making the total indebtedness on 1st February, 1874, amount to \$8,582 48.

According to the census of 1871, the population of the County of Lincoln, exclusive of the Towns of Niagara and St. Catharines, was 20,083, the allowance of \$2 per head under the 7th paragraph of the Resolutions, payable on 1st February next, will therefore amount to \$40,166 00; from this sum has to be deducted the debt of \$8,582 48, leaving the balance of \$31,583 52 to the credit of the Municipalities, other than the Towns of Niagara and St. Catharines.

This sum of \$31,583 52 is to be divided by the Government as follows:—

To the Township of Caistor	\$4,332 00
To the Township of Gainsborough	6,032 00
And the Balance.....	21,219 52

among the remaining Municipalities, other than the Towns of Niagara and St. Catharines, according to their respective populations.

And these sums are to be paid over for such purposes pointed out in the 12th section of the Municipal Loan Fund Act, as may be provided for by the by-laws of the Municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

The Towns of Niagara and St. Catharines have been excepted above, because they are separately dealt with by the Government.

Should there appear to you to be any error in the foregoing statement, it should be brought to our notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) WM CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting-Secretary.

To G. P. M. Ball, Esq.,
Treasurer, County of Lincoln.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the United Townships of Laxton, Digby and Longford on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$3,058 35.

Of this sum, \$1,358 35 are for an allowance in respect of the Toronto and Nipissing Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$1,700 00 is an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
W. CAYLEY, *Auditor.*
C. A. BROUGH,
Act.-Secretary.

D. Staple, Esq.,
Clerk, Laxton, Digby and Longford,
Norland.

TORONTO AUDITOR'S OFFICE,
June 14th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the amount to be paid, as of the 1st January last, by the City of London, under the amended Municipal Loan Fund Resolutions of 26th March, 1873, and that the sum amounts to \$486,053 60.

We also call your attention to the liability of the City to pay interest from 1st January last on its debt (as reduced), in accordance with the 6th section of the Municipal Loan Fund Act.

If you have any suggestions or objections to make with reference to the calculation of the amount to be paid by the City on the basis of the Resolutions, you are to make the same within fourteen days from this date.

It is understood that the City of London holds certain revenue-producing investments, made with money obtained from the Municipal Loan Fund, or with the produce of such money. You will therefore be pleased to state, for the information of the Government, the particulars of such investments, and of the securities in connection therewith held by the City.

With reference to the debentures to be given under the 6th section of the Municipal Loan Fund Act, we are instructed to state that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

We remain,

Your obedient servants,

W. CAYLEY, Auditor.

C. A. BROUGH, Act.-Secretary.

John Brown, Esq.,
Treasurer, City of London.

TREASURER'S OFFICE,
LONDON, June 27th, 1873.

GENTLEMEN,—I have to acknowledge the receipt of yours of the fourteenth instant in reference to the indebtedness of the City of London to the Municipal Loan Fund.

The money borrowed by the City was invested as follows:—

\$200,000 in stock in the London and Port Stanley Railway Company, and \$175,400 in first mortgage bonds of the same Company.

The stock and first mortgage bonds are still held by the City.

I have the honour to be,

Gentlemen,

Your obedient servant,

(Signed) JOHN BROWN,

Treasurer.

Messrs. Cayley and Brough.

LONDON, ONTARIO,
9th August, 1873.

SIR,—I am instructed by the Municipal Council of the City of London to apply to you to permit the interest on its indebtedness to the Municipal Loan Fund for the current year to be included in the debentures to be issued by the Municipality, under the provisions of the Act of last session relating to that Fund.

The Council has during the present year to provide a large sum in addition to its ordinary expenditure, and the payment of interest on its indebtedness to the Municipal Loan Fund, will seriously affect its financial position, and press with severity on the tax-payers.

The Council therefore trusts that the application may be granted.

I have the honour to be,

Sir,

Your obedient servant,

(Signed) A. McCORMICK,

Mayor.

To the Honourable the Attorney-General,
Ontario, Toronto.

LONDON, ONTARIO,
21st August, 1873.

SIR,—Referring to my communication of the 9th instant, asking your permission that the indebtedness of this Municipality to the Municipal Loan Fund for the current year, may be included in the debentures to be issued under the provisions of the Act of last session, relating to that fund, I have the honour to ask an early reply, and to again urge the reasons therein set forth.

I have the honour to be,

Sir,

Your obedient servant,

ANDREW McCORMICK,

Mayor.

The Honourable the Attorney-General,
&c. &c. &c., Ontario.

LONDON, ONTARIO,
December 12th, 1873.

SIR,—Referring to your communication of the 1st instant, addressed to the City Treasurer, we are instructed by the Corporation to say, that application was made by the Corporation under the provisions of the Municipal Loan Fund Act, that the interest for the current year may be added to the principal of the debt to be secured by the City debentures, and that on the 21st of August last, a communication was received from the Attorney-General's office, informing the Mayor, to whom it was addressed, that the Attorney-General was prepared to recommend that the application should be granted, and that an order in Council, would no doubt, be passed in due course for that purpose.
We apprehend that this was overlooked by you, and shall feel obliged if you will communicate with us, informing us how the matter really stands.

We have the honour to be,
Sir,

Your obedient servant,
SCATCERD & MEREDITH.

To the Honourable William Cayley,
Provincial Auditor.

AUDITOR'S OFFICE,
TORONTO, 29th December, 1873.

GENTLEMEN,—I placed your letter of the 12th instant before The Honourable the Treasurer, and am instructed to reply that the Government has consented to the application of the City of London, to be allowed to pay the interest for the current year on their debts to the Municipal Loan Fund, in debentures.

These debentures are to be distinct from those which are to be issued representing the debt of the city, of which the Treasurer has already been advised.

The Government is expecting to hear from the Corporation of the City for what time it is desired that the debentures representing the interest above referred to, should run. Be pleased to obtain this information, and address your reply to me.

I remain,
Your obedient servant,
(Signed) WM. CAYLEY,
Auditor.

Messrs. Scatcherd and Meredith,
Barristers, London.

AUDITOR'S OFFICE,
TORONTO, July 8th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the County of Middlesex, as organized for municipal purposes, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$158,354 67.

Of this sum, \$24,816 67 are for an allowance in respect of the London and Port Stanley Railway, and the balance, amounting to \$138,538 00, is for an allowance at the rate of \$2 per head of the population, according to the census of 1871.

The above mentioned sum of \$158,354 67 is to be divided by the Government among the Towns, Townships and Incorporated Villages of the County, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolutions, and it is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, you should bring the same to our notice within fourteen days from this date.

We remain,
Your obedient servant,
(Signed) W. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting-Secretary.

James Keefer, Esq.,
Clerk, County of Middlesex.

COUNTY CLERK'S OFFICE, COUNTY OF MIDDLESEX,
LONDON, 12th July, 1873.

GENTLEMEN,—I am in receipt of yours of the 8th instant, notifying me of the portion of the Municipal Loan Fund allotted to this County on account of Port Stanley Railway, and of population.

I beg to inform you, that in addition to the \$100,000 of stock subscribed and paid by this county towards the construction of the London and Port Stanley Railway, that this county also loaned the said Railway Company the sum of \$7,701 75, in 1855, no part of which has ever been paid to this county, and could not since then be collected.

That amount of \$7,701 75, with interest from 1855, is still due, and ought to be taken into account by the Government as having been contributed by the County of Middlesex towards the construction of the London and Port Stanley Railway.

Respectfully yours,
(Signed) JAMES KEEFER,
Clerk, County of Middlesex.

To Messrs. Cayley and Brough,
Provincial Auditors.

AUDITOR'S OFFICE,
TORONTO, July 21st, 1873

SIR,—I beg to acknowledge the receipt of your letter of the 12th instant, as to the allowance under the Municipal Loan Fund Act to the County of Middlesex, in respect of the London and Port Stanley Railway.

I have been instructed by the Honourable the Attorney-General to say, that the matter will be taken under consideration.

I remain,
Your obedient servant,
(Signed) C. A. BROUGH.

To James Keefer, Esq.,
Clerk, County of Middlesex, London.

AUDITOR'S OFFICE,
TORONTO, November 27th, 1873.

DEAR SIR,—In July last a claim was made on behalf of the County of Middlesex, by Mr. James Keefer, the County Clerk, to a larger share of the allowance granted under the Municipal Loan Fund Act, in respect of the London and Port Stanley Railway, than that with which the county had been credited in the statement prepared by the Government, and the reason for the proposed change was stated to be, that in addition to taking the \$100,000 stock in the railway, in respect of which the county had been allowed to rank in the distribution of the railway allowance, the county had also made a loan to the railway company of \$7,701 75, in 1855.

With a view to determining upon the claim above referred to, it will be necessary for you to furnish information as to the circumstances under which the alleged loan was made, the

date at which the money was paid over to the railway company, or on their behalf, the terms of re-payment, and the securities received by the county for their loan. Also a statement of all payments made by the company, or on their behalf, on account of the principal or interest on the alleged loan.

I remain,

Your obedient servant,

(Signed)

C. A. BROUGH.

To James Keefer,
County Clerk, Middlesex, London.

TREASURER'S OFFICE, CO. MIDDLESEX,
LONDON, December 18th, 1873.

SIR,—In pursuance of instructions from the Municipal Council of this county, I have the honour to furnish to you the following particulars respecting a loan said to have been made in the year 1855, by the County of Middlesex, to the London and Port Stanley Railway Company, to which your letter of the 4th November last to the County Clerk of Middlesex, relates.

As indicated by the books in this office, in which the claim (amounting to \$7,701 75), of the county against said Railroad Company is recorded, it appears that in consideration of the company's having received on 5th January, 1855, in advance of the opening of their railway for traffic, the Middlesex Debentures from the county to the amount of one hundred thousand dollars in payment for the shares subscribed for by the county in the capital stock of the company, said company guaranteed the repayment to this county of all interest paid on their debentures by the county for the period between the first day of January, 1855, and the date of the opening of the London and Port Stanley Railway for traffic.

The railway it appears was so opened on the 24th of September, 1856. The total amount of interest paid by the county on said debentures for the period above mentioned, is a sum of \$10,413 75, of this sum said railway company repaid to the county, \$2,712 00, leaving an unpaid balance of \$7,701 75.

I have the honour to be Sir,

Your obedient servant,

(Signed)

ADAM MURRAY, *Treasurer.*

To the Honourable William Cayley,
Auditor.

AUDITOR'S OFFICE,
TORONTO, 23rd December, 1873.

SIR,—I am instructed by the Honourable the Treasurer to reply to your communication of the 18th instant, in which you explain the grounds on which the County of Middlesex basis its claims for an increased allotment in respect of aid granted to the London and Port Stanley Railway.

It appears that this claim is in respect of interest on the debentures issued by the County on 5th January, 1855, in advance of the opening of the Port Stanley Railway on the 24th day of September, 1856. In estimating the amount on which to base the allowance to your County, the interest has been calculated from the 3rd day of May, 1854, and added to amount advanced, so that the amount on which the allotment has been based is greater than it would be according to the present calculations of the amount. Under these circumstances the calculation will therefore remain undisturbed, as being more beneficial to your County than that now proposed on their behalf,

I remain,

Your obedient servant,

WM. CAYLEY, *Auditor.*

Adam Murray, Esq.,
Treasurer, County of Middlesex.

AUDITOR'S OFFICE,
TORONTO, 4th July, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the District of Manitoulin on the 1st of February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$4,022 00, being an allowance at the rate of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement as to the amount going to the District, under the said Act, it should be brought under our notice within fourteen days from this date.

The sum of \$4,022 00 is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of said Act.

We remain,

Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.

To the Stipendiary Magistrate,
Manitoulin.

(Signed) C. A. BROUGH,
Acting-Secretary.

AUDITOR'S OFFICE,
TORONTO, 4th July, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the District of Muskoka on the 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$10,800 00, being an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement as to the amount going to the District under the said Act, it should be brought under our notice within fourteen days from this date.

The sum of \$10,800 00 is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-law of the Local Municipality passed after the 1st day of February next, in accordance with the 13th section of said Act.

We remain,

Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.

To the Stipendiary Magistrate,
District of Muskoka.

(Signed) C. A. BROUGH,
Acting-Secretary.

AUDITOR'S OFFICE,
TORONTO, January, 1874.

SIR—I am instructed by the Honourable the Treasurer to inform you, that in consequence of the United Townships of Draper, Ryde and Oakley, and also the Townships of Macaulay and Stephenson, having since the year 1871 been incorporated for Municipal purposes with the County of Victoria, the population allowance allotted to them as part of Muskoka will be deducted from the amount awarded to the District of Muskoka, and be payable to these Townships respectively, as portions of the County of Victoria. I have further to request that you will inform me whether the undermentioned statement of the population of the Townships is correct by the census of 1871 :—

United Townships, Draper, Ryde and Oakley.....	521	population.
Macaulay	868	"
Stephenson.....	505	"
	1894	"

You will perceive that if the above return is correct, the allowance coming to Muskoka will be reduced by the sum of \$3,788 00, being \$2 per head on the above population.

I remain,

Your obedient servant,

(Signed)

W. CAYLEY,

Auditor.

C. M. Lount, Esq.,
Stipendiary Magistrate, Muskoka,
Bracebridge.

BRACEBRIDGE,

January 23rd, 1874.

SIR,—I am in receipt of your letter informing me of certain deductions from population allowance made to District of Muskoka under Municipal Loan Fund Arrangement Act, on account of Townships of Draper, Ryde, Oakley, Macaulay and Stephenson having been incorporated for Municipal purposes, and forming part of the Municipality of the County of Victoria, and desiring me to inform you whether the statements therein contained of population of those Townships is correct by the census of 1871, and would beg to say, that I have not been able to obtain a copy of census of 1871, but have shown your letter to the different Reeves of the above-named Townships, and they are satisfied that your statement of the population is correct.

I have the honour to be,

Sir,

Your obedient servant,

(Signed)

CHAS. LOUNT.

To the Honourable Wm. Cayley,
Provincial Auditor.

TORONTO, June 28th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Township of Maryborough, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$13,131 31, of this sum, \$4,295 31 are for an allowance in respect of the Wellington, Grey and Bruce Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$8,836 00 is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,

Your obedient servants,

(Signed)

W. CAYLEY,

Auditor.

(Signed)

C. A. BROUGH,

Acting-Secretary.

NOTE.—For change in respect of the amount going to Maryborough on account of the Wellington, Grey and Bruce Railway, see circular under Elora correspondence. The Clerk, Township of Maryborough.

TORONTO, June 21st, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Township of Markham, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$19,564 03; of this sum, \$3,260 03 are for an allowance in respect of the Toronto and Nipissing Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$16,304 00, is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) W. CAYLEY,
Auditor.
C. A. BROUGH,
Acting-Secretary.

George Eakin, Esq.,
Clerk, Township Markham, Unionville.

TOWNSHIP CLERK'S OFFICE,
MARKHAM, October 20th, 1873.

SIR,—As there appears to be some doubt in the minds of the Village Council as to whom they must apply for the village share of the surplus fund to be divided in February next, the following resolution was passed at the last meeting of said Council.

"Mr. McGill, seconded by Capt. T. A. Milne, moved, that the Clerk be and is hereby instructed to correspond with the Honourable A. Crooks, the Provincial Treasurer, in regard to the amount due this (Markham Village) Municipality, on account of the Municipal Loan Fund indebtedness." Carried.

Your reply will be thankfully received.

Yours obediently,
H. R. CARSON,
Clerk.

To The Honourable Adam Crooks,
Provincial Treasurer, &c. &c., Toronto, Ontario.

AUDITOR'S OFFICE,
TORONTO, 3rd December, 1873.

SIR,—In reply to your letter of the 20th October last, to the Honourable the Provincial Secretary, I am instructed to say that when the conditions prescribed by the Municipal Loan Fund Act of last session, as entitling Municipalities to receive payment of sums credited to them, have been complied with, application for payment should be made through The Honourable the Provincial Treasurer.

I remain,
Your obedient servant,
WM. CAYLEY,
Auditor.

To H. R. Carson, Esq.,
Clerk, Township of Markham Markham.

AUDITOR'S OFFICE,
TORONTO, June 20th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Township of Middleton, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$4,830 85.

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The following is a statement of the mode in which that sum was arrived at:—

\$2 per head allowance of population according to the census of 1871, and payable 1st February, 1874	\$6,522 00
Less amount due Municipal Loan Fund, 1st February, 1873, \$1,604 26	} 1,691 15
13 Months' interest on \$1,604 00 to 1st February, 1874, @86 89.....	
	\$1,830 85

Should there appear to you to be any error in the above calculation, it should be brought to our attention within fifteen days of this date.

We remain,
Your obedient servants,
(Signed) Wm. CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary.

To P. Dean, Esq.,
Treasurer, Township of Middleton.

TORONTO, June 28th, 1873.

SIR,—We the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Township of Minto, on the First of February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$16,701 86.

Of this sum, \$6,979 86, are for an allowance in respect of the Wellington, Grey and Bruce Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$9,722 00, is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) W. CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting Secretary.

Clerk, Township of Minto.

For change in respect of amount going to Minto, on allowance for Wellington, Grey and Bruce Railway, see circular in Elora correspondence.

CLIFFORD, 8th July, 1873.

SIR,—I have to acknowledge receipt yesterday of your letter to the late Mr. Kaye, Township Clerk of Minto, dated 30th ultimo, informing me that the sum to be paid by the Province to said Township, on First February, 1874, according to the provisions of the Municipal Loan Fund Act, amounts to \$16,701 86, whereof \$6,979 86, are for an allowance in respect of the Wellington, Grey and Bruce Railway, and the balance of \$9,722, an allowance at the rate of two dollars per head of the population, according to the census of 1871.

Your letter was laid before the Municipal Council of Minto in session, when it was received; and the allowance in respect of the Wellington, Grey and Bruce Railway being very much less than the amount expected, I am directed to request the favour of your explaining on what principle it was ascertained, and why on a bonus of \$65,000 given by this Municipi-

pality to said railway, only \$6,979 86 has been allowed, while to the Township of Arthur, on a bonus of \$35,000 granted to the Toronto, Grey and Bruce Railway Company, a sum of \$5,250 00 is allowed.

In view of the last mentioned allowance, I am further instructed to enquire why on the bonus of \$1,500 granted by Minto to the Toronto, Grey and Bruce Railway, there is no allowance made

I have the honour to be, Sir,

Your obedient servant,
(Signed)

W. G. MORISON,
Township Clerk, Minto.

The Honourable William Cayley,
Auditor, &c., Treasurer's Department, Toronto.

AUDITOR'S OFFICE,
TORONTO, July 12th, 1873.

SIR,—In reply to your letter of the 8th instant, asking for an explanation why on a bonus of \$65,000 00 given by the Township of Minto to the Wellington, Grey and Bruce Railway, only \$6,979 86 have been allowed, while to the Township of Arthur, on a bonus of \$35,000 00, granted to the Toronto, Grey and Bruce Railway Company, a sum of \$5,250 00 is allowed; also, why in the bonus granted by Minto to the Toronto, Grey and Bruce Railway, there is no allowance made. I am instructed to say that by the Municipal Loan Fund Resolutions (as amended) of 26th March last, after reciting that after Confederation, and before the passing of the Railway Aid Act of 1871, divers municipalities had given sums by way of gift or bonus, to divers railways or portions of railways, which, if such commenced prior to 7th December, 1870, would have been entitled to aid under the said Act; and that the sums so given were larger than might have been necessary if the said railways had received aid from the Province in the same way as the Act of 1871 provided, with respect to railways commenced after the said date; it was resolved to make to those Municipalities an allowance as of 1st February, 1874, at the rate of \$1,000 per mile, of the portions of railways aided by the said municipalities, such allowance to be divided amongst the said municipalities in proportion to the amount of their said contributions to the railways.

That after Confederation, and prior to the passing of the Railway Aid Act, divers municipalities voted by way of bonus to the Wellington, Grey and Bruce Railway, sums of money amounting in the aggregate to \$447,000 00, of which Minto contributed \$65,000. The only portion of the Wellington, Grey and Bruce Railway commenced prior to 7th December, 1870, and on that account not entitled to aid under the Railway Aid Act, was the portion from Guelph to Harriston, 48 miles in length. The allowance of \$1,000 00 a mile, therefore, amounts to \$48,000 00, and when the sum is divided amongst the municipalities contributing in proportion to the amount of their contributions, Minto receives as its share, \$6,979 86.

The Township of Arthur receives its allowance in respect of the Toronto, Grey and Bruce Railway.

The portion of this line not entitled to aid under the Railway Aid Act by reason of its having been commenced prior to 7th December, 1870, was 72 miles in length; the allowance to be divided would therefore be \$72,000 00; the contributions by way of bonus after Confederation, and prior to the passing of the Railway Aid Act, amounted to 480,000 00, of which Arthur contributed \$35,000 00; its share of the \$72,000 00 would therefore amount to \$5,250 00, according to the principle acted on above.

The reason that Minto receives nothing in respect of the Toronto, Grey and Bruce Railway, is because it did not vote its bonus to aid that railway, until after the passing of the Railway Aid Act of 1871.

I remain,

Your obedient servant,
(Signed)

C. A. BROUGH,
Acting-Secretary.

To W. G. Morison, Esq.,
Township Clerk, Minto.

TORONTO, June 21st, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Township of Mono, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$14,710 00.

Of this sum, \$6,750 00 are for an allowance in respect of the Toronto, Grey and Bruce Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$7,960 00, is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,

Your obedient servants,

WM. CAYLEY, Auditor.

C. A. BROWN, Act.-Secretary.

A. Henry, Esq.,
Clerk, Township Mono,
Mono Centre.

CLERK'S OFFICE, MOULTON AND SHERBROOKE,
STROMNESS, 27th May, 1873.

SIR,—I have the honour, in reply to your letter of the 22nd instant, to make the following statement regarding the separation and arrangement between the Municipality and the Village of Dunnville, viz.:—The separation appears to have taken place at the expiration of the year 1859. An agreement was entered into by the two Municipalities on the 23rd April, 1860, of which the following is an extract:—“That the whole moneys received by either of the said parties from the Clergy Reserves Fund shall be appropriated towards the payment of the Municipal Loan Fund debt, and the deficiency be provided for by the parties of the first part (the Townships) paying at the rate of fifty-two per cent., and the party of the second part (the Village) paying at the rate of forty-eight per cent., and that this agreement shall continue and be in force for the years of our Lord 1860, 1861, 1862, 1863.”

On the 17th August, 1864, there was another agreement entered into, which was to continue in force until the 1st January, 1868, of which the following is an extract:—

“Resolved—That the proportion for the Township to pay of the said Municipal Loan Fund debt, be at the rate of fifty-six (56) per cent., and the proportion of the Village at the rate of forty-four (44) per cent.”

There has not been any other arrangement made between the parties since that time. Trusting the above will be satisfactory,

I have the honour to be,

Sir,

Your obedient servant,

(Signed) T. J. GALBRAITH,
Clerk.

The Hon. W. Cayley,
Auditor.

AUDITOR'S OFFICE,
TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Townships of Moulton and Sherbrooke (exclusive of Dunnville) under the Municipal Loan Fund Act, and that the same amounts to \$11,986 12.

The following is a statement of our calculations :—

Debt of Moulton and Sherbrooke to Municipal Loan Fund on 1st January, 1873 (for part of which Dunnville is liable).....	\$6,834 37
Interest thereon from 1st January, 1873, to 1st February, 1874.....	370 18
Total indebtedness 1st February, 1874.....	\$7,204 55

An allowance of \$21,424 26, as of 1st February, 1874, is made to the Townships and Dunnville in respect of the Buffalo and Lake Huron Railway. On deducting the debt, as mentioned above, from this amount, there remains a balance of \$14,219 71 to be divided between the Townships and Dunnville, of which balance the Townships are entitled to receive 54·77 per cent., amounting to \$7,788 12.

The Townships are also entitled to receive \$4,198 00, being an allowance at the rate of two dollars per head of the population, according to the census of 1871.

The sum of \$11,986 12, payable by the Province to the Townships, is to be paid over for such purposes pointed out in the 12th section of the Municipal Loan Fund Act, as may be provided for by by-laws of the Townships passed after 1st February, 1874, in accordance with the 13th section of the said Act.

If there appears to you to be any error in the foregoing statement, the same should be brought to our attention within fourteen days from this date.

We remain,

Your obedient servants,

(Signed) W. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Act-Secretary.

To T. J. Galbraith, Esq.,
Treasurer, &c, Townships of Moulton and Sherbrooke.

— — —
TORONTO, June 27th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to Mount Forest, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$5,740 00; of this sum, \$3,000 00 are for an allowance in respect of the Toronto, Grey and Bruce Railway. The remainder of the sum to be paid to the Municipality, amounting to \$2,740 00 is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain, &c.

Wm. Balfour, Esq.,
Clerk, Mount Forest.

— — —
MUNICIPAL LOAN FUND.

Claim of McGillivray and Biddulph to receive a portion of the Railway allowance made under the Municipal Loan Fund Resolutions, to the Counties of Huron and Bruce respectively :—

The facts in connection with the above claim appear from the letters of Thomas Gibson, Esq., M.P.P., (15th and 18th March, 1873), and of A. M. Ross, Treasurer of County of Huron, 20th March, 1873, to be substantially as follows :—

The claim is made under section (5) five of the Seventh Municipal Loan Fund Resolution. The township further claim that their share of the railway allowance should be determined according to population.

The township was separated from the then United Counties of Huron and Bruce in 1862.

Upon the separation, all questions as to the liability of the townships for county debts, were referred to arbitrators.

By the award made upon such reference, the townships were directed to pay a lump sum to the counties in satisfaction of their share of county debts; no special mention being made of the debt due by the counties to the Municipal Loan Fund.

That, although in the award no mention was made of such debt to the Municipal Loan Fund, yet the arbitrators took that debt into consideration, then determining the amount to be paid by the townships to the counties; and on the grounds (urged by the townships) that the Municipal Loan Fund debt was contracted in order to aid the Buffalo and Lake Huron Railway, and that such railway was remote from, and of no benefit to the townships, they decided that the townships should not assume any portion of the debt to the Municipal Loan Fund, and that moreover, an allowance should be made by the counties to the townships in respect of past payments by the townships towards the Municipal Loan Fund debt.

That in pursuance of this determination to make an allowance to the townships in respect of past payments by them to the Municipal Loan Fund debt, the arbitrators gave the townships credit to a large amount, on account of a sum to be paid by the townships to the counties for certain gravel roads belonging to the counties, which were transferred to the townships on separation.

Under the above circumstances the counties contend that the townships are not entitled to share in the railway allowance allotted under the Municipal Loan Fund Resolutions to the counties, in respect of the Buffalo and Lake Huron Railway.

NOTE.—Mr. Ross states that the County of Bruce is equally interested with the County of Huron in resisting the claims of the townships, because Bruce was united with Huron at the time when the townships were separated from Huron, and received a portion of the sum paid by the townships under the award.

To His Excellency William Pierce Howland, C.B.,
&c. &c. &c.

We, the undersigned, have the honour to report that, in pursuance of the powers conferred upon us by a commission, dated thirty-first day of July last past, and issued, under the Statute 36 Victoria, chapter 47, we proceeded on the 9th day of August instant, in presence of the representatives of all parties, to enquire as to the claim made by the Townships of McGillivray and Biddulph, respectively to share in the allowances credited under the said Act, to the Counties of Huron and Bruce, in respect of the Buffalo and Lake Huron Railway.

That having heard the said parties by their said representatives, and having heard the witnesses on behalf of the parties; we have the honour to report, that in our opinion the said Townships of McGillivray and Biddulph are not nor is either of them entitled to share in the said allowances credited to the said Counties of Huron and Bruce under the said Act.

We have appended hereto a copy of our notes of the evidence taken upon the said enquiry.

Dated this 21st day of August, A.D. 1873.

(Signed)
(Signed)

E. B. WOOD.
W. CAYLEY.

MUNICIPAL LOAN FUND.

NOTES OF EVIDENCE taken upon the arbitration as to claim made by the Townships of McGillivray and Biddulph, to an allowance made to the Counties of Huron and Bruce, in respect of the contributions by the counties to the Buffalo and Lake Huron Railway.

TORONTO, August 9th, 1873.

James S. Smith, sworn.—Am member for North Middlesex; Biddulph and McGillivray are in the riding. These townships were part of Huron and Bruce up to 1863. They were

then separated and joined to the County of Middlesex. Arbitrations were held to settle financial questions. Arbitrations were held in the early part of 1863. There was an arbitration in the case of McGillivray. The arbitrator for McGillivray was Robert Craik, (deceased), for Huron and Bruce, Dr. Wood, and the third arbitrator was John P. Wheeler, of Scarborough. (Copy of award produced and marked "A.")

There was an arbitration also for Biddulph—it was held in the early part of 1863. Dr. Wood was for Huron and Bruce. Francis E. Cornish acted for Biddulph, and T. M. Daly was the third arbitrator. (Award in case of Biddulph produced and marked "B.")

In the case of McGillivray, Judge Elliot acted as counsel for the township, and M. C. Cameron as counsel for the united counties. In the case of Biddulph, Mr. Park, of London, acted as counsel for the township, and M. C. Cameron for the united counties.

The Municipal Loan Fund debt of the united counties was contracted in 1857. The original loan devoted to railways was \$500,000 00; of this Perth took \$200,000 00, leaving \$300,000 00 for Huron and Bruce. McGillivray and Biddulph paid a proportionate portion of the debt up to 1863.

There was no interest paid by the Municipalities for the two first years after the loan was effected, the railway company having paid interest and sinking fund. (Letter marked "C" produced by Mr. Smith, it was received from the Auditor's office.)

I wrote the letter marked "D I," and enclosed the copy of a letter from Judge Elliot, marked "D II," and also a copy of a letter from John P. Wheeler, marked "D III"; also a letter from Thomas Maine Daly, M. P., marked "D IV."; also a copy of a letter from F. E. Cornish, marked "D V."

I was present at a meeting of council of Biddulph, when they passed a resolution claiming the right of participation in the allowance made to the Counties of Huron and Bruce, in respect of the Buffalo and Lake Huron Railway Company. (Copy of resolution produced, and marked "E.")

I was present when a similar resolution was passed by McGillivray.

I was present at the arbitration in case of McGillivray. I was a member of the Council. I have not preserved any memoranda as to the proceedings in the arbitration. I cannot say that I have any personal knowledge of the arguments actually used in the arbitration.

A considerable portion of the county debt at the separation of McGillivray and Biddulph, was for Gravel Roads.

There were about eight miles of Gravel Roads in Biddulph, they cost about £800 a mile; there were five and a half miles exclusively in the townships, and about five miles between the Townships of McGillivray and Biddulph. There were no roads built exclusively in McGillivray; there were about five miles of road between McGillivray and Biddulph.

The Grand Trunk runs through the southern part of Biddulph, and a corner of McGillivray. There are two stations in Biddulph—Granton and Lucan. There is a station at Ailsa Craig in McGillivray. There is a good deal of business done in McGillivray, at the Ailsa Craig Station.

I know that upon the arbitration, the counsel for Huron and Bruce urged that McGillivray and Biddulph should pay part of the Municipal Loan Fund debt of the counties. I cannot say whether the arbitrators acted in accordance with this contention. I never knew of the counties having released any part whatever of their claims against the townships for contribution.

Paper "F" filed, account of claims by counties.

Dr. Ninian Woods, sworn.—Was arbitrator in case both of Biddulph and McGillivray. Shortly after the award was given I made a report of proceedings to the County Council of Huron and Bruce (Report filed and marked "G.")

That report is correct. The counties originally made a claim for a large sum of money, and that the Townships of McGillivray and Biddulph should pay a portion of the railway debt in proportion to the assessed value of property in the townships and the counties.

The townships on the other hand urged, that, as they received little or no benefit from the railway, they should not be obliged to pay any portion of the debt. Eventually, Mr. Cameron, counsel for the counties, abandoned the claim against the townships for contribution, and an allowance was made by the counties to the townships in respect of past contributions by the townships towards the county's debt. This very much reduced the amount to be paid by the townships.

I know, as a matter of fact, that the Biddulph gravel road was built as a sort of compensation to the township for its contribution to the railway. I was a member of the County Council from 1853 to 1857 inclusive, and the local representatives from McGillivray and Biddulph pressed the matter upon the council.

I do not recollect from memory what the exact cost of the gravel road was. The five miles in Biddulph was a very costly road, I think it cost over £1,000 a mile (\$4,000.)

The road between McGillivray and Biddulph was originally contracted to be built for £800 (\$3,200), but there was afterwards about 5 per cent. added by an award between the contractors and the counties.

These roads were toll roads, and the toll gate on the Biddulph road was rented for about \$700 00 a year. And as the Township of Biddulph had this as a separate Municipality as between it and McGillivray, the amount awarded to be paid by Biddulph to the counties was greater. The assessed value of property in Biddulph was also greater than that in McGillivray.

These two circumstances account for the difference in the amounts respectively awarded against Biddulph and McGillivray.

The amount to be paid by the townships to the counties was also reduced by making deductions on account of past contributions by the townships towards the railway debt. The Townships of McGillivray and Biddulph were not charged for any gravel roads, except those made in the townships themselves.

Examined by Hodgins.—The gravel road in Biddulph was built as some compensation to the townships for not having the railway through it.

Examined by Mr. Smith.—It was distinctly understood that the townships were not to be charged anything on account of the Municipal Loan Fund debt, and they were not charged anything.

Peter Adamson, sworn.—I am County Clerk of Huron, at time of separation of townships I was Reeve of Township of Stanley, was not present at arbitration. What I know is from official papers in my office (statement marked "H" put in, also a letter from A. M. Ross, Treasurer, County of Huron, dated 20th March, 1873, put in, and marked "I," also filed minutes of proceedings of County Council of Huron and Bruce, printed, marked "J.")

Edmund Patchen, sworn.—At the time of separation I was Township Clerk of McGillivray. Attended all the meetings of the Arbitrators.

"A."

COPY of Award between the United Counties of Huron and Bruce and the Township of McGillivray.

Whereas by an Act of the Parliament of Canada, entitled "an Act to separate the Townships of Biddulph and McGillivray from the County of Huron, and annex the same to the East Riding of the County of Middlesex," being Statute 25 Victoria, chapter 28, is it enacted that, from and after the first day of January in the year of our Lord one thousand eight hundred and sixty-three, the corporation of the Township of McGillivray shall pay the corporation of the United Counties of Huron and Bruce such proportion of the then outstanding debt of the said United Counties, and in such manner as may be determined by arbitration under the provisions of the Act respecting Municipal Institutions in Upper Canada;

And whereas the corporation of the said United Counties having appointed Ninian Woods, of the Township of Stanley, in the County of Huron, one of the said arbitrators, and the corporation of the said Township of McGillivray having duly appointed Robert Craik, of the Township of Dorchester, in the County of Middlesex, another of the said arbitrators: the said two arbitrators did before commencing to arbitrate, appoint John P. Wheeler, of the Township of Scarborough, in the County of York, the third arbitrator;

And whereas the said three arbitrators having taken upon themselves the burden of the said arbitration, and before proceeding to try the matter thereof, having been first duly sworn well and truly to try the matter referred to them by the parties, and to make a true and im-

partial award in the premises, did proceed in the presence of both parties, or their agents, to examine into the matters so referred to them, as aforesaid, and having heard all the evidence submitted to them, do now make their award as follows, namely:

1. That the corporation of the Township of McGillivray shall pay the said corporation of the United Counties of Huron and Bruce the sum of twelve thousand dollars, as and for the proportion of the said outstanding debt of the said United Counties which the said corporation of the Township of McGillivray ought to pay.

2. That the said corporation of the Township of McGillivray shall pay the said sum of twelve thousand dollars in manner following, that is to say in ten equal annual payments of twelve hundred dollars each, the first payment thereof to be made on the thirty-first day of December, in the year of our Lord one thousand eight hundred and sixty-three, and the like sum of twelve hundred dollars to be paid on the thirty-first day of December in each and every succeeding year thereafter until the said sum of twelve thousand dollars shall be fully paid and satisfied, together with interest on the unpaid principal from the first day of January last at the time of each payment.

In witness whereof, we the said arbitrators have hereunto set our hands to this our award, this fifth day of March, A.D., 1873, in duplicate.

(Signed)

NINIAN WOODS,
ROBERT CRAIK,
JOHN P. WHEELER.

In presence of

D. H. LIZARS,
WILLIAM ELLIOT.

I hereby certify the above to be a true copy of award between the United Counties of Huron and Bruce and the Township of McGillivray.

(Signed)

WILLIAM FRAZER,
Township Clerk.

McGillivray, 16th June, A.D., 1873.

Copy of motion passed by McGillivray Council :

Moved by James Marr, seconded by Thomas Hall—

That inasmuch as the Government of Ontario, in their scheme for the settlement of the Municipal Loan Fund Debt, have subsidized the Buffalo and Lake Huron Railroad to the extent of two thousand dollars per mile, this Township having paid its full share of the money borrowed from said fund, while forming part of the United Counties of Huron and Bruce, and having since paid the amount declared by the arbitrator duly appointed by said United Counties and the Township of McGillivray, to be its just share of indebtedness at the time of separation, this Council considers the Township of McGillivray fully entitled to participate in its share of said subsidy, as if it still formed part of the Counties of Huron and Bruce and further, this Council authorizes the Reeve to take the necessary steps, in conjunction with Mr. Smith, our representative, to secure said share of subsidy to this Township.—Carried.

I hereby certify the above to be a true copy of a motion passed by the Municipal Council of the Corporation of the Township of McGillivray, on the 19th day of May, A. D. 1873.

“ B.”

Copy of award between Township of Biddulph and Counties of Huron and Bruce :

To all to whom these presents shall come.

We, Ninian Woods, of the Township of Stanley, in the County of Huron, Physician; Francis Evans Cornish, of the City of London, Barrister-at-Law; and Thomas Mayne Daly of the Town of Stratford, in the County of Perth, Esq.,

Send Greeting :

Whereas, by an Act of the Parliament of the Province of Canada, being chapter twenty

eight of the Statute passed in the twenty-fifth year of the reign of Her Majesty Queen Victoria, and in the year of our Lord one thousand eight hundred and sixty two, after reciting that the inhabitants of the Townships of Biddulph and McGillivray had by their petitions represented that it would be advantageous to them that the said Townships should be separated from the County of Huron and annexed to the County of Middlesex, and that it was expedient to grant the prayer of the said petition, it was amongst other things enacted, that upon, from and after the first day of January, one thousand eight hundred and sixty-three, the said Townships should be separated from the County of Huron and annexed to the County of Middlesex, for all purposes whatever, except for the purpose of the representation of the people in the Legislative Council and Assembly, and that from and after the 1st day of January, one thousand eight hundred and sixty-three, the corporations of each of the said Townships respectively should pay to the corporation of the United Counties of Huron and Bruce such proportion of the then outstanding debt of the said United Counties, and in such manner as might be determined by arbitrators, under the provisions of the Act respecting Municipal Institutions in Upper Canada.

And whereas the Corporation of the United Counties of Huron and Bruce and the Corporation of the Township of Biddulph agreed to appoint arbitrators to settle the amount which ought to be paid by the Corporation of the said Township of Biddulph to the Corporation of the United Counties of Huron and Bruce, as their proportion of the outstanding debt of the said United Counties on their separation from the County of Huron, under and by virtue of the said recited Act of Parliament, and we the said Ninian Woods, Francis Evans Cornish and Thomas Mayne Daly, having been duly appointed arbitrators for the purpose aforesaid, the said Ninian Woods having been duly appointed arbitrators for the purpose of the said United Counties, by an instrument in writing under the corporate seal of the said Corporation; and the said Francis Evans Cornish having been duly appointed by the Corporation of the Township of Biddulph, by an instrument in writing under the corporate seal of the said Corporation; and the said Thomas Mayne Daly having been duly appointed in writing by the said two arbitrators appointed by the said Corporation of the United Counties of Huron and Bruce, and by the Corporation of the said Township of Biddulph, respectively; and we the said Ninian Woods, Francis Evans Cornish, and Thomas Mayne Daly, having taken and subscribed the oath required by law in such cases, and having taken upon ourselves the burden of the said arbitration, and having heard the allegations of counsel, and examined the witnesses and evidence produced by the said Corporation of the United Counties of Huron and Bruce, and the Corporation of the said Township of Biddulph, respectively, and having duly considered and duly weighed all the evidence, and all the matters aforesaid, and having agreed upon the same, do make this our award as follows:—

We do order, award and determine—That the Corporation of the Township of Biddulph shall pay to the Corporation of the United Counties of Huron and Bruce the sum of eighteen thousand nine hundred and ninety-six dollars, in three equal payments of six thousand three hundred and thirty-two dollars each. The first of such payments to be made on the thirty-first day of December, one thousand eight hundred and sixty-eight; the second of such payments to be made on the thirty-first of December, one thousand eight hundred and seventy-four; and the third of such payments on the thirty-first day of December, one thousand eight hundred and eighty. Interest to be paid at the rate of six per centum per annum on the thirty-first day of December each year, on the amount remaining unpaid, until the whole amount shall be fully paid and satisfied; the first payment of interest to be made on the thirty-first day of December, one thousand eight hundred and sixty-three.

And we do further order, award and determine, that the Corporation of the United Counties of Huron and Bruce shall pay the costs of this arbitration and award.

And we do order and declare that the said sum of eighteen thousand nine hundred and ninety-six dollars, is a full and final settlement of all claims and demands between the said municipalities, respecting the indebtedness of the said United Counties on the separation of the said Township of Biddulph from the County of Huron, by virtue of the said recited Act of Parliament.

Witness our hands this sixth day of February, one thousand eight hundred and sixty-three.

Signed, published and declared in presence of
(Signed) JOHN DAVIDSON.

(Signed)

NINIAN WOODS,
FRANCIS E. CORNISH,
T. M. PALEY

"C."

AUDITOR'S OFFICE,
TORONTO, 23rd May, 1873.

DEAR SIR,—I have been directed by the Honourable the Attorney-General to write to you to request you to state the grounds upon which the Townships of McGillivray and Biddulph claim to be entitled to a share of the allowance allotted under the Municipal Loan Fund Resolutions to the Counties of Huron and Bruce in respect of the Buffalo and Lake Huron Railway.

It is alleged on behalf of the counties, that upon the separation of McGillivray and Biddulph from the Counties of Huron and Bruce, all questions as to the liability of the townships for county debts were referred to arbitration.

That by the award made upon such reference, the townships were directed to pay a lump sum to the counties, in satisfaction of their share of county debts, no special mention being made of the debt due by the counties, to the Municipal Loan Fund.

That, although in the award, no mention was made of such debt to the Municipal Loan Fund, yet the Arbitrators took that debt into consideration, when determining the amount to be paid by the townships to the counties; and on the grounds (urged by the townships) that the Municipal Loan Fund Debt was contracted in order to aid the Buffalo and Lake Huron Railway, and that such railway was remote from, and of no benefit to the townships, they decided that the townships should not assume any portion of the debt to the Municipal Loan Fund, and that moreover an allowance should be made by the counties to the townships in respect of past payment by the townships toward the Municipal Loan Fund Debt.

That in pursuance of this determination to make an allowance to the townships in respect of past payments by the townships to the Municipal Loan Fund Debt, the Arbitrators gave the townships credit to a large amount on account of a sum to be paid by the townships to the counties for certain gravel Roads belonging to the counties which were transferred to the townships on separation.

And the counties contend that the railway allowance under the Municipal Loan Fund Resolutions, is made as a compensation for the liabilities incurred by the counties in granting aid to the Buffalo and Lake Huron Railway; that the Townships of McGillivray and Biddulph were discharged from such liability; that credit was given to them as against the counties for all sums paid by them in respect of such liabilities; and that therefore they are not entitled to share in the railway allowance. I have endeavoured to place before you as clearly as I can, the position assumed by the counties in respect of this railway allowance, and shall be glad to hear from you as early as possible, what the Townships of McGillivray and Biddulph have to say in reply.

I am, yours faithfully,
(Signed) WM. CAYLEY,
Auditor.

J. S. Smith, Esq., M.P.P.

"D. I."

AILSA CRAIG, June 9th, 1873.

DEAR SIR,—In answer to your letter of the 23rd May, requesting me to state the grounds upon which the Townships of McGillivray and Biddulph claim to be entitled to a share of the railway allowance allotted to the Counties of Huron and Bruce under the Municipal Loan Fund Resolutions, in respect of the Buffalo and Lake Huron Railway,

Permit me to say that the Townships of Biddulph and McGillivray claim that, as they paid while forming part of the united Counties of Huron and Bruce their just and full share of the Municipal Loan Fund debt, and all other debts up to the time of separation. On the first day of January, 1863, said townships were separated from the united Counties of Huron and Bruce, by Act of Parliament, 25 Vic., cap. 18, and annexed to the County of Middlesex.

That Act provided that from and after the 1st day of January, 1863, the corporations of each of the said townships respectively shall pay to the Corporation of the United Counties of Huron and Bruce such proportions of the outstanding debts of the said united counties, and in manner as may be determined by arbitration.

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In accordance with that Act, arbitrators were chosen mutually by the united counties and each of the Townships of McGillivray and Biddulph; the debts and liabilities of the united counties were laid before them, and it was plainly seen by all parties that the counties were liable to pay; and with all the facts before them the award was made, requiring the townships to pay the sum of \$30,996 (thirty thousand nine hundred and ninety-six dollars) as their share of the Municipal Loan Fund and all other debts; that sum said townships have since paid in accordance with the terms of the said arbitration.

It is true that the claims of the townships were urged on the one hand, and the counties on the other, with counsel on both sides, and after several meetings, and after taking fully into account all claims and liabilities between the united counties and townships, the arbitrators came to the decision above mentioned.

The townships further contend that the counties, at the time of separation, never admitted that the townships were paying for a railway they received no benefit from, but, on the contrary, urged that they should pay the same proportion as any other township in the County of Huron.

And the townships further deny that the arbitrators, when making the award, made an allowance of any amount on account of what the townships paid to the Municipal Loan Fund debt, or that they were charged with a certain amount for gravel roads; in proof of this I refer you to the enclosed letters from His Honour Judge Elliot, London, "Counsel" J. P. Wheeler, Esq., Scarborough, one of the arbitrators for McGillivray, and T. M. Daley, M.P., one of the arbitrators for Biddulph.

These all go to show that the townships not only paid while they formed part of Huron and Bruce, but since the separation have paid the full amount determined by arbitrators to be their full share of all the indebtedness of the Counties of Huron and Bruce, including the Municipal Loan Fund debt. For these reasons the townships consider they are justly entitled to their full share of the railway allowance as much as if they still formed part of the united counties of Huron and Bruce.

I have endeavoured to state the claims of the Townships of Biddulph and McGillivray to a share of the railway allowance to Huron and Bruce, in respect of the Buffalo and Lake Huron Railway. Trusting the Government will see the propriety of granting said claims,

I am, yours very truly,

JAMES S. SMITH.

The Honourable William Cayley.

D II.

Copy of Letter from Judge Elliott:

LONDON, ONTARIO, 22nd March, 1873.

MY DEAR SIR,—I have received your letter of the 19th instant, requesting my opinion respecting the right of the Townships of McGillivray and Biddulph to participate in the proposed grant of \$2,000 00 a mile to the Buffalo and Lake Huron Railway.

I need not say, that in my present position. I am debarred from giving my opinion as a lawyer in a matter of this sort, because I understand from your letter that you only ask me the question in entirely an unprofessional way, and mainly because the circumstances of my having acted on behalf of McGillivray at the arbitration, has made me familiar with what occurred there.

I therefore proceed to give you my view of the matter.

The Statute 25 Viet. chap. 28, enacted that McGillivray and Biddulph should be separated from Huron, of which they had formerly formed a part; and that from and after the first day of January, 1863, the corporations of each of the said townships respectively shall pay to the corporation of the United Counties of Huron and Bruce, such proportion of the then outstanding debt of the said United Counties, and in manner as may be determined by arbitration, under the provisions of the Acts respecting Municipal Institutions in Upper Canada.

Well, this arbitration was held, and the award signed by all the arbitrators, and never impeached; the debts of the United Counties were exhibited by the Treasurer of the counties,

and it was plainly seen by all parties what the counties were liable to pay; and with all the facts before them the award was made, requiring McGillivray to pay a certain portion of their liabilities. I cannot remember the items now, but I know that the reference lasted several days, with counsel on both sides, and I have no doubt that everything was taken into consideration that the ingenuity of both sides could suggest. Now, on the 1st day of January, 1853, the debt for the Buffalo and Lake Huron Railway had been incurred; I believe, if so, there is not the slightest possible doubt that McGillivray was charged with its proportion of that debt or liability, whatever we may choose to call it, and it follows, that McGillivray in paying its proportion according to the award, has paid its proportion of the railroad liabilities just as much as if it had continued to remain a portion of the United Counties.

If, for example, McGillivray, while in connection with Huron and Bruce, had been required to pay (\$20,000 00) twenty thousand dollars towards the liquidation of the railway liabilities, McGillivray was charged with that sum in effecting the settlement by the reference.

If, then, McGillivray had remained a portion of Huron and Bruce, she would, as I understand the scheme, have unquestionably been entitled to participate in the proposed grant of \$2,000 00 a mile; just as much, I consider, she is in common fairness, entitled to participate now in it. Although since 1st January, 1863, she has formed part of Middlesex, she has paid her portion of the debt of Huron and Bruce existing on 1st of January, 1863, as much as Stephen, Osborn or any other township.

As for Biddulph, although not concerned in the reference, I entertain not the slightest doubt that it was conducted in the same manner as in the case of McGillivray.

If in this or any matter I can afford you any assistance, it will afford me much pleasure to do so.

Believe me,
Faithfully yours,
WILLIAM ELLIOT.

To J. S. Smith, M.P.P.,
House of Assembly, Toronto.

“D. III.”

SCARBOROUGH, March 21st, 1873.

DEAR SIR,—Yours of the 19th instant to hand last night, asking my opinion with regard to the right of the Township of McGillivray to participate in the \$2000 a mile proposed to be given to the County of Huron by the Government scheme.

My opinion is, that at the time of the arbitration between the County of Huron and the Township of McGillivray, all the public works that had been built by the money borrowed from the Municipal Loan Fund and other sources, were taken into account, and if so, I should say that McGillivray should have her proportion of the \$2000 per mile to the Buffalo and Lake Huron Railway; but as I have a copy of the amount claimed by the County of Huron from the Township of McGillivray, I think I cannot do better than send it to you, so that you can see the amount claimed under the various heads.

I cannot recollect the amount apportioned to McGillivray, but it was nothing like the amount claimed. Hoping this may be of some assistance to you in coming to an arrangement in the matter,

I remain,
Yours truly,
JOHN P. WHEELER.

To J. S. Smith, Esq. M.P.P.

“D. IV.”

STRATFORD, 10th June, 1873.

DEAR SIR,—I cannot charge my memory with the details of an award made by Dr. Wood, F. B. Cornish and myself, ten years ago or so. I remember being umpire on the arbitration, Counties of Huron and Bruce vs. Township of Biddulph, and I am of opinion that the debt incurred for the Buffalo and Lake Huron Railway was treated as not possible to

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yield any return directly, as the Provinces of Ontario and Quebec were united, and the Government could not release the indebtedness of municipalities, and were not granting aid by bonus to any Railways; consequently, I think if the County of Huron is credited with two thousand (\$2,000) dollars per mile on account of aiding by bonus the Buffalo and Lake Huron Railway, the Township of Biddulph has a just claim on the County of Huron for its share of the Government of Ontario's bonus, but I would recommend the Township of Biddulph to send a competent person to Goderich, and procure from the County Clerk of Huron a copy of the accounts submitted to the arbitrators.

If I saw those accounts, I could give a clearer view of how that portion of the account was considered in making the award.

Yours truly,

(Signed)

T. M. DALEY.

To Mr. John Hodgins,
Reeve of Township of Biddulph.

“D. V.”

WINNIPEG, MANITOBA, 27th June, 1873.

In re Biddulph and United Counties of Huron and Bruce :

MY DEAR SIR.—I am this moment in receipt of yours of the 16th instant, making enquiry with reference to the arbitration between Biddulph and McGillivray upon their separation from the Counties of Huron and Bruce. I had nothing to do with regard to the McGillivray matter, but acted as Arbitrator towards Biddulph.

In this case, my recollection is that Biddulph was charged with their share of the Buffalo and Lake Huron Railway Debt, and the award was made on this basis. I think if any benefit results to the counties upon the recent adjustment by your Local Parliament, the township should equitably participate in the benefit.

I intend being in London about 20th or 25th July, and if I can give you any fuller information, shall be only too happy to do so.

Yours truly

F. EVANS CORNISH.

To J. S. Smith, Esq., M.P.P.,
Ailsa Craig.

“E.”

COPY of Motion passed by Council of Township of Biddulph.

Moved by Mr. Dagg, seconded by Mr. Garrett:—

That inasmuch as the Government of Ontario in their scheme for the settlement of the Municipal Loan Fund Debt, have subsidized the Buffalo and Lake Huron Railway to the extent of \$2,000 00 per mile, this township having paid its full share of the money borrowed from the Municipal Loan Fund, while forming part of the United Counties of Huron and Bruce, and having since paid the amount apportioned to it by the Arbitrators duly appointed by the said counties and Township of Biddulph, is fully entitled to participate in its share of such subsidy, as if it still formed part of the United Counties of Huron and Bruce; and further this Council instructs the Reeve to take all necessary steps in conjunction with Mr. Smith, our local member, to secure said share of subsidy to this township. Carried.

This Motion was passed on the 12th day of April, 1863.

“F.”

Statement showing liabilities of United Counties of Huron and Bruce, and proportion claimed from McGillivray computed on the relative assessed value of the Township of McGillivray, and the United Counties on the average of the last eight years for items, Nos. 1, 2, 3, 4 and 5, and on the relative assessed value of McGillivray, and the County of Huron on the average of the last five years for items, Nos. 6 and 7:—

Debt.

No. 1.—Municipal Loan Fund	\$308,000 00	
Claimed from McGillivray		15,172 00
Eight per cent. proposed to be payable by McGillivray annually until debt is liquidated by investment of Sinking Fund by Government.		
No. 2.—Court House Debentures	\$3,600 00	
Claimed from McGillivray		177 00
Payable by annual instalments, with interest at 6 per cent., on 1st of January, 1864 and 1865.		
No. 3.—Maitland Bridge debt.....	\$2,200 00	
Claimed from McGillivray		108 00
Payable, December 31st, 1863.		
No. 4.—Biddulph Gravel Road debt	\$5,600 00	
Claimed from McGillivray		275 00
Payable on 20th June, 1864, with interest at 6 per cent.		
No. 5.—Non-Resident Debenture Act	\$15,382 82	
Claimed from McGillivray		\$757 00
This is an amount charged to non-resident account and applied to general County purposes, and is therefore chargeable as a liability, as when the \$50,000 00 of debentures mature issued upon this fund, the amount available to redeem them is reduced by the above amount. Payable 1st May, 1865, with interest at 6 per cent.		
No. 6.—Gravel Road debts.....	\$330,993 56	
Claimed from McGillivray.....		22,066 00
Payable by thirteen annual instalments of \$1,697 38, with interest on unpaid principal at 6 per cent. on March 1st and September 1st, each year.		
No. 7.—Wilson, Rowe and Co.'s claim.....	\$10,154 32	
Claimed from McGillivray		676 00
The above is the amount at debit of Gravel Road construction account, after paying award of Wilson, Rowe & Co., and which was not assessed in 1862, but was ordered to be borrowed from Non-Resident Debenture Fund, and to be repayable in three years, payable in three annual instalments with interest on unpaid principal payable at 6 per cent., payable half-yearly on 1st March and 1st September each year		
Total claimed from McGillivray.....		\$39,231 00

“ G. ”

Dr. Wood's Report to the Council in 1863 *in re* Biddulph and McGillivray.

STANLEY, June 23rd, 1863.

SIR,—Referring to the recent arbitration between the United Counties of Huron and Bruce and the Townships of Biddulph and McGillivray, on which arbitration I had the honour to act on the part of the United Counties.

For the information of the County Council I beg to submit the following brief review of the result of those arbitrations, and the views which led to those results, premising that if at first blush the awards do not appear satisfactory, I think most parties who will take the trouble fully to investigate the subject, will admit that they are at least within the limits of the reasonable; at any rate they are the best that I could obtain.

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The award in the case of Biddulph is, that the Counties receive in round numbers say \$19,000 00 in three quinquennial instalments. The unpaid principal money bearing 6 per cent. per annum, and the Counties paying the costs of arbitration.

In the case of McGillivray the award is for \$12,000 00, in ten equal annual instalments, with interest as in the case of Biddulph, the Counties bearing one-half the cost of arbitration.

At both arbitrations it was argued on the part of the Townships concerned, that they were liable to pay only so much of the costs of the Gravel Roads as would cover those portions of roads taken by them respectively, less the amount already paid by them for Gravel Road account; and to enforce this view very lengthy evidence was adduced in proof of the small benefit derived by the Townships from those roads.

The Municipal Loan Fund debt was repudiated, it having been chiefly incurred for the purpose of forwarding the construction of the Buffalo and Lake Huron Railway. That the Townships strenuously opposed this outlay in Council, and subsequently by petition to the Legislature, was fully proven, and that they were forced into it, and since continued to pay interest and sinking fund, was not to be denied. And counsel for the Counties at once ceded the point, and admitted all that was sought to be proven on this head.

The Non-Resident Debentures claim was admitted by the Townships; also, after some cavil, Wilson and Rowe's claim.

The remaining items of account, to wit: the Court-house Debentures, Maitland Bridge Debentures, and the Biddulph Gravel Road account, being items of comparatively small amount, were less vigorously treated, and eventually settled to the satisfaction of all the arbitrators.

Much cavil was made at the state of the County accounts, and of Mr. Ross's statement as furnished to the arbitrators, and no pains were spared to find them faulty; but they stood the test well, and in figures at least were found perfectly correct. But though in figures so correct, and though the Townships would have to pay the sums as shown by those statements, had they continued as parts of the County of Huron; yet in view of separation the result shows a palpable error in the base upon which they were framed, namely, on the assessed value of the Townships, laying all other considerations out of view. For example, both Townships derive equal benefit from the common gravel roads; in addition to which Biddulph takes the Biddulph Gravel Roads profits entirely to itself, and with this advantage on its side would have to pay 25 (twenty-five) per cent. less than McGillivray, according to Mr. Ross's statement.

The Railway indebtedness of the Township was thus admitted only by compulsion, and they claimed a set-off for the amounts already paid on this account.

On the part of the counties it was argued that the townships had benefit from the Grand Trunk Railway fully equivalent to any derived from the Buffalo and Lake Huron Railway by the most favoured portions of the County of Huron. But this line of argument, however sound in fact, could not be upheld, and was effectually set aside by a request on the part of the townships to be shown where the Grand Trunk entered into the items of accounts submitted for our consideration.

Since closing the arbitration, I have heard some dissatisfaction expressed on account of the townships having been allowed time for payment. I freely admit that I did not put the least stress on immediate payment, I aimed only at the gross sums to be paid, and very easily fell into the views of the other arbitrators on the subject of time, not only because I think I did better for the counties by giving time, but because the counties receive interest on the unpaid moneys, which I consider are equivalent to cash payments, particularly taking Mr. Ross's evidence into account, he having shown that the holders of county debentures had refused to allow him to call them in at par. Besides, to press the townships for immediate payment would probably be to them very oppressive, without in any way benefitting the counties.

I may add that before the awards were published I had opportunity of ascertaining the views of the Warden and County Treasurer as to the amount that might reasonably be expected from the townships, which views very closely corresponded with the awards.

In conclusion, I deem it my duty to call the attention of the County Council to the position in which Mr. Ritchie and Mr. Ross were placed in those arbitrations they were required to attend on the part of the counties.

The arbitrators made no account of the costs of the parties, but left each to settle their own costs, and both these gentlemen were required to attend away from their homes on several occasions, no doubt at much personal inconvenience and pecuniary loss, directly and indirectly sustained.

I have the honour to be,
Your obedient servant,
(Signed) NINIAN WOODS.

To Robert Gibbons, Warden,
Huron and Bruce.

"II."

Total sum expended on Gravel Roads in Biddulph and McGillivray :

Biddulph, \$34,420 00; McGillivray, \$8,380.....	\$42,800 00
Indebtedness of Counties at the time	707,780 44

McGillivray paid taxes last year, connected with Huron, \$5,563 92; Biddulph, \$4,626-73; total, \$10,190 65, about one-tenth of the total assessment of Huron and Bruce, and only took away about $\frac{1}{23}$ (one twenty-third) of the debt. And take the Gravel Road Debt of Huron, they payed last year, they were with us nearly one seventh, \$5,936 53, out of \$40,500, and only took one-eleventh ($\frac{1}{11}$) of the debt, \$31,000, out of \$340,380; of Huron Gravel Road Debt, they ought to have taken \$41,488 00 of the gravel road alone, according to the equalized value of 1862. And if these townships had continued in Huron they would have had to pay to the Municipal Loan Fund debts according to the equalized Assessment of the same year, one-twelfth ($\frac{1}{12}$) of the Municipal Loan Fund debt, \$2,027 75 out of \$24,640-00, to be raised annually, or in other words, at the separation, ought to have assumed \$25,388 00 of the Municipal Loan Fund, or a total of \$66,876 00 for gravel roads debentures and Municipal Loan Fund.

Biddulph and McGillivray had exclusive benefit of gravel road in Biddulph some years before the other parts of the county.

By-law passed for gravelling this road in 1854, and other county roads, not commenced before 1858. The whole cost amounting to \$24,000 00 on Biddulph Road.

TORONTO, March 20th, 1873.

SIR:—I understand that Biddulph and McGillivray are making a claim for a portion of the railway allowance accruing to the County of Huron under the 5th sub-section of the 7th Resolution of the Municipal Loan Fund Scheme, which, on the part of the County, I contend they are not entitled to, on the ground that at the time of the separation of the townships from the County, they did not assume any portion of the Municipal Loan Fund debt.

The total debt of the United Counties of Huron and Bruce on the 31st December, 1862, as shown in the auditor's statement for that year, and published in the minutes of the Council, was \$707,780 44. On the separation of those townships, the portion of this debt that was to be assumed by Biddulph and McGillivray was referred to arbitration. These townships contended that they should not be charged with any portion of the Municipal Loan Fund debt, as the Buffalo and Lake Huron Railway, in aid of which the debt was created, was so distant from them (and they having the Grand Trunk Railway passing through the townships) that they derived no benefit from it, and that they should not only take no portion of that debt, but that they should be credited for what they had already paid towards it.

The justice of this claim was, as was well known at the time, allowed by the arbitrators, and although Biddulph and McGillivray actually took with them on separation as their own property gravel roads to the value of \$42,800, yet, in consideration of the payments previously made by them towards the Municipal Loan Fund debt, the arbitrators only awarded them to pay, as their proportion, of the whole debts of the Counties of Huron and Bruce, \$30,000, viz: Biddulph \$18,000 and McGillivray \$12,000.

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Had these townships been awarded a proportion of the debt, in the same ratio as their assessment was to the total assessment of the counties, the amount to be assumed by them would have been \$58,175—the total equalized assessment of the Counties being in 1862, \$13,580,796, and the equalized assessment of Biddulph and McGillivray being \$1,117,231. I give this to show that in the amount awarded, the arbitrators must have considered that, included in the total, was some debt that from exceptional circumstances these townships should be relieved from.

If then, as I contend, these townships assumed no portion of the Municipal Loan Fund Debt, and that even a reduction was allowed them on account of what they had already paid towards it, I cannot see that they should again claim a portion of the railway allowance to which they have really contributed nothing.

If, however, it is claimed that the awards do not go into particulars, but merely declare that these townships shall pay a lump sum as their share of the debt of the union, and that the Government cannot enter into any division of the amounts in the award, which do not appear in the documents themselves, I would suggest that the claims of those townships should be left open for further investigation and adjustment, as it would, I believe, be readily granted by both Huron and Bruce, that for whatever portion of the Municipal Loan Fund debt these townships assumed, they would participate in the allowance in the same proportion as the amount so assumed bears to the total Municipal Loan Fund debt of the Counties.

I am surprised to learn, however, that the claim of these townships is not that they should participate in the allowance in proportion to what they paid or assumed, but on the basis of population, which I cannot see has any bearing on the question at all.

The debt was not apportioned according to population at the time of the separation, which would have given them a debt of \$64,408 instead of \$30,000, and the population, therefore can have no connection whatever with the distribution of the allowance between the separated townships and the Counties of Huron and Bruce.

The County of Bruce is also interested in this, as if these townships are entitled to anything it must come out of the whole allowance given to Huron and Bruce, they being united when the townships were separated, and a proportion of the amounts received from them under the awards has been paid over to Bruce by Huron as part of the assets of the union, at the time of the separation of the Counties.

I have the honour to be, Sir,
Your most obedient servant,
(Signed) A. M. ROSS,
Treasurer, County of Huron.

To the Honourable O. Mowat,
Attorney-General, Toronto.

TORONTO, June 30, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the municipalities in the County of Norfolk, exclusive of the Town of Simcoe and the Townships of Middleton, Windham and Woodhouse, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$33,958, being two dollars per head of the population, according to the census of 1871.

This sum of \$33,958 is to be divided by the Government among the towns, townships and incorporated villages in the County of Norfolk other than the municipalities excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolutions, and is to be paid over for such purposes pointed out in the 12th section of the said Act as may be provided for by by-laws of the local municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The municipalities excepted above are excluded from sharing in the above allowance because they have been separately dealt with by the Government.

(Signed) W. CAYLEY,
Auditor.

To the Treasurer,
County of Norfolk.

(Signed) C. A. BROUGH,
Acting-Secretary.

AUDITOR'S OFFICE,
Toronto, 5th June, 1873.

SIR—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the united Counties of Northumberland and Durham, under the Amended Municipal Loan Fund Resolutions of 26th March, is \$223,665.31.

The following is the statement of the mode in which that amount was determined:—

The united counties of Northumberland and Durham are not entitled to any railway allowance under either the 4th or the 5th Resolution, nor are they entitled to any allowance under the 6th Resolution in respect of clergy reserve money retained.

The population of the united counties, exclusive of the Towns of Port Hope and Cobourg, according to the census of 1871, was 68,055, the allowance of \$2 per head, under the 7th Resolution, will therefore amount to \$136,110, which sum is credited to the united counties.

The arrears of the debt of the united counties to the Municipal Loan Fund were, on the 1st January, 1873, \$359,775 31; this sum, less \$136,110, the amount to the credit of the counties, leaves the amount to be paid by the united Counties of Northumberland and Durham (exclusive of Port Hope and Cobourg) on 1st January last, \$223,665 31.

If you have any suggestions or objections to make with reference to the foregoing statement, you are to make the same within fourteen days.

With reference to the debentures to be given under the Municipal Loan Fund Act, we beg to say that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

We remain,

Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Act.-Secretary.

A. A. Burnham, Esq.,
Treasurer, Counties of Northumberland and Durham,
Cobourg.

AUDITOR'S OFFICE,
TORONTO, 6th June, 1873.

SIR.—In compliance with a request made by Mr. McLeod in his letter of 29th ultimo, to the Honourable the Treasurer, we, the undersigned, have been instructed by the Government to inform you, that the sum to be paid by the United Counties of Northumberland and Durham, exclusive of the Towns of Port Hope and Cobourg, under the Amended Municipal Loan Fund Resolutions of 26th March last is \$223,665.31.

We beg to enclose a copy of a letter sent by us to the Treasurer of the United Counties, which explains the manner in which the amount of the debt was determined.

With reference to the new debentures to be given, we are instructed to say that a form will be prescribed by His Excellency the Lieutenant-Governor in Council. Section 7 of the Municipal Loan Fund Act mentions the manner in which the debentures shall provide for payment. From the same section you will also see that the United Counties will not be compelled to spread the payment of their debt over a period of twenty years.

We remain,

Your obedient servants,
(Signed) WM. CAYLEY, *Auditor.*
(Signed) C. A. BROUGH, *Act.-Secretary.*

To W. Thompson, Esq.,
Warden, Counties of Northumberland and Durham,
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TREASURER'S OFFICE,
COBOURG, 25th July, 1873.

DEAR SIR.—May I use the liberty of asking you to put me in the proper way of levying the Municipal Loan Fund rate for these Counties, Northumberland and Durham, for the current year. There was a circular sent to the late Treasurer, requesting him to pay 5 per cent. upon the amount of our indebtedness—so I have construed it,—and have sent circulars to the various minor municipalities requesting them to levy that rate for the present year, since which I have learned that I have not done the proper thing; and in the absence of any proper instruction, I would ask you if you will kindly instruct officially the manner in which, and the amount required to be paid by these Counties for this and future years, and if to be paid over to the Hon. the Treasurer, or whether debentures are to be issued, and we take them up as they become due.

An early answer will oblige,

Yours truly,
(Signed) E. A. MACNACHTON,
Treasurer,
Northumberland and Durham.

To the Honourable the Attorney-General,
Toronto.

AUDITOR'S OFFICE,
TORONTO, 29th July, 1873.

SIR,—In reply to your letter of the 25th instant, to the Honourable the Attorney General, respecting the amounts to be paid during the present, and also during subsequent years, on account of the Municipal Loan Fund debt of the United Counties of Northumberland and Durham, I am instructed to say, that for the present year it will be necessary according to section 6 of the Municipal Loan Fund Act of last session, to levy a sum sufficient to pay interest at the rate of five per cent on the debt as it stood, independently of the Municipal Loan Fund Act, on 1st January last, viz.: \$359,775 31, and for every subsequent year, until the reduced debt is paid off, a sum equal to seven per cent. per annum on the amount originally borrowed by the Counties from the fund, viz.: \$460,000.00.

The interest for the present year is to be paid in cash. The interest accruing in subsequent years, together with the amount of the debt as reduced, is to be secured by debentures. The cash is to be paid and the debentures to be delivered to the Honourable the Treasurer of Ontario. Forms of debentures will be furnished as already intimated.

We remain,
Your obedient servants,
(Signed) W. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting-Secretary.

To E. A. MacNachton,
Treasurer, Counties of Northumberland and Durham.

OFFICE OF WARDEN OF NORTHUMBERLAND AND DURHAM,
COBOURG, October 30th, 1873.

SIR,—Will you please inform me when you will require the debentures for the balance of the indebtedness of the United Counties of Northumberland and Durham to be signed, and will you also kindly advise me as to the length of time of payment. I ask the last question more particularly to be in a position to give our Council at its next session information in reference thereto—some take the position that the time for payment can be extended to twenty years. If my memory is not at fault, you informed Mr. McLeod and myself, during the past summer that this could not be done, but that the Act of last Session of Parliament provides that amounts

equal to those we had paid formerly should be paid until the debt was paid off, which would be done in nine years. Some of our Municipalities contend that we can extend it twenty years.

I should be much pleased if you would give me the asked for information.

I have the honour to be, Sir,

Your obedient servant,

(Signed)

W. THOMPSON,

Warden.

To the Honourable the Attorney-General,
Toronto.

AUDITOR'S OFFICE,

TORONTO, 3rd December, 1873.

DEAR SIR,—In reply to your letter of the 30th of October last to the Honourable the Attorney-General, I am instructed to say, that the engraving of the debentures has not yet been completed, but that as soon as they are received from the engraver they will be forwarded for execution.

By the 7th Section of the Municipal Loan Fund Act, the amount of the annual payments to be made by indebted municipalities is determined. In the case of the United Counties of Northumberland and Durham, this payment amounts to \$32,200, and therefore the debt of the Counties will be wiped out in nine years. The reference in the Statute to the period of twenty years for payment of the debentures, is to the effect merely, that no longer period shall be allowed for payment in any case.

I remain,

Your obedient servant

(Signed)

WM CAYLEY.

Auditor.

To W. Thompson, Esq., Warden, &c.,
United Counties, Northumberland and Durham.

COUNTIES OF NORTHUMBERLAND AND DURHAM,

BOMANVILLE, 23rd December, 1873.

SIR,—On referring to statement received from the Department, I learn that the interest on debentures, on account of balance due on the Municipal Loan Fund by United Counties of Northumberland and Durham, is made payable half yearly, on 30th June, and 31st December. Our Counties' Council did not make provision for this amount last June when the rates were struck, it therefore will be very inconvenient for us to meet it. I now write to ask if it could be so arranged that we shall not require to pay interest but once a year, on 31st December each year, when our rates will have been collected. I also notice that the debentures will become due and payable once a year on 31st December, which meets our wishes.

Your will confer a favour by granting the above.

I have the honour to be, Sir,

Your obedient servant,

(Signed)

W. THOMPSON,

Warden.

To the Honourable A. Crooks, Treasurer,
&c., &c., &c.

TREASURER'S OFFICE,

TORONTO 29th December, 1873.

SIR,—I am in receipt of your letter of 23rd inst.

The Statute of last Session makes it quite clear that the interest for the current year, on the amount of the indebtedness of the United Counties of Northumberland and Durham, as of

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1st of January, 1873, should have been assessed for and paid over during the present year. The debt for which the debentures are to be given does not include this interest.

I assume that for this interest your corporation could easily arrange for its payment.

In regard to the interest on the debentures, it is necessary with a view to their being sold, that the interest should be payable half-yearly; and only five per cent. is asked; this should be satisfactory to the Municipalities.

You will please see that the interest for the current year is remitted to me without delay.

I have the honour to be, Sir,

Your obedient servant,
(Signed)

ADAM CROOKS,
Treasurer.

To W. Thompson, Esq.,
Warden. Counties of Northumberland and Durham,
Bowmanville.

AUDITORS' OFFICE,
TORONTO, July 4th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the District of Nipissing on the 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$3,582 00, being an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement as to the amount going to the district under the said Act, it should be brought under our notice within fourteen days from date.

The sum of \$3,582 00 is to be paid over for such purposes pointed out in the 12th Section of the said Act as may be provided for by by-laws of the local municipalities, passed after the 1st day of February next, in accordance with the 13th Section of said Act.

We remain,

Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting-Secretary.

To Stipendiary Magistrate,
Nipissing District.

TREASURER'S OFFICE,
NIAGARA, 7th May, 1873.

DEAR SIR,—In reply to your letter of the 6th instant, I beg to say that the Town of Niagara has never been separated from the County of Lincoln for Municipal purposes; also that our town has always contributed its share towards paying the indebtedness of the county, except that of the loan for the Queenston and Grimsby Road, from which the Town of Niagara and Townships of Caistor and Gainsboro, were exempted by special Act of Parliament. I cannot refer you to the year of that Act. It was while Mr. Simpson was our representative.

Yours truly,

(Signed) JOHN ROGERS,
Treasurer.

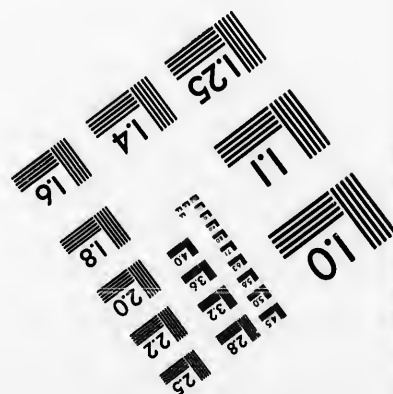
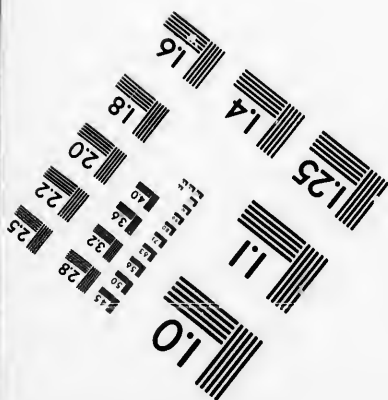
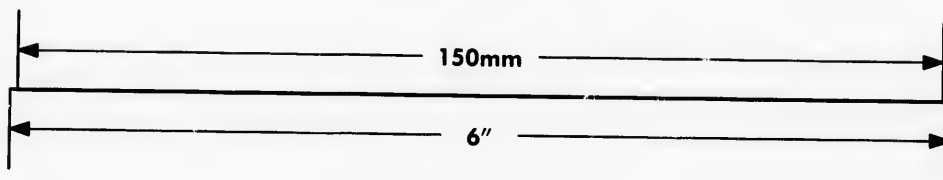
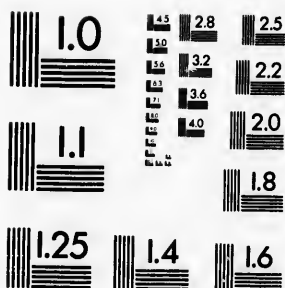
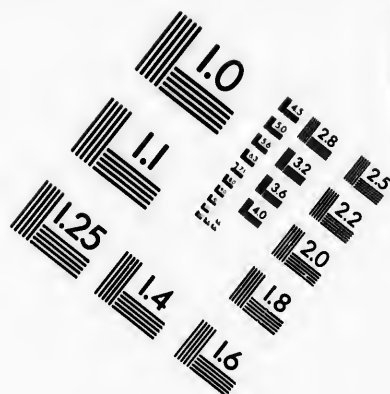
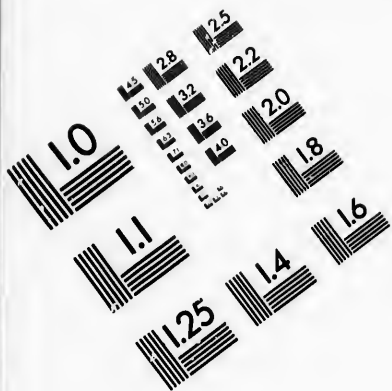
Honourable Wm. Cayley, Auditor,
Toronto.

AUDITOR'S OFFICE,
TORONTO, June 14th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Town of Niagara to the Province, as of 1st of January last, under the amended Municipal Loan Fund Resolution of 26th March, 1873, and that the same amounts to \$14,205 05.



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We also call your attention to the liability of the town to pay interest from 1st January last, on its debt, (as reduced,) in accordance with the sixth section of the Municipal Loan Fund Act.

If you have any suggestions or objections to make with reference to the calculation of the amount to be paid by the town on the basis of the Resolution, you are to make the same within fourteen days from this date.

It is understood that the Town of Niagara holds certain revenue-bearing investments made with money obtained from the Municipal Loan Fund, or with the produce of such money; you will therefore be pleased to state for the information of the Government, the particulars of such investments and of the securities in connection therewith held by the town.

With reference to the debentures to be given under the 6th Section of the Municipal Loan Fund Act, we are instructed to state, that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

We remain,
Your obedient servants,
(Signed) WM CAYLEY, *Auditor.*

(Signed) C. A. BROUGH, *Assistant-Secretary.*

To John Rogers, Esq., Treasurer,
Town of Niagara.

TORONTO, June 28th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Township of Nichol on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$6,547 85. Of this sum \$1,073 85 are for an allowance in respect of the Wellington, Grey and Bruce Railway.

The remainder of the sum to be paid to the municipality, amounting to \$5,474, is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the municipality, under the said act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
WM. CAYLEY,
Auditor.

C. A. BROUGH,
Act.-Secretary.

Clerk, Township of Nichol.

For change in amount going to Nichol in respect of the allowance for Wellington, Grey and Bruce Railway, see circular under Elora correspondence.

TORONTO, JUNE 30, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the municipalities in the County of Ontario, exclusive of the Townships of Thorah, Uxbridge and Scott, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$62,426, being two dollars per head of the population, according to the census of 1871.

This sum of \$62,426 is to be divided by the Government among the towns, townships, and incorporated villages in the County of Ontario, other than the municipalities excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution, and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the local municipalities,

passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The municipalities excepted above are excluded from sharing in the above allowance, because they have been separately dealt with by the Government.

We remain,

Your obedient servants,

(Signed) WM. CAYLEY,

Auditor.

(Signed) C. A. BROUGH,

Acting-Secretary.

To the Treasurer,
County of Ontario.

AUDITOR'S OFFICE,

Toronto, 19th June, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that the sum to be paid by the Province, under the Municipal Loan Fund Act, to the municipalities of the County of Oxford (except Woodstock and the Townships of North and South Norwich), on 1st February, 1874, amounts to \$70,746 82.

The following is a statement of the mode in which that sum was arrived at:—

The debt of the county on 1st January, 1873, was \$5,662 47; interest on that sum from 1st January, 1873, to 1st February, 1874, amounts to \$306 71; making, together, \$5,969 18.

According to the census of 1871, the population of the County of Oxford was 48,237; the allowance of two dollars per head, under the 7th paragraph of the Resolution, will therefore amount to \$96,474. Upon deducting the debt of \$5,969 18 from this sum, there remains a balance of \$90,504 82. From this sum there is to be also taken \$19,758, the shares which would go to Woodstock and North and South Norwich, leaving a balance of \$70,746 82 to be paid by the Province to the municipalities in the county, other than Woodstock and North and South Norwich, on the 1st February, 1874, in proportion to their respective populations, as directed by the 7th paragraph of the said Resolutions; and the amounts so paid over are to be applied for such purposes pointed out in the 12th section of the Municipal Loan Fund Act, as may be provided for by by-law of the local municipalities passed in accordance with the 13th section of the said Act.

If you have any objections to make with reference to the foregoing calculations on the basis of the said Resolutions, you are to make the same within fourteen days from this date.

We remain,

Your obedient servants,

(Signed) WM. CAYLEY,

Auditor.

(Signed) C. A. BROUGH,

Acting-Secretary.

To H. P. Brown, Esq.,
Treasurer, County of Oxford.

AUDITOR'S OFFICE,

TORONTO, 10th July, 1873.

SIR,—We, the undersigned, have been instructed to inform you, that we have calculated the sum to be paid by the Township of Ops and Town of Lindsay, on account of the Municipal Loan Fund debt of the Township of Ops, and that the same amounts to \$39,715 00, as of 1st January, 1873.

Should there appear to you to be any error in the amount stated to be payable on account of the above debt, you are to bring the same to our notice within fourteen days from this date.

We also beg to call your attention to the sixth section of the Municipal Loan Fund Act, which provides for the payment of interest, on the amount found to be due subsequently to the 1st January, 1873.

With reference to the debentures to be given under the sixth section of the said Act, we are instructed to say, that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

It is understood that certain revenue-producing investments, are held by the above mentioned municipalities, which investments were made with the money borrowed or obtained under the Municipal Loan Fund Acts, by the Township of Ops, or with the produce of such money; you will therefore be good enough to furnish us with the particulars of such investments, if any.

We remain,
Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.
(Signed) C. A. BRUGH,
Acting-Secretary.

A. O'Leary, Esq., Clerk,
Township of Ops, Lindsay.

LINDSAY, July 19th, 1873.

SIR,—Your letter of the 10th instant to hand, with statement of amount, which the Township of Ops and the Town of Lindsay have to pay on account of Municipal Loan Fund indebtedness. On looking over the same I find that there is evidently an error in the figures \$39,715 00, as it differs from the amount stated in a former notice to our Treasurer, viz., £37,914 80, which appears to me to be correct.

The assessment of the Township of Ops for 1872, on which calculation (I believe) it is based, was \$380,150 00 and our rate, for that year $1\frac{3}{4}$ cents in the dollar, the extra $\frac{1}{4}$ cent in (\$) the dollar, viz., all that could be raised under 2 cent. rule, would raise \$950 75, our portion yearly of \$37,914.80 would be \$947.87, and for \$39,715.00, \$992.87, which latter amount is more than we could raise and keep within rate allowed by law, from which it seems clear that \$37,914 80 is the correct amount.

The only investment made with the money was in stock of the Port Hope, Lindsay and Beaverton (now Midland) Railway, from which there has not been any revenue received as yet, with the exception of some \$148.38, accepted by our Treasurer in 1867, contrary to orders of Council,

This money was paid into the bank to the credit of the Township of Ops, under agreement for sale of stock, which sale the council refused to ratify. This is the only investment made with the money.

I have the honour to be,
Sir,

Your obedient servant,
A. O'LEARY,
Township Clerk.

The Honourable William Cayley,
Auditor, Toronto.

AUDITOR'S OFFICE,
TORONTO, July 24th, 1873.

SIR,—In reply to your letter of the 13th instant to the Provincial Auditor, I beg to say that you are correct, in supposing that the calculation of the sum to be paid by the Township of Ops, together with the Town of Lindsay, under the Municipal Loan Fund Act, was based upon the assessment of the Township of Ops for 1872.

In accordance with the ninth paragraph of the Amended Municipal Loan Fund Resolution of 27th March last, the balance of two cents in the dollar on the actual assessed value of property in Ops for 1872, after deducting the amount required for ordinary expenses, exclusive of school rates, was considered to be the sum annually payable by the Township. To find the principal of the debt, the sum was capitalized at 5 per cent., and the sum charged to Ops and Lindsay together was double the sum found to be payable by Ops alone, according to the foregoing method of calculation.

In the printed Municipal Loan Fund Schedule of last session the actual assessed value of the property in Ops for 1872, is stated to be \$397,150 00, and the rate for ordinary purposes, exclusive of school rates, 1 3/4 cents in the dollar, which would make the sum to be paid by Ops and Lindsay, \$39,715 00.

In your letter of the 19th instant you say that the actual assessed value of property in Ops for 1872 was \$380,150 00, the rate being the same as above. This would make the sum to be paid by Ops and Lindsay, \$38,015 00, and not \$37,914 80.

Will you be good enough to try and explain these variations in the amount stated to be the actual assessed value of property in Ops for 1872; and, before any change can be made in the sum now charged against Ops and Lindsay, it will be necessary for you to furnish a certificate distinctly stating the actual assessed value of property in Ops for 1872.

I remain,

Your obedient servant,

(Signed) C. A. BROUGH.

To A. O'Leary, Esq.,
Treasurer, Township of Ops,
Lindsay.

TOWNSHIP CLERK'S OFFICE, OPS,
LINDSAY, July 31st, 1873.

SIR.—Yours of the 24th instant to hand yesterday, since which time I have carefully gone over the assessment roll for the Township of Ops for the year 1872, and find that the total assessment of the said Township is \$379,150 00, which is the same as the return I made to the Honourable the Attorney-General in January last, and which I presume is the report you refer to, with the figures 7 and 9 changed. This is the only way I can account for the difference in the amounts.

My last statement to you is incorrect, I having made additions to the assessment roll at two different times in the spring of 1872, got the amounts \$379,150 00 and \$380,150 00, the last I took to be correct, and so set it down on the roll; but in making up my collector's roll in the fall, I found that these figures would not prove with the amount raised at 1 3/4 cents in the dollar, and again added up with the result \$379,150 00, which at 1 3/4 cents in the dollar would raise \$6,635 95, the difference, 83 cents arising from calling half cents wherever they occurred. I did not change the \$380,150 on the assessment roll, from which I took figures for my last statement, without making any fresh addition.

But now having made another addition of the roll, I again find the result, \$379,150 00,—this amount proving, with amount raised at 1 3/4 cents in the dollar, our rate for last year, I am satisfied it is correct.

The amount \$397,150 00 I cannot account for in any other way than changing the positions of the 7 and 9 in the proper amount, as that amount at 1 3/4 cents would give us \$314 05 more than we raised.

Hoping that this will be satisfactory,

I remain,

Yours, &c.,

(Signed) A. O'LEARY.

To the Hon. Wm. Cayley,
Auditor, Toronto.

LINDSAY, July 31st, 1873.

I, Arthur O'Leary, of the Town of Lindsay, Township Clerk of the Township of Ops, do hereby certify that I have carefully examined and added up the Assessment Roll of the said Township of Ops, for the year one thousand eight hundred and seventy-three, and find that the total assessment of the said township for that year is three hundred and seventy-nine thousand, one hundred and fifty dollars.

(Seal.)

(Signed)

A. O'LEARY.

AUDITOR'S OFFICE,
TORONTO, August 23rd, 1873.

SIR,—In reply to your letter of 31st ultimo, I beg to say that your explanations as to the variations in the assessment for 1872 were satisfactory, and the sum to be paid by Ops and Lindsay has been fixed at \$37,915 00.

As to the amount mentioned in the Act, that is evidently a misprint, and would at all events only represent what the debt was supposed to be, at the time when the bill was passed, and prior to the recent audit of the amount due, made under the 3rd Section of the Municipal Loan Fund Act.

I remain,
Your obedient servant,
(Signed) C. A. BROUGH.

Arthur O'Leary, Esq.,
Clerk, Township of Ops, Lindsay.

TORONTO, June 21st, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Village of Orangeville, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$5,166 00.

Of this sum, \$2,250 00 are for an allowance in respect of the Toronto, Grey and Bruce Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$2,916 00 is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) W. CAYLEY,
Auditor.
(Signed) C. A. BROUGH.

J. S. Fead, Esq.,
Orangeville.

AUDITOR'S OFFICE,
TORONTO, 4th June, 1873.

SIR,—We the undersigned, have been instructed by the Government, to inform you that we have calculated the sum to be paid by the City of Ottawa to the Province of Ontario, under the Amended Municipal Loan Fund Resolutions of 26th March last, and that the same amounts to \$36,728 47.

The following is a statement of our calculation:—Aid was granted to the Bytown and Prescott Railway by certain Municipalities to the extent of \$414,000; towards this sum, the City of Ottawa contributed \$260,000. Of an allowance of \$108,000 made under the fourth Resolution to the Municipalities aiding the said railway, the City of Ottawa is hereby entitled as its proportion to \$67,826. By the same resolution this sum is to be considered as having been payable by the Province to the City of Ottawa on 17th October, 1853, the date at which the debt of the City to the Municipal Loan Fund was contracted, and compound interest at the rate of five per cent. per annum, has been allowed on the said sum of \$67,826 from the last mentioned date to 1st January, 1873; this interest amounts to \$105,262 57, making the total sum to be credited by the Province to the City in respect of the said railway, \$173,088 57. The population of the City of Ottawa, according to the census of 1871, was 21,545; the allowance of \$2 per head under the 7th resolution, will therefore amount to \$43,090.

The City of Ottawa is also entitled under the 6th resolution, to an allowance (as corrected) of \$26,049 41, in respect of Clergy Reserves money retained.

According to the foregoing statements therefore, the total amount with which the City was to be credited on 1st January, 1873, was \$242,227 98.

The arrears of the debt of the City to the Municipal Loan Fund on 1st January, 1873 was \$200,000, principal, and \$78,956.45 interest, in all \$278,956.45. This last mentioned sum, less \$242,227.98, the sum to the credit of the City, makes the debt to the Province on 1st January, 1873, \$36,728.47.

If you have any suggestions or objections to make with reference to the foregoing calculations, you are to make the same within fourteen days of this date.

With reference to the debentures to be given under the Municipal Loan Fund Act, we beg to say that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

We remain,
Your obedient servants,
(Signed)

WM. CAYLEY,
Auditor.
C. A. BROUGH,
Acting-Secretary.

R. H. Thompson, Esq., Treasurer,
City of Ottawa.

OTTAWA, 17th June, 1873.

GENTLEMEN,—I beg to acknowledge the receipt of your letter of the 4th inst., respecting the sum of money due by this City to the Province, under the amended Municipal Loan Fund Resolutions of the 28th March last. As I am without any knowledge of the said resolutions, it is out of my power to offer any remark on the calculations as set forth in your statement.

As the Chairman of the Finance Committee will have to make an appropriation in his estimates to meet this debt, would you kindly inform me, for him, of the time within which the debt must be paid, and the amount of sinking fund required yearly.

I remain, Gentlemen,
Your obedient servant,
(Signed)

W. H. THOMPSON,
Treasurer, per T. W. T.

To the Hon. William Cayley, Auditor,
and C. A. Brough, Esq., Secretary.

OTTAWA, 23rd June, 1873.

DEAR SIR,—On the 17th instant I posted you a letter, respecting the Municipal Loan Fund. Having received no answer, the Chairman of the Finance Committee is anxious that I would address you again; we wish to know the time within which the \$36,728.47, is to be paid; also, what amount of sinking fund or instalment must be raised or paid yearly.

We propose sending up the interest at five per cent. on \$36,728.47, together with the odd dollars, say \$728.47, at the end of this month, so as to leave the balance an even sum.

An early answer would very much oblige.

Your obedient servant,
(Signed)

W. H. THOMPSON,
Treasurer.

To the Honourable William Cayley,
Auditor.

AUDITOR'S OFFICE,
TORONTO, 28th June, 1873.

SIR,—I am in receipt of your communication of the 23rd inst., stating that your municipality was prepared to pay at the close of this month 5 per cent. on \$36,728.47, and a further sum of \$728.47 to reduce the balance to an even sum. Your payment will not effect this, as the interest on your reduced debt for the six months, from the 1st of January last, is 2½ per cent., or \$918.21, so that the additional 2½ per cent. which you propose to pay,

will leave again a broken sum. I would suggest your paying in the net amount of $2\frac{1}{2}$ per cent on your reduced debt on account of interest, and \$1728 47 or another \$1000 or two, according to your present ability, so as to leave an even sum for the principal. I showed your letter of enquiry to the Attorney-General on the subject of the instalment, or sinking fund to be paid yearly. He referred me to the 7th section of the recent Act, of which I mail you a copy, which in your case would pay off the debt in less than three years; say \$10,000 Debentures redeemable in one year, \$12,000 in two years, balance in three years.

I remain,

Your obedient servant,
WM. CAYLEY,
Auditor.

W. H. Thompson, Esq.,
Treasurer, Ottawa.

CHAMBERLAIN'S OFFICE,
OTTAWA, 12th December, 1873.

SIR,—I beg to acknowledge the receipt of a number of papers relating to our Municipal Loan Fund debt. I am led to believe that it is the intention of our corporation to pay off the whole matter in cash at the end of this month, or a very few days thereafter.

The chairman of the Finance Committee wishes me to ask you if you would be so kind as to let him have an account of the said debt up to that time, on the assumption that it is to be paid off in cash. In that case, he understands that a rebate of 8 per cent. will be allowed off.

We have negotiated a loan with an English firm for a large amount, a portion of which is to go towards the debt.

The debentures for the whole amount are now being signed.

Your obedient servant,
W. H. THOMPSON,
Per T. W. T.,
Chamberlain.

The Honourable Wm. Cayley,
Auditor, Toronto.

AUDITOR'S OFFICE,
TORONTO, 29th December, 1873.

SIR,—I am instructed by the Honourable the Treasurer, to inform you that a discount of six per cent. on the indebtedness of the City of Ottawa, viz: \$2,203 70, on \$36,728 47, provided it be paid off during the month of January.

If this is accepted, the net amount of principal will be.....	\$34,524 77
Six months interest now due for the year, 1873.....	918 20
	<hr/>
	\$35,442 97

Be pleased to inform me with as little delay as possible, of the decision of the Corporation as instructions have to be given to the engraver as to the preparation of the debentures, I remain,

Your obedient servant,
WM. CAYLEY,
Auditor.

To W. H. Thompson, Esq.,
Chamberlain, City of Ottawa.

CORPORATION OF THE CITY OF OTTAWA,
January 14th, 1874.

SIR,—I have the honour to transmit to you the accompanying copy of a Report of the City Council, and to state that the amount of the indebtedness of the City of Ottawa to the Municipal Loan Fund, will be paid in accordance with said Report, next week.

I have the honour to be,

Your obedient servant,
(Signed) WM. P. LETT,
City Clerk.

To the Honourable William Cayley,
Provincial Auditor.

FINANCE REPORT.

To the Corporation of the City of Ottawa :

With respect to the indebtedness of the City of Ottawa to the Government of Ontario. in the matter of the balance of the Municipal Loan Fund, your Committee submit herewith a letter from William Cayley, Esq., Provincial Auditor, in which he shows that the amount due said Government in said matter is \$35,442 97, provided the same is paid before the 1st day of February next.

In ascertaining the above amount, the auditor has allowed a deduction of six per cent. only, and not eight per cent. as promised for a cash payment of the debt.

Your Committee recommend that his Worship, the Mayor, be authorized to sign a cheque for the amount due the said Government, less said eight per cent. of a deduction, and that the Chamberlain be instructed to forward the amount of the same to the Treasurer of Ontario, and at the same time call his attention to the fact that a deduction of eight per cent. was promised your worshipful body as an inducement to obtain a cash payment of said indebtedness in lieu of debentures payable in three years, said amount to be paid out of the proceeds of debentures sold for said and other purposes.

(Certified, a true copy.)

(Seal.) (Signed) WM. P. LETT, City Clerk,

City Hall, Ottawa, January 14th, 1874.

AUDITOR'S OFFICE, TORONTO, 19th January, 1874,

DEAR SIR,—Referring to your letter of the 14th instant, and to the Minute of the Finance Committee enclosed in it, I beg to mention that the debt of your Corporation to the Province in the matter of the Municipal Loan Fund, amounts to \$36,728 47, which is payable in three annual instalments of \$12,242 50, on the 31st December, 1874, 31st December, 1875, and 31st December, 1876. The proposed Government allowance of 6 per cent. off \$36,728 47, being \$2,203 70, will therefore make the deduction equivalent to an investment of 8 per cent. per annum; as you will see more clearly from the subjoined memorandum, and the amount which your Corporation will have to pay in cash will be, \$34,524 77, to which add the interest due for 1873, making in all \$35,442 97, as mentioned in my letter of the 29th December.

I have the honour to be,

Sir, Your obedient servant, (Signed) WM. CAYLEY, Auditor.

W. P. Lett, Esq., City Clerk, & Co., Ottawa.

STATEMENT.

Table with 3 columns: Description, Amount 1, Amount 2. Rows include 1st year Ottawa pays 5 per cent., 2nd year, 3rd year, Government allowance, 6 per cent., 1 year 8 per cent on, 2 years, 3 years.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Township of Oxford, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$21,763 04.

Of this sum, \$13,661 04 are for an allowance in respect of the Bytown and Prescott Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$8,102 00, is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality under the said Act, it should be brought under our notice within fourteen days from this date.

(Signed) W. M. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting-Secretary.

To the Clerk, Township of Oxford.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Municipalities in the County of Peel, exclusive of Townships of Albion and Caledon, and Village of Bolton, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$32,738 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$32,738 00 is to be divided by the Government among the towns, townships, and incorporated villages in the County of Peel, other than the Municipalities excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The Municipalities excepted above are excluded from sharing in the above allowance, because they have been separately dealt with by the Government.

We remain,
Your obedient servants,
(Signed) W. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting-Secretary.

To the Township Clerk,
County of Peel.

AUDITOR'S OFFICE,
TORONTO, 5th June, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the County of Perth to the Province, under the amended Municipal Loan Fund Resolutions of the 26th March last, and that the same amounts to \$143,708 05.

The Town of St. Marys is relieved from any liability to contribute towards the payment of this sum in accordance with the agreement made between St. Marys and the county, upon their separation.

The following is a statement of our calculation.

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The County of Perth, exclusive of St. Marys, is entitled to an allowance of \$185,145 62, in respect of the Buffalo and Lake Huron Railway under the 4th Resolution.

The population of Perth, exclusive of St. Marys, was by the census of 1871, 43,416; the allowance of two dollars per head, under the 7th Resolution, will therefore amount to \$86,832 00 for the county, exclusive of St. Marys.

The County of Perth is not entitled to any allowance in respect of Clergy Reserves retained, under the 6th Resolution.

According to the foregoing statement therefore, the total amount with which the County of Perth, exclusive of St. Marys, is to be credited by the Province, is \$271,977 62.

The arrears of the debt of the County of Perth to the Municipal Loan Fund, on 1st January, 1873, were \$288,000 00 principal, and \$127,685 67 interest, in all \$415,685 67. This amount, less \$271,977 62, the sum to the credit of the county, exclusive of St. Marys, leaves the debt to be paid by the county, exclusive of St. Marys, to the Province, on 1st January, 1873, \$143,708 05.

If you have any suggestions or objections to make with reference to the foregoing calculation, you are to make the same within fourteen days of this date.

With reference to the debentures to be given under the Municipal Loan Fund Act, we beg to state that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

We remain,

Your obedient servants,

(Signed) WM. CAYLEY,

Auditor.

(Signed) C. A. BROUGH,

Act-Secretary.

To A. Monteith, Esq.,

Treasurer, County of Perth, Stratford.

AUDITOR'S OFFICE,

Toronto, 4th July, 1873.

SIR—I have received a communication from the Auditor-General at Ottawa (Mr. Langton), which will, I think, remove all doubt as to the fact that the County of Perth was duly credited with the amount of the Clergy Reserve moneys payable to the several municipalities of the county for the year 1865. If you will turn to Mr Wood's report on the Municipal Loan Fund, giving the statement of the amount credited to the county, you will find under date 13th July, 1866, the sum of \$2,835 60 under the head of cash payments; it should have been in the column headed Clergy Reserves.

The correctness of the statement can readily be tested by a reference to the accounts of the county in your books, as if the sum of \$2,835 60 was paid by the county, the entry will be found in your books, and the transmission of a cheque or bank draft can be traced through the bank.

I remain,

Your obedient servant,

(Signed) WM. CAYLEY,

Auditor.

To A. Monteith, Esq.,

The Treasurer, County of Perth.

CARLINGFORD, County of Perth,

14th July, 1873.

SIR,—Your letter in reference to Clergy Reserve moneys for 1865, not credited in 1866, is satisfactory. Mr. Monteith handed me the letter, and requested me to answer it.

I remain,

Yours very truly,

(Signed) WM. DAVIDSON.

To the Honourable W. Cayley,
Auditor, Toronto.

AUDITOR'S OFFICE,
TORONTO, July 23rd, 1873.

DEAR SIR,—As from your letter of the 14th instant to the Honourable Mr. Cayley, it appears that all credits which should have been given to the County of Perth on account of Clergy Reserve moneys, have been given. I am now instructed to reply to the several questions submitted by you for the consideration of the Government.

The first point urged by you was, that in the division amongst the municipalities aiding the construction of the Buffalo and Lake Huron Railway, of the allowance of \$322,000.00 made in respect of that railway, the sums contributed by the Towns of Brantford and Stratford should be excluded in determining the aggregate amount invested in the railway, as those towns receive the benefit of the 5 per cent. rule; and that the whole allowance should be divided amongst the other municipalities contributing, exclusive of Brantford and Stratford. In reply to this, I am instructed to say that, according to the construction of the 4th paragraph of the Amended Municipal Loan Fund Resolution of 26th March last, no municipality is to receive a share of a railway allowance, bearing a greater proportion to that allowance than the amount of its contribution bears to the aggregate amount actually invested by all the municipalities in the railway, and that therefore the sums given by Brantford and Stratford cannot be excluded in determining the aggregate sum invested in the railway.

With reference to your suggestions that compound interest should be allowed on your share of the railway allowance from 1853 to 1860, at the rate of 6 per cent., instead of 5 per cent., on the ground that you were charged with interest at 6 per cent. on your debt during that period, I am instructed to say that, as compound interest at five (5) per cent., the rate which has been uniformly credited on all allowances, exceeds interest at 6 per cent., calculated according to the method in which the Government accounts have been kept, there appears to be no reason why your county should be credited with a higher rate of interest on its railway allowance, than that with which it has already been credited.

As to the third point, that Stratford should be excluded in determining the aggregate amount invested by municipalities in the Buffalo and Lake Huron Railway, on the ground that Stratford received railway debentures to the amount of \$100,000, which it sold, on the average, at eighty-nine (89), I am instructed to say that, in making up the aggregate sum of \$829,000 invested in the railway, Stratford has been allowed to rank in respect of \$11,000 only, and that the grounds suggested by you do not seem sufficient to authorize the total exclusion of Stratford.

With reference to St. Mary's share of the railway allowance, I am instructed to say that it will be credited with 1-17th (one-seventeenth), instead of one-twelfth, as was done in the former calculations.

The debt of the County of Perth to the Municipal Loan Fund, will therefore be \$138,757 64, as of 1st January, 1873.

I remain,

Your obedient servant,
(Signed) C. A. BROUGH,
Acting-Secretary.

William Davidson, Esq.,
Carlingford.

CARLINGFORD, Co. PERTH, 5th Sept., 1873.

DEAR SIR,—In reply to yours of the 30th ultimo, respecting the indebtedness of the County of Perth, I beg to say that the statement accompanying your letter was unnecessary, so far as showing the amount of our indebtedness is concerned; we have never disputed the correctness of the amount. The objection we made was, that we were not allowed six per cent. on the railway allowance compounded every six months till 31st December, 1860, and five per cent. in the same way afterwards. We were met by Mr. Brough, in his letter, stating that "five per cent., compounded every twelve months on the railway allowance, was more than six per cent. in the way the Government accounts were kept." It was in order to show him that such was not the case, that we forwarded to him a statement based on the principle

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adopted by the Government in respect to the railway allowance, which would have reduced our indebtedness some \$65,000, and which principle of calculation we would be willing to accept.

You state that "the Attorney-General has already decided on the mode and proportion on which the railway allowance should be distributed," from which we should infer that the basis will not be altered. The only question, therefore, remaining, will be the allowance of interest, which we submit is decided by the Parliament of Ontario, and from the resolutions submitted and adopted we are entitled to the amount at the date of the loan. And we ask nothing more. We either wish to have your principle of calculation as to interest on railway allowance applied to our debt, or to be allowed six per cent. interest and two per cent. sinking fund on the allowance till December, 1860, and five per cent. afterwards compounded every six months in the same way as the Government accounts were kept. If thought necessary, we will wait on the Premier who, we are satisfied, will admit the justice of our case.

You will be kind enough to reply by return of mail,

And oblige,

Yours truly,

WM. DAVIDSON.

To the Honourable Wm. Cayley,
Auditor for Ontario, Toronto.

AUDITOR'S OFFICE,

TORONTO, October 22nd, 1873.

DEAR SIR,—With reference to the point urged by you, that the allowance made to the County of Perth, in respect of the Buffalo and Lake Huron Railway, should be treated as a payment by the county to the credit of its sinking fund, as of the date when its debt to the Municipal Loan Fund was contracted, and that the county is therefore legally entitled to be credited with compound interest at the rate of six per cent. on each allowance from the date when the debt was contracted until the present time, or at all events until 1860; and that the Government is incorrect in treating the allowance as payment by way of bonus, which should properly have been made to the County at the date when the debt was contracted; and in crediting the county with compound interest on such allowance from the date when the debt was so contracted until the present time at the rate of five per cent. only. I am instructed to say that the Government does not consider that the county is so legally entitled, and cannot consent to make the alterations urged by you.

The reasons for the refusal will be best understood by stating generally the circumstances connected with the subject of interest.

It will be observed that the Resolution is silent as to interest. It will also be observed that there is nothing in the Resolution which warrants the conclusion that the Railway allowance should be treated as a payment by the County on account of the sinking fund, rather than as a payment which should have been made by the Government to the County by way of bonus, the words being: "It is expedient to credit to such * * * municipalities * * * their shares of \$2,000 00 a mile, * * * to be allowed as a payment at the date of the debt * * * being contracted." In fact, the tenor of the Resolutions favours the latter construction, for many of the municipalities receiving allowances under the same paragraph of the Resolutions, never borrowed from, or were indebted to, the fund, and therefore it is impossible to treat their allowances as payment on account of their sinking fund.

But admitting that the allowance is to be treated as a payment made by the County to the credit of the sinking fund, as of the date when its debt was contracted, it does not follow that the County is to be allowed compound interest on such payment at the rate of six per cent.

No one of the Municipal Loan Fund Acts when referring to the formation of a sinking fund has specified the rate of interest to be allowed by the Government on sums paid towards that fund by indebted municipalities, the directions being that the Receiver-General shall invest such sums with the approval of the Governor-General, and credit the municipalities with the "proceeds of such investments." In the present case no investment has, as a matter of fact, been made, therefore there can be no "proceeds of such investment," with which to credit municipalities.

The municipalities are not therefore legally entitled to any interest at all. The Government have, however, considered that some interest should be allowed. In determining the rate, they have been influenced by two considerations: first, their ability to pay; next, the impropriety and unfairness to the undebted portion of the Province of allowing indebted municipalities a higher rate of interest than that which they had been called upon to pay; both these considerations being controlled by the necessity of adopting some uniform rate of interest, applicable as well to those municipalities which had never been indebted to the Municipal Loan Fund, as to those which had.

The first of the above considerations would be sufficient to determine the question raised, for the Government do not consider that it is expedient to allow a higher rate of compound interest than five per cent., regard being had to the surplus to be distributed.

As to the second consideration mentioned above, municipalities indebted to the Municipal Loan Fund were legally liable to pay compound interest, calculated in the ordinary way, at the rate of six per cent. on their debt. They, as a matter of fact, were only charged interest at six per cent. up to 1860, and since that time at five per cent., this interest not being calculated in the ordinary way, but according to a method adopted by the former Province of Canada, which makes the interest with which they have been charged considerably less than the ordinary compound interest. No doubt, ordinary compound interest at six per cent. has heretofore been credited in respect of actual payments made towards the sinking fund, but this course was a mere matter of favour; it was not directed by any statutory enactments, and was not the legal right of the municipalities so credited.

The account, however, having been made up in that way before Confederation, it was not thought fit, in the new disposition of the Municipal Loan Fund debts, to allow less interest in respect of the same particulars than the municipalities had heretofore been credited with.

But on the other hand, it has not been thought right to give municipalities the benefit of a like advantage, in crediting interest on the railway allowances.

Under the foregoing circumstances, five per cent. compound interest has appeared to be the rate of interest which approaches most nearly to that with which indebted municipalities have been charged, regard being had to the necessity of adopting some uniform rate, applicable as well to the case of those municipalities which had never been indebted to the Municipal Loan Fund, as to those which have.

If any change were to be made, and the mode of calculating interest altered, it would rather be by charging indebted municipalities with six per cent. ordinary compound interest on their debt up to the present time, and crediting them with five per cent. interest only on the sums paid towards their sinking funds, than by crediting them with compound interest at six per cent. on their railway allowances, and charging them with interest on their debts at the reduced rates with which they have been charged.

In addition to the method urged by you, and that adopted by the Government, as to the manner in which the Railway allowances should be credited, a third mode might be followed, namely, by cancelling a portion of the debt corresponding to the amount of the railway allowance, as of the date when the debt was contracted; but, as according to this mode your debt would be greater than it now is according to the Government calculation,—the rate of interest with which you have been charged being less than that with which you have been credited,—it is not supposed that you desire this mode to be followed.

I remain,

Your obedient servant,

C. A. BROUGH.

To W. Davidson,
Chairman, Finance Committee,
County of Perth.

COUNTY OF PERTH,

CARLINGFORD, November 6th, 1873.

DEAR SIR,—In answer to yours of the 22nd October, I beg to say, there is a good deal foreign therein to what I contended for in my letters to the Honourable Mr. Cayley and yourself; I only asked to be allowed the same interest and in the same manner on our railway allowances as we were charged on our indebtedness, for the just reason that the allowance was to be credited at the date of the loan.

I admit that the Resolutions are silent as to interest, and for that reason we ask to have it allowed and credited at the time of the contraction of the loan, or the same interest allowed that we have been charged.

You state that in determining the rate of interest, they were influenced by two considerations, "ability to pay, and fairness to the indebted." These were certainly very proper questions to be considered previous to the passage of the Resolutions, by the representatives of the people; but when they have been passed, granting the amount at the date of the loan, we contend either it must be allowed at that date, or the same interest allowed we have been charged, *and in the same manner.*

To those municipalities who have not borrowed, and receive allowances,—they have never paid the Government six per cent., and hence have no reason to complain when they are allowed five per cent.; for we question their right legally to any, as the amount was to be "credited" which presumed they were or had been indebted. And if municipalities who have not borrowed from the fund are benefitted by this rule, those municipalities who have incurred debts by borrowing from other sources for public improvements, and who, if they had borrowed from the fund, would have come under the five cent. or two cent. rule, should also participate in the benefits from the rule they would come under: for instance, the Town of Mitchell, in this county, borrowed largely to assist in building a gravel road, and are still in debt therefor. Now, in the year 1872, there was levied on their real and personal property two cents, in the dollar, from which if they had loaned from the fund they would now be relieved, whereas they get nothing; but if the principle of assisting non-borrowers in the Railway Allowance Resolution is admitted, it should also extend to the other rules.

You further state that regard was had to the surplus to be distributed; this may be a question the Government have to consider, but you must admit that we are legally entitled to the terms of the Resolution notwithstanding.

If the surplus is not sufficient to meet the expectations of the Government in framing those Resolutions, the municipalities receiving the railway allowances should not suffer more than the others, those benefitted by the five and two cent. rules and also those who have had some special way of getting relieved of a further sum, such as Goderich, Stratford and Hope, should also bear a part.

The difference between "six per cent. in the ordinary way, and a method adopted by a former Province of Canada" I cannot understand. I would like to have it illustrated in a practical way, as I have tried your accounts, and they bear interest at 6 per cent. until 1860, compounded every four months; however, we only wish to have it allowed on our railway allowance in the same manner as charged.

You also state that we had no right to six per cent. allowed on our payment, and it was only a matter of favour.

I think you will admit that we had a just right to be allowed the same interest on our payments that we were charged on our indebtedness, although there may have been no statutory enactment. And when the old Province of Canada, our original creditors, saw fit to do so, we shall look to the Liberal Government of Ontario, with its exchequer full, to deal with us in the same just manner.

We claim it from their own Resolutions, and we want it.

As to the last part of your letter, that our debt would be greater by crediting the amount at the date of the loan, and charging interest in the ordinary way, and not allowing us the same rate of interest on our payments that we were charged on our debt, we submit that when the Resolutions were passed, allowing the amount at the date of the loan, no such thought as changing the rate of interest ever was contemplated, and that therefore crediting it at that time will be the same as 6 per cent. until 1860, and 5 per cent. thereafter, compounded every six months, with which we shall be satisfied, and nothing less, as we claim it as our right.

The Committee have desired me to ask for an interview with the Premier, at as early a date as possible, as our Council meets on the 8th of December next, and we wish to have a proper understanding previous to that time.

An early answer will oblige,

Yours truly,

WM. DAVIDSON,
Chairman.

To C. A. Brough, Esq.,
Auditor's Office, Toronto.

COUNTY OF PERTH,
CARLINGFORD, January 19th, 1874.

DEAR SIR,—You will remember that when we were down in Toronto, in connection with the Municipal Loan Fund indebtedness, an agreement was come to, that a statement would be furnished relative to said indebtedness, calculated on the ordinary way of compounding interest. I have never received it, nor any information relative to the same, except your telegram to me at Stratford. As our County Council will meet on the 27th instant, would you be good enough to inform me of the action taken, if any.

I have noticed that the Government have introduced a Bill to correct some figures relating to said fund, but am not aware of its particulars.

Please answer by return of mail, and oblige

Yours, &c.,
W. DAVIDSON,
Chairman.

To the Honourable Adam Crooks,
Provincial Treasurer, &c.

AUDITOR'S OFFICE, *
TORONTO, 21st January, 1874.

SIR,—There has been some delay in having the calculations made I promised. I now submit the result of the three modes on which the calculations have been made.

By Mode No. 1.—

Debt as calculated in the Schedules, and allowing the railway allowances with compound interest at 5 % as a set off	\$126,876 64
Add amount payable by Perth to St. Mary's for its proportion of railway allowance	11,881 00

Total payable by Perth as claimed by Government	\$138,757 64
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By Mode No. 2:

The railway allowance is deducted as a payment from the original amount of debt, leaving it	\$214,888 00
on which interest has been calculated, and the credits from time to time given, as would be the case if the account were taken by the Court of Chancery, and on which no interest was computed upon any balance which might be due for interest.	

This mode shows the following amount due in respect of interest so calculated.....	10,261 00
Add amount of debt	214,888 00

	\$225,149 00
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Deduct population allowance.....	86,832 00
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Amount payable by Perth	\$138,317 00
Perth pays nothing to St. Mary's.	

By Mode No. 3:

The interest is calculated on the debt reduced by the railway allowance, giving credit for payments according to the usual mode adopted by the Court of Chancery, but charging interest on balances at debit of interest as well as on credit-balances.

Amount so found due by county for interest.....	\$13,657 37
Principal debt against county.....	214,888 00

Total	\$228,445 37
Deduct population allowance	86,832 00

Payable by county.....	\$141,713 37
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Mode No. 3 is the strictly correct legal mode if we take your interpretation of the effect of the Resolutions; and under section 93 Consolidated Act of Canada, 22 Vic., cap. 83, your county is chargeable with interest on interest-balances.

The result, then, is to make your debt \$2,955 73 larger than the amount you are called upon to pay under Mode No. 1, which is that according to which the calculations in regard to all municipalities have been made. The difference then being against you, we have come to the conclusion to adhere to the mode originally adopted.

The calculations have been made by the Clerk in the office of the Master in Chancery, in order to prevent a possible error.

Your council will therefore, I hope, acquiesce in the statement of the debt which shows the amount payable by the county to be \$138,757 64.

I have the honour to be, Sir

Your obedient servant,

(Signed)

ADAM CROOKS,

Treasurer.

J. Campbell, Esq.,
Clerk, County Council, Perth,
Stratford.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the County of Peterborough, exclusive of the Town of Peterborough, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$49,434 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$49,434 00 is to be divided by the Government among the towns, townships, and incorporated villages in the County of Peterborough other than the Municipality excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the local municipalities passed after the first day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The Municipality excepted above, is excluded from sharing in the above allowance, because it has been separately dealt with by the Government.

We remain,

Your obedient servants,

W. CAYLEY,

Auditor,

C. A. BROUGH,

Acting-Secretary.

To Treasurer Co. of Peterborough.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the Counties of Prescott and Russell, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$52,686 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$52,686 00, is to be divided by the Government among the towns, townships, and incorporated villages in the Counties of Prescott and Russell, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities, passed after the first day of February next, in accordance with the thirteenth section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

We remain,
Your obedient servants,
(Signed) WILLIAM CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary.

To the Treasurer, Counties of Prescott and Russell.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the County of Prince Edward, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$40,672 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$40,672 00 is to be divided by the Government among the towns, townships, and incorporated villages in the County of Prince Edward, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

We remain,
Your obedient servants,
(Signed) W. CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary.

To the Treasurer, County of Prince Edward.

AUDITOR'S OFFICE,
TORONTO, 4th July, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the District of Parry Sound, on the 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$3,038 00, being an allowance of two dollars per head of the population according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the District, under the said Act, it should be brought under our notice within fourteen days of this date.

The sum of \$3,038 00 is to be paid over for such purposes pointed out in the 13th Section of the said Act, as may be provided for by by-laws of the Local Municipality, passed after the 1st day of February next, in accordance with the 13th Section of said Act.

We remain,
Your obedient servants,
(Signed) WILLIAM CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary.

To R. McCurry, Esq.,
Stipendiary Magistrate, Parry Sound.

AUDITOR'S OFFICE,
TORONTO, 21st June, 1873.

SIR,—We the undersigned have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Town of Paris on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$35,690 11.

The following is a statement of the mode by which that sum was arrived at:—

Railway allowances granted to the municipality in respect of aid to the Buffalo and Lake Huron Railway as of 1st Jan., 1873.	\$40,396 95	
Interest thereon from 1st Jan., 1873, to 1st Feb., 1874.	2,188 16	
		\$42,585 11
Amount of Clergy Reserve money retained by the Government 1st Jan., 1873.....	621 17	
Interest thereon from 1st Jan., 1873, to 1st Feb., 1874	33 67	
		555 44
Allowance of \$2 per head of population, census of 1871, payable 1st February. 1874		5,280 00
		\$48,520 55
Less balance of debt to Municipal Loan Fund, 1st January, 1873	\$12 171 17	
Interest thereon from 1st Jan., 1873 to 1st Feb., 1874.....	659 27	
		\$12,830 44
		\$35,690 11

This sum of \$35,690 11 is to be paid over for such purposes, pointed out in the 12th section of the Municipal Loan Fund Act, as may be provided for by by-law passed after the 1st February next, in accordance with the 13th section of the said Act.

Should there appear to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

We remain,
Your obedient servants,
(Signed) WM. CAYLEY, Auditor,
(Signed) C. A. BROUGH, Act-Secretary.

Treasurer of Paris, Ontario.

PARIS, ONTARIO, 14th July, 1873.

DEAR SIR,—I take the liberty of asking for information respecting the Municipal Loan Fund settlement, about which there are wide differences of opinion here. If not contrary to rule, would you kindly state whether the amount specified as apportioned to Paris will be paid in cash to the Town Treasurer in February, 1874, and if not, under what conditions will the money be paid, and how will such payment be regulated.

There seems to be an idea prevalent here that Government will place the money to the credit of the municipalities, and only pay it out as the by-laws for expending the same are submitted to the Governor in Council, and approved.

I would say in explanation that for nine years up to last October, I was editor and proprietor of the Galt Reformer, and am now engaged in erecting a manufacturing establishment in Paris.

I am,
Yours respectfully,
(Signed) JOHN ALLEN.

The Honourable O. Mowat,
Attorney-General, Toronto,

AUDITOR'S OFFICE,
TORONTO, ONT., July 23rd.

DEAR SIR,—In reply to your letter of the 14th instant, to the Honourable the Attorney-General, enquiring as to the mode in which the sum credited to the Town of Paris under the Municipal Loan Fund Act will be paid over, I am directed to say, that this sum will not be paid in cash to the Town Treasurer on 1st February, 1874.

That the sum may be paid at any time after the 1st February, 1874, under the proper regulations pointed out in the Municipal Loan Fund Act, (36 Vict. c. 47,) and fitted to secure its due application to the objects specified in the Act.

That for such time as the sum with which the Town is credited, may remain in the hands of the Treasurer of Ontario after the 1st February, 1874, interest will be allowed.

That the sum may be paid in cash, but that possibly a portion of it may be paid in the debentures of certain municipalities indebted to the Municipal Loan Fund, which debentures will be delivered according to their market value at the time of delivery.

I remain,
Your obedient servant,
(Signed) C. A. BROUGH.

To John Allen, Esq.,
Paris.

PARIS, July 30th, 1873.

SIR,—The municipality of Paris has been labouring under a heavy load of taxation for some years past, and the Bill you introduced will be a great relief to us.

We have a debenture for \$2,500 00, and interest, \$600 00, due this year, and we are very desirous of having the assessment permanently law, and at once. I write to learn if the Government will consent to our leaving it over until after February, 1874, provided the assent of the holder of the debenture is obtained.

The other debenture debt amounts to \$7,500 00, principal due in '74, '75, '76.

We are of opinion that if consent is given to this, our people will be somewhat eased this year, and that it will place us in a position to seek for capital to come in for manufacturing purposes.

An early reply will oblige, so as to allow the Finance Committee to report.

Yours respectfully,
(Signed) CHAS. WHITLAW,
Mayor.

To the Honourable Oliver Mowat,
Attorney General, Toronto.

AUDITOR'S OFFICE,
TORONTO, ONT., 5th August, 1873.

SIR,—In reply to your letter of 30th ultimo, respecting the postponement of the payment of a certain debenture for \$2,500 00, given by the Town of Paris, I am instructed to say, that as the government does not hold any such debenture, it will be necessary to furnish further particulars, and to state the reasons why the Government is asked to interfere in the matter.

I remain,
Your obedient servant,
(Signed) C. A. BROUGH.

To Charles Whitlaw, Esq.,
Mayor, Town of Paris.

(Duplicate.)

TORONTO, June 28th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Township of Peel, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$15,783 31.

Of this sum, \$4,295 31 are for an allowance in respect of the Wellington, Grey and Bruce Railway.

The remainder of the sum to be paid to the municipality, amounting to \$11,488 00 is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants
(Signed) W. CAYLEY, Auditor.
(Signed) C. A. BROUGH.
Act.-Secretary.

Clerk, Township of Peel.

NOTE.—For change in amount of allowance going to Peel in respect of Wellington, Grey and Bruce Railway, see circular under Elora correspondence.

AUDITOR'S OFFICE,
TORONTO, 6th June, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Town of Peterborough to the Government, under the amended Municipal Loan Fund Resolutions of 26th March last, and that we find the debt of the Town of Peterborough by the operation of the 5 cent rule under the 3rd resolution, to be reduced to \$72,430 46.

The indebtedness of the Town of Peterborough to the Municipal Loan Fund, without the intervention of the rule referred to above, and after being credited with its railway, population and Clergy Reserve allowance would have stood at \$100,898 12. The Town is consequently benefitted by the application of the 5 cent. rule to the extent of \$28,467 66.

If you have any suggestions or objections to make with reference to the foregoing calculations, you are to make them within fourteen days from this date.

With reference to the debentures to be given under the Municipal Loan Fund Act of last Session, we beg to state that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

We remain,
Your obedient servants,
(Signed) WILLIAM CAYLEY,
(Signed) C. A. BROUGH,
Auditor.
Acting Secretary.

To James Edwards, Esq., Treasurer,
Town of Peterborough.

TOWN TREASURER'S OFFICE,
PETERBOROUGH, 9th July, 1873.

GENTLEMEN,—In reference to your letter of the 6th ultimo, stating that the sum due and to be paid by the Town of Peterborough to the Province, under the Municipal Loan Fund Resolutions of the 26th March last, by the operation of the five cent rule, was reduced to \$72,430 46, and further, that if we had any suggestions to make or objections to offer, we were to do so before the expiration of fourteen days from the above date. I beg leave to reply as follows:—

The letter was duly submitted to the Town Council, and I was directed to state, that as it regards the calculations or the method adopted in producing the amount said to be due, we are in ignorance, but if furnished with a key, we might then be prepared to assent or otherwise, with your statement.

In the absence of other information, it is curious to observe that the Town of Port Hope, which borrowed \$860,000 from the Municipal Loan Fund, paying but \$150,482, and Cobourg which borrowed \$600,000 paying but \$69,580, while Peterborough which borrowed but \$100,000, yet, paying \$72,430, and that too, whilst our payment of 5 cents in the dollar, have been regular since 1859 to 1870. It has been said that both Towns have been delinquents in their payments.

As it regards our amount, we suppose it is correct, and our Town Council are anxious to have the matter arranged, so that all parties may be satisfied.

You are probable aware that application has been made to the Government by our local member, Mr. Fairbairn, to accept the security we hold from the Midland Railway, as so much of the debt due by the Town.

The amount owing by the railway now is \$66,800, bearing interest at six per cent., for the payment of which we hold Mr. Covert's bond.

Mr. Hugel the present President of the Midland Railway Company, has signified his willingness to the transfer being made.

It is the desire of the Town Council (if the Government give its consent) to have the matter closed at once. The balance found to be due by the Town, will be paid in cash. Awaiting further intelligence,

I have the honour to be, Gentlemen,
Your obedient servant,
(Signed)

J. EDWARDS,
Treasurer of the Town of Peterborough

Messrs. Cayley and Brough, &c., &c.
Toronto.

AUDITOR'S OFFICE,
TORONTO, July 12th, 1873.

SIR.—I beg to acknowledge the receipt of your letter of the 9th instant, asking for an explanation as to the mode in which the Municipal Loan Fund debt of the Town of Peterborough has been calculated.

I now enclose you a copy of the Municipal Loan Fund Resolutions, under the third paragraph of which your debt was calculated.

The mode in which the amount was practically arrived at was, by capitalizing at 5 per cent. the sum to which 5 cents in the dollar under the assessed annual value of the property in Peterborough in 1858 amounted to, this was the amount of the debt on 1st December, 1859, and in order to ascertain the debt on 1st January, 1873, the balance of interest accruing on the new capital since 1859, after deducting the payments made since that date, was added to the amount of the debt as it stood on 1st December, 1859.

With reference to the debt of Port Hope and Cobourg, to which you refer, I am instructed to say, that the principle on which the debt of every municipality to the Municipal Loan Fund has been fixed, has been the ability of such municipality to pay.

That the debt of Port Hope has been determined in a manner similar to that in which the debt of Peterborough was ascertained, five cents in the dollar on the assessed annual value in 1858 being taken as the basis of the calculation.

With reference to Cobourg, in order to pay its debt, it is taxed to the extent of two cents in the dollar on the actual assessed value of its property, exclusive of school rates, the debt being ascertained by capitalizing at 5 per cent. the balance of two cents in the dollar on the actual assessed value of its property, after deducting therefrom expenses, exclusive of school rates.

As the security held from the Midland Railway is of less amount than the debt of the town, there is no power under the Municipal Loan Fund Act to accept it in discharge of a portion of the debt of the town, but it may be taken as a material security for the debt, and I am instructed to ask you, to send the particulars of the security held by the town, at your earliest convenience.

I remain,
Your obedient servant,
(Signed) C. A. BROUGH,

To J. Edwards, Esq., Treasurer,
Town of Peterborough.

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To J. Wrig
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PORT ELOIN, June 27th, 1873.

DEAR SIR,—Port Elgin has been incorporated a few days since, under the Statute of last Session of the Provincial Parliament. Do we, the new municipality, draw our share out of the Municipal Loan Fund distribution scheme, in proportion to our population, as a new and separate municipality?

Our Municipality will have its officers for the first time, elected next January.

Yours respectfully,
(Signed) A. C. SINCLAIR.

The Honourable the Attorney-General,
&c. &c., Toronto.

AUDITOR'S OFFICE,
TORONTO, July 7th, 1873.

DEAR SIR,—In reply to your letter of 27th ultimo, to the Honourable the Attorney-General, I am instructed to inform you, that Port Elgin will be dealt with as a separate municipality from the Township of Saugeen, and that it will receive a portion of the amount to be distributed amongst the Municipalities in the County of Bruce, proportionate to its population at the time of taking the census in 1871. It will, therefore, be necessary for the authorities of the village to transmit to the Government a statement of the population when the census of 1871 was taken, showing the means by which they arrived at their conclusion, and the evidence upon which they acted.

I remain,
Your obedient servant,
(Signed) C. A. BROUGH,
Acting-Secretary.

A. C. Sinclair, Esq., M.D.,
Port Elgin, Ont.

AUDITOR'S OFFICE,
TORONTO, June 28th, 1873.

DEAR SIR,—I was out of town when your telegram was sent, and I did not receive it until Saturday. The Attorney-General has instructed me to ask you to send all evidence that you can, as to the share of the county debt paid by the Town of Port Hope prior to separation, including statements from yourself and Lieutenant-Colonel Williams, if possible. As soon as this evidence has been received, a formal notification of the amount to be paid will be given.

I remain,
Yours truly,
(Signed) C. A. BROUGH,
Acting-Secretary.

To J. Wright, Esq., Mayor, &c.,
Port Hope.

AUDITOR'S OFFICE,
TORONTO, July 10th, 1873.

DEAR SIR,—The certificates as to the amount of Port Hope's contributions to the county debt to the Municipal Loan Fund, have been received, and appear to be satisfactory.

A formal notification of the amount to be paid by Port Hope, as of 1st January last, \$92,518 73, has been sent to-day to the Treasurer of the Town.

I remain,
Yours very truly,
(Signed) C. A. BROUGH,
Acting-Secretary.

To J. Wright, Esq., Mayor,
Town of Port Hope.

AUDITOR'S OFFICE,
TORONTO, July 10th, 1873.

SIR,—We, the undersigned, are instructed by the Government to inform you, that we have calculated the sum to be paid by the Town of Port Hope under the Municipal Loan Fund Act, and that the same amounts to \$92,518 73, as of 1st January, 1873.

Should there appear to be any errors in the amount stated to be due by the town, you are to bring the same to our notice within fourteen days from this date.

We also call your attention to the 6th section of the said Act, which provides for the payment of interest on the debt, subsequently to 1st January, 1873.

With reference to the debentures to be given by the Town of Port Hope under the said Act, we are instructed to say that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

We remain,
Your obedient servants,
(Signed) W. CAYLEY,
Auditor,
(Signed) C. A. BROUGH,
Acting-Secretary.

To G. M. Healy, Esq., Treasurer,
Port Hope.

To His Excellency The Honourable William Pearce Howland, C.B., Lieutenant-Governor of the Province of Ontario, in Council.

The Petition of the Corporation of the Village of Preston, in the County of Waterloo,
Humbly Sheweth:—

That your Petitioners being shareholders in the *Galt and Guelph Railway*, highly appreciate the liberality evinced by the House of Assembly for the Province of Ontario at its recent session, in granting aid at the rate of \$2,000 00 per mile, to those municipalities that took stock in the Galt and Guelph Railway.

That the share which each of said municipalities is to receive out of such aid, shall be in proportion to the amount of the contributions of such municipality towards the construction of such railway and that interest shall be allowed thereon from the day of the debt therefor, being contracted.

That schedules B and C shall be subject to any error which may be found therein, being corrected by authority of your Excellency in Council, as respects the sums to be received or paid.

That according to schedule C, the proportion of railway allowance interest is calculated from the 11th September, 1855, being the day of the date when the Town of Guelph borrowed \$80,000 from the Municipal Loan Fund.

That the dates, on which the several municipalities subscribed stock in the Galt and Guelph Railway, and issued debentures therefor, are as follow:—

Town of Guelph in Dec. 1853, \$40,000, in Sept. 1855..... \$30,000

Total..... \$70,000

Village of Preston, in December, 1853..... 40,000

Township of Guelph, in December, 1853..... 20,000

City of Hamilton, in December, 1853..... 40,000

Total Stock taken..... \$170,000

Showing that \$140,000 were subscribed in December, 1853, and only \$30,000, 11th September, 1855.

That an error appears in the date from which the railway allowance interest has been calculated, inasmuch as that date has uniformly been taken as the 11th September, 1855,

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while only \$30,000 out of the \$170,000 stock were subscribed on the 11th September, 1855, but \$140,000 of the same in December, 1853.

Your petitioners therefore pray Your Excellency in Council, to take this matter into your favourable consideration, and cause said error to be corrected, by allowing your petitioners interest from the date the stock was taken, as above stated.

And your Petitioners will ever pray,

(Signed)

ABRAM A. ERB,

Reeve.

(Signed)

WILLIAM A. HUSBAND,

Clerk.

(Preston Corporation Seal.)

Dated at Preston, 5th May, 1873.

AUDITOR'S OFFICE,

TORONTO, June 11th, 1873.

DEAR SIR,—I referred the question as to the amount to be paid to the Town of Preston, under the Municipal Loan Fund Resolution, to the Honourable the Attorney-General, and he has instructed me to say, that the error in the schedules, as to the time from which interest on the railway allowance should be calculated, will be corrected; and that interest will be allowed from 29th December, 1853, instead of from the 11th September, 1855.

As to the question whether you should receive interest at 6 per cent. instead of at 5 per cent. on a portion of your railway allowance proportionate to that part of your debentures held by Guelph, and on which you have been paying 6 per cent. to that town, the Attorney-General says that he is unable to see how such an allowance could be justified under the resolutions, and if six per cent. were allowed to you in the manner you ask, similar allowances would have to be made to all other places which advanced money to aid in the construction of railways, from their own resources, without borrowing from the Municipal Loan Fund; as for example: the County of Middlesex, the Township of Oxford, St. Thomas, Kemptville, &c., which places have, it is believed, in some cases paid even more than 6 per cent. on the money received by the sale of their debentures, owing to the fact that they were sold below par. The allowance of six per cent., in any of these cases, would be contrary to the intentions of the Resolutions. The cases of Hamilton and Berlin were entirely exceptional, and were especially provided for in the 11th paragraph of the Resolutions. The Government held bonds of Hamilton which were given to aid the Berlin and Preston Railway; on these bonds there were large arrears of interest at 6 per cent.; and it was thought proper to cancel these bonds, and the past due interest coupons, and to make a proportionate allowance to Berlin (viz., at 6 per cent.) in consideration of the circumstances, that the object for which these places advanced their money, namely, railway communication, was defeated by legislation—the Berlin and Preston Railway, to which they had contributed, having been destroyed under authority conferred by an Act of the Parliament of the late Province of Canada, 27 Viet., cap. 56.

These municipalities, therefore, get nothing for their money, which was considered a reason for dealing with them more liberally than was called for in the case of any of those municipalities which got their railway.

I remain,

Yours very truly,

C. A. BROUOH,

Act. Secretary.

To S. Clements, Esq., M.P.P.
Preston.

AUDITOR'S OFFICE,

TORONTO, July 12th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Village of Preston, under the Municipal Loan Fund Act, on 1st February, 1874, and that the same amounts to \$22,254 00.

Of this sum, \$19,438 are for an allowance in respect of Galt and Guelph Railway, and the balance, amounting to \$2,816, is an allowance at the rate of \$2 per head of the population, according to the census of 1871.

The sum of \$22,254, payable by the Province to the Village of Preston, is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the local municipality, passed after 1st February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the calculation of the amount to be paid to the Village of Preston, you are to bring the same under our notice within fourteen days of this date.

We remain,

Your obedient servants,

(Signed) W. CAYLEY,

Auditor.

(Signed) C. A. BROUGH,

Act.-Secretary.

To William Husband, Esq.,
Treasurer, Village of Preston.

AUDITOR'S OFFICE,

TORONTO, 6th June, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the United Counties of Lanark and Renfrew to the Province under the amended Municipal Loan Fund Resolutions of 26th March last, and that we find the debt of the United Counties by the operation of the five cent rule under the Third Resolution, to be reduced to \$322,069 93.

The indebtedness of the United Counties to the Municipal Loan Fund, without the intervention of the five cent rule referred to above, and after crediting them with their railway and population allowances, would have stood at \$1,182,857 23. The counties are consequently benefitted to the extent of \$860,787 30, by the application of the five cent rule.

If you have any suggestions or objection to make with reference to the foregoing calculations, you are to make the same within fourteen days from this date.

With reference to the Debentures to be given under the Municipal Loan Fund Act of last session, we beg to say, that a form will be prescribed by His Excellency, the Lieutenant-Governor in Council.

We remain,

Your obedient servants,

(Signed) WM CAYLEY,

Auditor.

(Signed) C. A. BROUGH,

Acting-Secretary.

To Andrew Irving, Esq.,
Treasurer, County of Renfrew, Pembroke.

AUDITOR'S OFFICE,

TORONTO, 9th June, 1873.

SIR,—I have been instructed by the Honourable the Attorney-General to inform you, that the communication from the Government of the 6th inst, as to the indebtedness of the Counties of Lanark and Renfrew under the Municipal Loan Fund Resolution, was made independently of the consideration of the proposed rebate of the Canada Central Railway; and that the determination of the Government as to what proposal will be communicated to you probably in the course of the next few days.

I remain,

Your obedient servant,

(Signed)

C. A. BROUGH,

Acting-Secretary.

To Andrew Irving, Esq.,
Treasurer, County Renfrew, Pembroke.

TORONTO, June 30th, 1873.

SIR.—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the County of Simcoe, exclusive of Barrie and Mono, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$113,738 00 being two dollars per head of the population, according to the census of 1871.

This sum of \$113,738 00 is to be divided by the Government, amongst the new townships, and incorporated villages in the County of Simcoe, other than the municipalities excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolutions; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The Municipalities excluded above, are excluded from sharing in the above allowance, because they have been separately dealt with by the Government.

We remain,

Your obedient servants,

(Signed) W. CAYLEY, Auditor,

(Signed) C. A. BROUGH, Act.-Secretary.

To Treasurer, Co. of Simcoe.

TORONTO, June 30th, 1873.

SIR.—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the Counties of Stormont, Dundas and Glengarry, exclusive of the Town of Cornwall, on 1st of February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$112,510, being two dollars per head of the population, according to the census of 1871.

This sum of \$112,510, is to be divided by the Government among the towns, townships, and incorporated villages in the Counties of Stormont, Dundas, and Glengarry, other than the municipality excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The municipality excepted above have been excluded from sharing in the above allowance, because they have been separately dealt with by the Government.

We remain,

Your obedient servants,

(Signed) W. CAYLEY, Auditor.

(Signed) C. A. BROUGH, Act.-Secretary.

To the Treasurer, Counties of Stormont, Dundas and Glengarry.

TORONTO, June 21st, 1873.

SIR.—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the township of Scarborough, on 1st of February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$10,316 69, of this sum, \$1,086 69, are for an allowance in respect of the Toronto and Nipissing Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$9,230, is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement as to the amount going to the Municipality under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary.

J. Crawford, Esq., Clerk,
Township Scarborough, Malvern.

TORONTO, June 21st, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the township of Scott, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$6,636 69, of this sum, \$1,086 69, are for an allowance in respect of the Toronto and Nipissing Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$5,550 is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary.

W. Nelson, jun., Esq., Clerk,
Township Scott, Sandford.

TORONTO, June 21st, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the township of Somerville, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$3,778 03, of this sum, \$1,630 03 are for an allowance in respect of the Toronto and Nipissing Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$2,148, is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) W. CAYLEY,
Auditor.
(Signed) C. A. BROUGH,
Acting-Secretary.

T. Howe, Esq., Clerk,
Township Somerville, Bury's Green.

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CAYLEY,
Auditor.
BROUGH,
Acting-Secretary.

21st, 1873.

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CAYLEY,
Auditor.
BROUGH,
Acting-Secretary.

21st, 1873.

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CAYLEY,
Auditor.
BROUGH,
Acting-Secretary.

AUDITOR'S OFFICE,
Toronto, 20th June, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Township of Stanley, on the 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$14,949 73.

The following is the statement of the mode in which that sum was arrived at:—

Railway allowance granted to the municipality in respect of its aid to the Buffalo and Lake Huron Railway, as of the 1st January, 1873	\$10,232 76	
Interest thereon from 1st Jan., 1873, to 1st Feb., 1874	554 27	
		\$10,787 03
Allowance of \$2 per head of population, census 1871, payable 1st February, 1874		7,608 00
		\$18,395 03
Less balance of debt to Municipal Loan Fund, 1st January, 1873	\$3,268 27	
Interest thereon, from January, 1873, to February, 1874	177 03	
		3,445 30
		\$14,949 73

Should there appear to you to be any error in the above valuation, it should be brought to our attention within fifteen days from this date.

We remain,
Your obedient servants,
(Signed) W. CAYLEY, Auditor.
(Signed) C. A. BROUGH, Acting-Secretary.

To Robert Reid, Esq.,
Treasurer, Township of Stanley.

TOWNSHIP CLERK'S OFFICE,
STANLEY, 26th June, 1873.

SIR,—Replying to your favour of the 10th instant, addressed to Mr. Robert Reid, Treasurer, I am instructed to state, that the money borrowed for harbour improvements from the Municipal Loan Fund by the township is as much a public matter as the money borrowed for railroad or other purpose; yet no mention is made of it, save a charge for a balance alleged to be due, which sum, we think, is in excess of the debt.

Is not the Township of Stanley entitled to a *pro rata* share of the money allotted to the County of Huron, over and above allowance for harbour loan, seeing that this township always paid its full share of county taxation, in addition to its individual liabilities?

I have the honour to be,

Sir,
Your obedient servant,
(Signed) WILLIAM PLUNKETT
Clerk, Bayfield, P.O.

To the Honourable Wm. Cayley,
Provincial Auditor, Toronto.

AUDITOR'S OFFICE,
TORONTO, July 7th, 1873.

SIR,—In reply to your letter of the twenty-sixth ultimo, I beg to say that the railway allowance of \$10,787 03, with which the Township of Stanley was credited on its debt to the Municipal Loan Fund, was its share of the allowance made to the County of Huron in respect of the Buffalo and Lake Huron Railway.

With reference to your suggestions as to an allowance being made in respect of the money expended by the Township of Stanley, upon harbour improvements, I have been instructed to state, that certain railway enterprises are the only public works in respect of which special allowances have been made under the Municipal Loan Fund Resolutions, and these special allowances were made in order to further what has been the policy of the Government for many years.

I remain,
Your obedient servant,
(Signed) W. CAYLEY,
Auditor.

William Plunkett, Esq.,
Clerk, Township of Stanley, Bayfield.

AUDITOR'S OFFICE,
TORONTO, 18th June, 1873.

SIR,—Be pleased to state, for the information of the Honourable Attorney-General, the total rate at which the Town of Stratford was assessed for the year 1872.

Also, giving the rates severally for the several services, such as Common School Rates, separate ditto, ordinary purposes.

I remain,
Your obedient servant,
(Signed) WM. CAYLEY,
Auditor.

G. W. Lawrence, Esq.,
Treasurer, Stratford.

TREASURER'S OFFICE,
STRATFORD, 19th June, 1873.

SIR,—In reply to your favour of the 18th instant, I beg to state that the total assessment of Stratford for 1872, was \$1,069,555 00 of which, property valued at \$970,860 00 contributed to the support of Common Schools, which last named sum was rated at four mills in the dollar for Common School purposes.

The residue of the property of the Town, valued at \$98,695 00, contributed to the support of Separate Schools, and was rated at seven and one-tenth mills in the dollar for Separate School purposes.

The whole assessment of the Town, \$1,069,555 00, was rated for ordinary purposes at fourteen and one-fourth mills in the dollar.

The \$970,860 00 above mentioned was rated for all purposes at eighteen and one-fourth mills in the dollar; and the \$98,695 00 was rated at twenty-one and seven-twentieths mills in the dollar for all purposes.

The amount raised for ordinary purposes in 1872, was \$15,241 16; for Common School purposes, \$3,833 44; and for Separate School purposes, \$700 00.

The Finance Committee are anxious to know the amount at which the Town debt is fixed, before the 30th inst.

I shall be most happy to give you any information in my power.

I am,
Yours respectfully,
G. W. LAWRENCE,
Treas. Town of Stratford

To Hon. Wm. Cayley,
Auditor, Toronto.

AUDITOR'S OFFICE,
TORONTO, June 27th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum of money to be paid by the Town of Stratford to the Province, under the Amended Municipal Loan Fund Resolutions of 26th March last, and that the same amounts to \$53,408 26, as of 1st January, 1873.

We also call your attention to the liability of the Town to pay interest on its debt (as reduced) from 1st January last, in accordance with the 6th section of the Municipal Loan Fund Act.

If you have any objections to make with reference to the calculations of the amount to be paid by the Town on the basis of the Resolutions, you are to make the same known to us within fourteen days from this date.

With reference to the debentures to be given under the 6th section of the Municipal Loan Fund Act, we are instructed to state that a form will be prescribed by His Excellency the Lieutenant-Governor in Council.

We remain,
Your obedient servants,
WM. CAYLEY,
Auditor.
C. L. BROUGH,
Act. Secretary.

G. W. Lawrence, Esq.,
Treasurer, Town of Stratford.

AUDITOR'S OFFICE,
TORONTO, 9th July, 1873.

DEAR SIR,—I received your letter from Mr. MacGregor, and explained to him the mode in which the debt of Stratford had been calculated,

I have, however, thought it better to write to you, to answer the questions contained in your letter, as I unfortunately did not meet you when in town.

You ask me to explain how the debt has been fixed at \$53,000 00, and suggest that the payment by the Town in the County debt should be taken into consideration in determining the local debt, according to the principle established in the Township of Hope. And you also ask why I stated, when I saw you last month, that the debt would not exceed \$53,000 00, and might perhaps be reduced to \$37,000 00.

As to the first question, the debt of Stratford has been calculated according to the five cent. rule, as modified by the principle established in the case of the Township of Hope

Five cents in the dollar on the assessed annual value of property in Stratford, according to the assessment of 1858, amounts to \$2,945 15, which capitalized at five per cent. makes \$58,903 00, which sum would represent the local debt of Stratford in December, 1859, according to the five cent rule, independently of the considerations of the County debt.

But, since 1859, Stratford has made payments on the County debt, averaging \$603 02 annually.

These average annual payments capitalized at 5 per cent., amount to \$12,060 40, which according to the principle established in the case of the Township of Hope, must be taken from the \$58,903 as representing the value on 1st December, 1859, if the payments which have been made by Stratford in the County debt, and which will have to be so made in the future.

On deducting the \$12,060 40 from the \$58,903, there remains a balance of \$46,843 60, say \$46,843, being the amount due by Stratford on its local debt, as of 1st December, 1859. To find the debt on 1st January, 1873, the excess of the interest accrued due since 1st December, 1859, over the payments made since that time, must be added to the capital as it stood in 1859, this excess amounts to \$6,565 26, making the sum to be paid by Stratford, under the Municipal Loan Fund Act, as of 1st January last, \$53,408 26.

As to the second question. The reason why I said that the debts would not exceed the \$53,000, and might perhaps be reduced to \$37,000 was, because I knew that the debt would be affected either by the five cent rule or the two cent rule, whichever would reduce it to the smaller amount.

By the five cent. rule it would stand at the sum of \$53 000, therefore the debt would be greater than that sum. And by the two cent. rule, assuming that the statement of the assessed value of property and the rate for 1872 which we had in our possession, were correct, the debt would be reduced to the \$37,000.

The assessed value as returned by the Treasurer in the first instance, and printed in the schedules was \$1,078,085 and the rate 18½ mills in the dollar; taking these figures to be true,

there would have been $1\frac{3}{4}$ mills in the dollar on the \$1,078,085 to be applied annually;—on the debt according to the two cent rule this would have amounted to \$1,586 64, which capitalized at 5 per cent. would have amounted to \$37,732 80, the sum which I mentioned to you as being the amount to which the debt perhaps might be reduced.

The amount of the reduction however was so great that it was thought advisable to get some further evidence as to the correctness of the printed figures, and a letter was written to the Treasurer of the Town asking for the required information; and he in his reply stated that the value of the property for 1872 was \$1,069,555, and the rate for all ordinary purposes exclusive of school rates, $14\frac{1}{4}$ mills in the dollar, leaving $5\frac{3}{4}$ mills in the dollar to be applied on the debt, which would therefore have amounted to \$122,998 80, a greater sum than that at which it stood by the five cent rule.

Referring again to the debt as, it now stands I may mention that Mr. MacGregor urged that some allowance should be made on account of future payments by Stratford on the County debt.

From the statement already given, you will see that Stratford was allowed a capital sum of \$12,060 40, as of 1st December, 1859, as its share of the County debt, the interest on which covers the payment made to the County in the past, and which sum is considerably in excess of the share of the County debt as reduced, which will have to be paid by Stratford.

As to Stratford being obliged in making its payments on both its Local and County debts, to pay more than 5 cents in the dollar on the annual value of its property, I may mention that under the statute 22 Victoria, cap. 15, according to its legal construction, when a local municipality owed a local Municipal Loan Fund debt, and was also obliged to contribute towards the Municipal Loan Fund debt of the County in which it was situate, such local municipality was liable to contribute to the extent of 5 cents in the dollar in respect of each debt. The reduction permitted in the case of the Township of Hope by the Government of Canada, and sanctioned for some purposes by the Municipal Loan Fund Act of last session, not being one of right; but indulgence, and this last Act requires the annual payment by a municipality to be of the annual sum which the municipality is, independently of the Act, liable, that is, legally liable to pay:—it will be necessary for Stratford to make full payment in both its local and County debts, even though such payment may exceed 5 cents in the dollar on the assessed annual value.

I have to-day written to Mr. McGregor, explaining the mode in which the debt was fixed at \$53,408 26, as he asked me to do so.

I remain,
Yours very truly,
(Signed) C. A. BROUGH.

To A. Monteith, Esq., M.P.P.,
Stratford.

AUDITOR'S OFFICE,
TORONTO, 9th July, 1873.

DEAR SIR.—As requested by you, I now write to explain the mode in which the debt of Stratford to the Municipal Loan Fund has been calculated.

The debt has been determined by the five cent rule, as modified by the principle established in the case of the Township of Hope.

Five cents in the dollar on the assessed annual value of property in Stratford, according to the assessment of 1858, amounts to \$2,914 15, which, capitalized at 5 per cent., makes \$58,903, which sum would represent the local debt of Stratford, on 1st December, 1859, according to the 5 cent rule, independently of any consideration of the County debt. But since 1859, Stratford has made payments on the County Debt, averaging \$603 02 annually.

These average annual payments, capitalized at 5 per cent., amount to \$12,060 40, which, according to the principle established in the case of the Township of Hope, must be taken from the \$58,903 as representing the value on 1st December, 1859, and the payments which have been made by Stratford to the County since 1859, which will have to be made in the future.

On deducting \$12,060 40 from \$58,903, there remains a balance of \$46,843 60, say \$46,843, being the amount due by Stratford on its local debt, on 1st December, 1859.

To find the amount of the debt on 1st January, 1873, the excess of the interest, accrued

due since 1st December, 1859, over the payments made since that date, must be added to the capital as it stood in 1859; this excess amounts to \$6,565 26, making the sum to be paid by Stratford, under the Municipal Loan Fund Act, as of 1st January, 1873, \$53,408 26.

From the above statement you will see that Stratford was allowed a capital sum of \$12,060 40, as of 1st December, 1859, as its share of the County debt, the interest on which covers the payment made on the County debt in the past, and which sum is considerably in excess of the share of the County debt for which Stratford will hereafter be liable.

If I can be of any assistance in explaining any other matter connected with the town debt, I shall be most happy to do so.

I remain,

Yours very truly,

C. A. BROUGH.

C. J. Macgregor, Esq.,
Chairman of Finance Committee,
Stratford.

STRATFORD, July 12th, 1873.

DEAR SIR,—Your favour of the 9th reached me yesterday for which accept my thanks.

The only portion of your statement to which I object is the excess of arrears of accrued interest over payments made since December 1st, 1859. These you state in your letter to be \$6,565 26, and in the memo. you gave me when in Toronto, \$6,525 26. My calculation, as you will see per statement sent herewith, makes the excess to be \$2,502 19, and consequently the debt as of January 1st, 1873, should be reduced to \$49,385 19.

Might I trouble you to look over my statement, and consider whether you should not adopt that amount as the debt of Stratford.

I remain,

Yours very truly,

C. J. MACGREGOR.

C. A. Brough, Esq.,
&c. &c. &c.,
Toronto.

TOWN OF STRATFORD in account with the Municipal Loan Fund.

DR.

CR.

Date.	Amount.	Date of Payments.	Payments.	Time from date of Payments to 1st January, 1873.	Am't. of payments at 5 per cent compound interest, to 1st Jan., 1873.
1st December, 1859.	\$ cts.	1859 - Dec. 28th.	2,947 15	13 years.	\$ cts.
To amount of Debt as reduced by 5 ct. rule	\$8,943 00	1861 - Jan. 10th.	2,000 00	11 "	5,557 29
Deduct capital sum allowed on account of payment to the County Debt	12,000 00	1863 - Feb. 10th.	2,000 00	9 "	5,292 66
		1863 - March 23rd.	1,123 90	8 "	3,242 58
To reduce debt as on December 1st, 1859.....	46,883 00	1864 - Jan. 14th.	2,947 15	8 "	1,811 29
Compound interest on reduced debt from December 1st, 1859, to January 1st, 1873, at 5 per cent. per annum, 134 years.	41,890 28	1865 - July 11th.	1,006 00	7 "	4,572 00
		1866 - Feb. 23rd.	1,770 32	6 "	3,440 51
		1866 - Feb. 28th.	1,500 00	6 "	2,474 87
		1867 - Jan. 7th.	4,464 64	6 "	5,983 15
		1868 - May 23th.	2,000 00	6 "	1,263 16
		1869 - Feb. 17th.	2,000 00	4 "	2,415 74
		1870 - Dec. 28th.	2,947 00	3 "	3,249 06
		1870 - Dec. 28th.	2,947 00	2 "	39,388 09
		1873 - Jan. 1st.....	By amount due Municipal Loan Fund.		49,385 19
	88,773 28				88,773 28

The above shows that the sum to be paid by Stratford, under the Municipal Loan Fund Act, as of 1st January, 1873, is \$49,385 19.

STRATFORD, July 11th, 1873.

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AUDITOR'S OFFICE.

TORONTO, July 29th, 1873.

DEAR SIR,—I beg to acknowledge the receipt of your letter of the 12th instant, relating to the debt of Stratford; I have looked into your calculations, and find that Stratford has been credited by us on account of payments made, with a few dollars more than by yourself, but I find that you have not charged so much on account of interest accrued due, as we have. I think the difference in our calculations arises from your not having made any interest payable until December, 1860, whereas, by the Act of 1859, a five per cent. payment should have been made in December, 1859, and we have charged Stratford with the balance of the five cent payment falling due in 1859, after deducting its contribution towards the county debt for that year. Please let me know at once, whether I am right in my supposition as to the cause of the difference in our calculations.

I remain,
Yours very truly,
(Signed) C. A. BROUGH.
Acting-Secretary.

To C. J. MacGregor, Esq.,
Chairman, Finance Committee, Stratford.

AUDITOR'S OFFICE.

TORONTO, August 8th, 1873.

DEAR SIR,—In reply to your letter of 31st ultimo, respecting the Municipal Loan Fund Debt of the Town of Stratford, I beg to say that the Honourable the Attorney-General has been for some days absent from town, attending the Ontario and Quebec arbitration, but that upon his return, I shall submit your letter to him for consideration.

I remain,
Yours very truly,
(Signed) C. A. BROUGH.
Acting-Secretary.

C. J. MacGregor, Esq.,
&c., &c., Stratford.

TORONTO, AUDITOR'S OFFICE.

17 September, 1873.

SIR,—I am instructed to say that the Town of Stratford is allowed a credit on its local debt, of \$220 88 as of 27th July, 1859, the date on which such sum was paid on the local debt.

With reference to a further reduction of the local debt in consideration of the contribution of the Town to the county debt, between 1st December, 1858, and 1st December, 1859, I am instructed to say that no such further reduction can be made, as the capital of the local debt has already been reduced as of 1st December, 1858, by a sum considered to be equal to its share of the county debt.

I remain,
Your obedient servant,
(Signed) C. A. BROUGH.
Act-Secretary.

C. J. Macgregor, Esq.,
Stratford.

AUDITOR'S OFFICE,

TORONTO, June 6th, 1873.

SIR.—We the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Town of St. Catharines to the Province, under the amended Municipal Loan Fund Resolutions of 26th March last, and that the same amounts to \$160,571 52.

The following is a statement of our calculations:—The Town of St. Catharines owed on its local debt, to the Municipal Loan Fund, on 1st January, 1873.

For principal	\$190,000 00
And for interest	224,510 91
Making together	\$414,510 91

The County of Lincoln (as organized for Municipal purposes) owed to the Municipal Loan Fund on 1st January last, \$12,438 16. By the Statute 26 Vic., chap. 13, the Town of Niagara, and the Township of Castor and Gainsborough, were relieved of all liability to contribute towards the payment of the County debt, which must therefore be discharged by the remainder of the County, including St. Catharines, whose share of the County debt amounts to \$4,296 67.

The total indebtedness of St. Catharines, in respect both to its local debt and its share of the County debt, was on 1st January last, \$418,807 58.

By the 4th resolution, St. Catharines is entitled to an allowance of \$232,407 30, in respect of the Welland Railway.

By the 6th resolution, St. Catharines is entitled to an allowance (as corrected) of \$10,100 76, in respect of Clergy Reserve moneys retained.

According to the census of 1871, the population of St. Catharines was 7,864; the allowance of \$2 per head under the 7th resolution will, therefore, amount to \$15,728, (upon this sum the share of the County debt to be paid by St. Catharines, amounting to \$4,296 67, is a first charge, leaving \$11,431 33, to be applied on the local debt.)

The total amount therefore, with which the Town of St. Catharines is to be credited on the 1st of January by the Province is \$258,236 06.

When this sum is deducted from the total indebtedness of \$418,807 58, priority being given to the share of the County debt to be paid by St. Catharines, the sum remaining to be paid by St. Catharines on its local debt on the 1st of January, 1873, amounts to \$160,571 52.

If you have any suggestions or objections to make with reference to the foregoing calculation, you are to make the same within fourteen days from this date.

With reference to the debentures to be given under the Municipal Loan Fund Act, we beg to state that a form will be prescribed by His Excellency the Lieutenant Governor in Council.

We remain,

Your obedient servants,

(Signed) WILLIAM CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting-Secretary.

To W. Mittleberger, Esq., Treasurer,
Town of St. Catharines.

TREASURER'S OFFICE,

ST. CATHARINES, June 20th, 1873.

GENTLEMEN,—We have to acknowledge the receipt of your communication of the 6th instant, in reference to the amount found to be due by the Municipality of the Town of St. Catharines, to the Municipal Loan Fund of the Province, showing an indebtedness in the sum of \$160,571 52, and in regard to the same, we hereby beg, most respectfully, to submit the following in relation thereto, viz. :—

1st. That in regard to the calculation of the liability of this municipality, we have no means of judging as to the correctness of the same, not having, as yet, received the Act as passed by the Legislature, and which said Act was to have been sent, as promised, in one of your communications "in a few days."

2nd. That in regard to the interest, which according to your communication of the 10th of April last, will become due and payable on the 30th instant; we beg leave to offer the following suggestions, viz. :—

That payment of interest be deferred, so as to enable this municipality to collect its rates for the current year: if such an arrangement can be effected, this municipality would

not be forced to borrow any larger sum than would be necessary to meet the general necessities of Municipal Government.

3rd. That this municipality have been obliged to raise from the bank (up to the present time) the large sum of \$13,000 00, and that before our rates for the present year can be collected, we will be compelled to negotiate further advances from the bank, to the very large sum of probably \$12,000, and that in order we should economize in every possible manner, we believe that the suggestion contained in Answer Number two, would be to our interest, and result in great benefit to this municipality.

4th. We also beg leave respectfully to present the following statement of the liabilities of the Town of St. Catharines :—

Municipal Loan Fund, as per communication of June 6th	\$160,571 52
Debentures payable in England in 1877.....	132,373 33
Debentures payable in Canada	2,700 00
Other liabilities.....	51,000 00
Total.....	\$366 644 85

5th. That from the foregoing statement, this municipality will, for a great number of years, feel a burden which will over-tax the ability of its inhabitants, and also retard its growth and prosperity.

6th. That since the passing of the Act, property in this municipality has very largely deteriorated, as evidenced by the Assessment Roll of the present year, which has decreased from that of the preceding year by the very large sum of \$382,132 00.

7th. That in order to meet the current expenses, and provide for the interest on the Municipal Loan Fund Debt, it will require an assessment of two cents on the dollar, a rate, never before reached, and one, which will, when announced, cause great excitement and dissatisfaction in this municipality.

8th. That while fully intending to provide during the present year the interest on the Municipal Loan Fund debt, we are not without the hope, that when the Government have more leisure time, to examine the details of our exceptional case, and that when the Legislature again assemble, they will be able to modify the terms of the settlement (as stated) to some considerable extent.

We remain, Gentlemen,
 Your most obedient servants,
 (Signed) H. H. COLLIER,
Mayor.
 (Signed) W. A. MITTEBERGER,
Treasurer.

To the Honourable W. Cayley, Auditor,
and C. A. Brough, Secretary.

AUDITOR'S OFFICE,
TORONTO, 28th June, 1873.

SIR,—I have to acknowledge the receipt of your letter in respect of the indebtedness of the Town of St. Catharines to the Municipal Loan Fund, which I have placed before the Attorney-General.

In reply he directs me to state that if the Town Council has determined frankly to carry out the obligations, for which the relief Act of last session provides, and pass a resolution to that effect, the Government will have no objection to avail itself of the 6th Section of the Act, and to dispense with the payment of interest on the 1st July, and to include the amount in the debt, for which debentures are to be given, but that the Government sees no object in relieving them from the interest in July, if compulsory measures are to be necessary for the purpose of procuring the obedience of the town to the requirements of the Statute as to the reduced debt.

I remain,
 Your obedient servant,
 (Signed) W. CAYLEY, Auditor.

To W. Mittleberger, Esq.,
Treasurer, Town of St Catharines.

TREASURER'S OFFICE,
ST. CATHERINES, June 30th. 1873.

SIR,—I beg leave to acknowledge the receipt of your communication of the 28th instant, and will cause the same to be presented to the council for their action at their meeting.

Being desirous of knowing the manner upon which the balance due by this Municipality has been arrived at, and not fully understanding the same, I have been requested to obtain a copy or statement of the whole calculation, and with that view I would ask when it would be convenient that I should go over, to obtain such information for a better understanding of the subject.

I remain,
Your obedient servant,
(Signed) WM. A. MITTLEBERGER,
Treasurer, Town of St. Catharines.

AUDITOR'S OFFICE,
TORONTO, 30th October. 1873.

DEAR SIR,—I have placed before the Honourable the Treasurer, the claim you make on behalf of St. Catharines to be credited with a payment of £169 19s. 6d. made the 30th June, 1854, on its Municipal Loan Fund Debt. The Treasurer requests to be furnished with all the particulars establishing the payment, for his consideration.

Your obedient servant,
(Signed) W. CAYLEY,
Auditor.

To W. A. Mittleberger, Esq.,
St. Catharines.

Mr. Mittleberger had called at the Auditor's Office to state that the above amount had been paid.
W. C.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Town of Saint Mary's on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$18,764 55.

Of this sum, \$12,524 55 are for an allowance in respect of the Buffalo and Lake Huron Railway.

The remainder of the sum to be paid to the municipality, amounting to \$6,240 00, is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

(Signed) WM. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Acting-Secretary,

To the Clerk,
Town of St. Mary's.

NOTE.—Interest from 1st January, 1873, to 1st February, 1874, makes the difference between \$118,81 and \$12,524 55.

AUDITOR'S OFFICE,
TORONTO, June 17th, 1873.

SIR,—Will you please send me, for the use of the Honourable the Attorney-General, a statement of the arrangement as to the payment of County debts, including that to the Muni-

cipal Loan Fund, made between the Town of St. Thomas and the County of Elgin, at the time of separation.

I remain,
Your obedient servant,
(Signed) W. CAYLEY,
Auditor.

To H. F. Ellis, Esq.,
Clerk, Town of St. Thomas.

ST. THOMAS, 26th, June, 1873.

SIR,—In reply to your communication of the 19th instant, with reference to the amount paid by the Town of St. Thomas on separation from the County of Elgin, as share of County debt, I beg to say that at the time of separation, 1861, it was agreed between the corporation of the County of Elgin and the corporation of the Town of St. Thomas, that the latter corporation should pay to the former the sum of three hundred and twenty dollars (\$300 00) as share of the debt due by the County to the Municipal Loan Fund (for five years). This agreement has been twice renewed, and the amount of \$320 00 has been regularly paid by the said Town to the County ever since the date of separation, and in addition to this the Town has paid to the County \$280 for use of the Gaol, &c., and still continues to pay the same.

I remain,
Your obedient servant,
(Signed,) HENRY T. ELLIS,
Town Clerk.

To the Honourable Wm. Cayley,
Auditor.

AUDITOR'S OFFICE,
TORONTO, 30th June, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Town of St. Thomas, under the Municipal Loan Fund Act, on 1st February, 1874, and that the same amounts to \$15,488 10.

The following is a statement of our calculation:—

Allowances as of 1st January, 1873, in respect of local contribution to London and Port Stanley Railway	\$10,004 01
Interest on same from 1st January, 1873, to 1st February, 1874.	541 88
Share of allowance made to County in respect of London and Port Stanley Railway, which St. Thomas receives as a municipality in the County of Elgin, being one-twentieth of County allowance, deducting debt to Municipal Loan Fund	548 21
Allowance at rate of \$2 per head of population, according to census of 1871.....	4,394 00

Total to be paid to St. Thomas..... \$15,488 10

This sum of \$15,488 10 is to be paid over for such purpose pointed out in the 12th section of the said Act, as may be provided for by by-law of the Town passed after 1st February next, in accordance with the 13th section of said Act.

If there appears to you to be any error in the above statement, it should be brought to our notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.
(Signed) C. A. BROUEN,
Acting-Secretary.

To H. F. Ellis, Esq.,
Clerk, Town of St. Thomas.

TOWNSHIP OF ST. VINCENT,
MEAFORD, 2nd July, 1873.

DEAR SIR,—I am directed by the Municipal Council of the Township of St. Vincent to ask the permission of your Government for the municipality to be allowed to expend the amount of the Municipal Loan Fund Distribution allotted to that township in the improvement of the harbour at Meaford, in that township.

The Ottawa Government have made a grant for the same purpose, on condition of the municipality granting a further sum of \$10,000 to aid in the harbour improvement.

Your immediate reply will much oblige, as we wish to commence the harbour improvement at once, so as to be able to obtain the Dominion Grant of \$15,000.

I have the honour to be,

Sir,
Your obedient servant,
(Signed) C. R. SING,
Reeve,
Township of St. Vincent.

To the Honourable O. Mowat,
Attorney-General, Toronto.

ATTORNEY-GENERAL'S OFFICE,
TORONTO, 4th July, 1873.

SIR,—In reply to your communication of the 2nd instant, I beg to state that I see no objection to the application of the money received by the Township of St. Vincent from the Municipal Loan Fund to the purpose you mention, in case of a by-law being passed for that purpose, after 1st February, 1874, as required by the Act.

I remain,
Your obedient servant,
(Signed) O. MOWAT,
Attorney-General.

To C. R. Sing, Esq.,
Reeve, Township of St. Vincent,
Meaford.

TORONTO, June 28th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Township of Thorah on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$25,930; of this sum, \$22,000 are for an allowance in respect of the Midland Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$3,930, is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,
Your obedient servants,
(Signed) W. CAYLEY,
Auditor.
(Signed) C. A. BROUOH,
Acting-Secretary.

Clerk, Township of Thorah.

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AUDITOR'S OFFICE.

TORONTO, July 11th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the City of Toronto, on the 1st day of February, 1874, in accordance with the Municipal Loan Fund Act of last session, and that the same amounts to \$165,984.

Of this sum, \$37,500 are for an allowance in respect of the Toronto, Grey and Bruce Railway; \$16,300 08 for an allowance in respect to the Toronto and Nipissing Railway; and the balance, amounting to \$112,184 is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

Should there appear to you to be any error in the statement of the amount to be paid to the City of Toronto, you are to bring the same to our notice within fourteen days from this date.

The sum of \$165,984 08, payable by the Province to the City of Toronto, is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-law, passed after the 1st day of February next, under the 13th section of the said Act.

We remain,

Your obedient servants,

(Signed) WM. CAYLEY,
Auditor.To A. T. McCord
Treasurer, City of Toronto.(Signed) C. A. BROUGH,
Acting-Secretary.

CHAMBERLAIN'S OFFICE,

TORONTO, July 17th, 1873.

GENTLEMEN,—I am in receipt of your favour of the 11th instant, informing me that the sum to be paid by the Province to the City of Toronto, on the 1st day of February, 1874, in accordance with the Municipal Loan Fund Act, amounts to \$165,984 08, and adding, "Should there appear to you to be any error in the statement of the amount to be paid to the City of Toronto, you are to bring the same to our notice within fourteen days from this date."

Having looked over the Act referred to, I cannot find any data by which I should be able to correct any error in the statement. I have, however, to call your attention to the fact, that there is no allowance made to the City of Toronto for the sum of \$100,000 granted by the Corporation to the Credit Valley Railroad, nor for a large amount given in aid of the Grand Trunk and Northern Railways; also, about \$750,000 expended by the Corporation in the construction of the Esplanade in front of the city for the benefit of the whole of the railroads passing through the same.

I am, gentlemen,

Your obedient servant.

(Signed) A. T. McCORD,
City Treasurer.Messrs. W. Cayley and C. A. Brough,
Government Auditor, &c., Toronto.

P.S.—May I request that you will furnish me with such information as will enable me to examine and see if there is any error in the said apportionment.

AUDITOR'S OFFICE,

TORONTO, July 23rd, 1873.

SIR,—In reply to your letter of the 17th instant, as to the sum credited to the City of Toronto, under the Municipal Loan Fund Act, I beg to say that the sum was calculated

according to the principles laid down in the Amended Municipal Loan Fund Resolutions of the 26th March last, of which I enclose a copy.

You will observe that the 3rd and 4th paragraphs of the Resolutions refer to railway allowances, and that the only railways, aided by the City of Toronto, which come within the meaning of those paragraphs, are the Toronto, Grey and Bruce, and the Toronto and Nipissing.

You will also observe that railways are the only public works in respect of which special allowances have been made.

I remain,

Your obedient servant,

(Signed) C. A. BROUGH,
Acting-Secretary.

A. T. McCord, Esq.,
Treasurer, City of Toronto.

CITY SOLICITOR'S OFFICE, CITY HALL,
TORONTO, 27th August, 1873.

SIR,—Referring to your letter of the 23rd ultimo, as to the basis upon which was calculated the sum credited to the City of Toronto, under the Municipal Loan Fund Act, I beg to call your attention to the fact that no allowance has been made to the city in respect of the aid given by us to the Toronto and Guelph Railway, a road which seems to come precisely under the terms of the 4th Resolution, having been built without any Provincial aid, but with large aid from the City of Toronto, and I believe the Town of Guelph also.

The road in question was constructed by a company, incorporated by the Act 14 and 15 Vict. cap. 148, which was assented to on the 30th August, 1851.

On the 2nd of October following, a public meeting of the citizens of Toronto was convened by the Mayor, and a resolution passed, desiring the Council to subscribe for stock in the new Railway Company, to the amount of \$100,000 00.

The Council accordingly passed on the 1st December following, a by-law, authorizing the Mayor to subscribe on behalf of the city for \$100,000 00 stock, and providing for the payment thereof by the issue of city debentures.

The Legislature afterwards, by the Act of 16 Vic. cap. 30 and 76, authorized the consolidation of the Toronto and Guelph Railway with the Grand Trunk, upon such terms as might be agreed to by the directors of the two companies, and the arrangement thus made was confirmed by 18 Vict. cap. 33.

Previous to this consolidation the Toronto and Guelph Railway Company had been permitted by an Act of 16 Vict. cap. 41, to increase their capital stock from £250,000 0s. 0d. to £325,000 0s. 0d., and to extend their road westward from Guelph to Sarnia, and the aid which had already been given to the railway by the City of Toronto, is referred to in the recitals of this Act.

Under the agreement for amalgamation above referred to, the stock held by the City of Toronto in the Toronto and Guelph Road was to be represented in the Grand Trunk Railway Company, by 288 shares of £25 sterling each, amounting in all to £82,200 0s. 0d. sterling, which stock having been sold by the city under the authority of an Act of 22 Vict. cap. 71, realized only £38,200 0s. 0d. The unpaid balance of £61,800 0s. 0d. was accordingly made up, and the residue of the debentures redeemed by the issue of new ones for £47,200 sterling, under the authority of a by-law passed by the corporation on the 20th of February, 1860.

I submit, therefore, that the City of Toronto not having benefitted by the Act 22 Vict. cap. 15, is entitled under the 4th Resolution, to be credited with its relative proportion of the sum of \$2,000 00 per mile for the fifty-one miles of railway thus aided, and that the right to compensation cannot have been taken away by the subsequent amalgamation of the Toronto and Guelph Road with the Grand Trunk Railway. The correctness of these statements can be ascertained by reference to His Honour the Lieutenant-Governor, and John

Fiskin, Esq., the only Directors of the Toronto and Guelph Railway Company now in Toronto.

I shall be happy to afford any further information which may be thought necessary.

I have the honour to be,

Sir,

Your obedient servant,

C. R. W. BIGGAR,

Acting for the City.

C. Allen Brough, Esq., Auditor's Office,
Provincial Treasurer's Department.

AUDITOR'S OFFICE,

TORONTO, September 17th, 1873.

SIR,—In reply to your letter of the 27th ultimo, and our subsequent conversations, I am instructed to say, that the Government does not consider that the City of Toronto is entitled to any allowance under the Municipal Loan Fund Act, in respect of the Toronto and Guelph Railway.

The facts appear to be briefly as follows:—

The construction of the line of railway, connecting Toronto with Guelph, was commenced in 1853. In 1855, before the construction was completed, the Toronto and Guelph Railway was amalgamated with the Grand Trunk; after the amalgamation the Government of the Province of Canada granted aid towards finishing the construction of the line, and putting it into a position to carry on business.

It appears, therefore, that the line of railway from Toronto to Guelph, was partially constructed by Government aid, the mere change of name from the Toronto and Guelph Railway Company to that of the Grand Trunk Railway Company, not materially effecting the case.

And under the foregoing circumstances, it is considered that the fourth paragraph of the Resolution does not apply.

With reference to the Esplanade, I am instructed to say, that railways are the only public works in respect of which special allowances have been made. And also to remind you, that none of the railways making use of the Esplanade, came within the meaning of the 4th paragraph of the Resolution.

I remain,

(Signed)

C. A. BROUGH,

Acting-Secretary.

C. W. R. Biggar, Esq., City Solicitor,
Toronto.

TORONTO, June 21st, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the township of Uxbridge, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$14,957 37.

Of this sum, \$5,433 37 are for an allowance in respect to the Toronto and Nipissing Railway.

The remainder of the sum to be paid to the Municipality, amounting to \$9,524, is an allowance at the rate of two dollars per head of the population, according to the census of 1871.

If there is supposed to be any error in the above statement, as to the amount going to the Municipality, under the said Act, it should be brought under our notice within fourteen days from this date.

We remain,

Your obedient servants,

(Signed)

WM. CAYLEY,

Auditor.

(Signed)

C. A. BROUGH,

Acting-Secretary.

Robert Spears, Esq., Clerk,
Township Uxbridge, Uxbridge.

CLERK'S OFFICE,
TOWNSHIP of Uxbridge, 4th September, 1873.

SIR,—In the letter advising us of the amount falling due to the Township of Uxbridge under the Municipal Loan Fund Act, I observe a discrepancy between that amount and the amount given in Schedule G of the Act as published in the Statutes of Ontario; in said schedule as published in the Statutes, the Township of Uxbridge is to receive \$17,924, while the notice sent me says, \$14,957 57. Please explain.

I have the honour to be, Sir,

Your obedient servant,
(Signed) E. H. HILBORN,
Township Clerk.

To the Honourable Adam Crooks, Treasurer,
Province Ontario.

AUDITOR'S OFFICE,
TORONTO, 3rd December, 1873.

SIR.—In reply to your letter of the 4th of September last, to the Honourable the Provincial Treasurer, I am instructed to say, that the amount mentioned in the Schedule to the Municipal Loan Fund Act, as being payable to the Township of Uxbridge is incorrect, and that the amount payable to the Township is \$14,957 57, as in the notice sent to you from this office.

The difference in the amount is occasioned by a change in the distribution of the allowance made in respect of the Toronto and Nipissing Railway, to Municipalities aiding the same.

The original distribution omitted several Municipalities which were entitled to share.

I remain,

Your obedient servant,
(Signed) WM. CAYLEY,
Auditor.

To E. H. Hilborn, Esq., Clerk.
Township of Uxbridge.

TORONTO June 30th, 1873.

SIR,—We the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the County of Victoria, exclusive of Ops with Lindsay, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$34,672, being two dollars per head of the population, according to the census of 1871.

This sum of \$34,672, is to be divided by the Government among the towns, townships, and incorporated villages in the County of Victoria, other than the Municipalities excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution, and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by laws of the Local Municipalities passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The Municipalities excepted above, are excluded from sharing in the above allowance, because they have been separately dealt with by the Government.

We remain,

Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.

(Signed) C. A. BROGH,
Acting Secretary.

To the Treasurer, County of
Victoria.

COUNTY OF VICTORIA,

LINDSAY, 26th June, 1873.

SIR,—I have the honour to acknowledge the receipt of yours of the 21st instant. According to the census of 1871, the population of the townships in this county, exclusive of those excepted in your letter, is as follows:—

Mariposa.....	5,368	at \$2.....	\$10,726 00
Emily.....	3,790	".....	7,580 00
Verulam.....	2,692	".....	5,384 00
Fenelon.....	3,949	".....	7,898 00
Carden and Dalton.....	1,027	".....	2,054 00
Lutterworth, Anson and Hindon.....	515	".....	1,030 00
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	\$17,336	at \$2	\$34,672 00

The amount allotted to be paid, as stated in your letter, is correct.

According to the census, as well as the Municipal Loan Fund Resolutions, the Townships of Draper, Ryde and Oakley.....

Oakley.....	521	at \$2.....	\$1,042 00
Macauley.....	868	".....	1,736 00
Stephenson.....	505	".....	1,010 00
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	1,894	at \$2	\$3,788 00

Although these townships form part of this County, are represented in the County Council, and are under the municipal jurisdiction of the County.

Is it your intention to pay the \$34,672 through me as County Treasurer, and do you wish me to notify the Reeves of these townships of the sums their municipalities will receive? If so, it strikes me that you should add to the \$34,672, the sum of \$3,788, making a total of \$38,460.

I have the honour to be,

Your obedient servant,

(Signed)

H. WOOD,

County Treasurer.

To the Honourable William Cayley,
Toronto.

AUDITOR'S OFFICE,

TORONTO, July 8th, 1873.

SIR,—In reply to your communication of the 26th ultimo, as to the allowance to the municipalities in the County of Victoria under the Municipal Loan Fund scheme, I have been instructed by the Honourable the Attorney-General to inquire from you whether the Townships of Macauley and Stephenson, and the United Townships of Draper, Ryde and Oakley have been incorporated since the taking of the census of 1871, or what other reason there may have been for excluding those townships from the census returns.

You will also be good enough to state what the populations of the above named townships were at the time of the taking of the census in 1871; and also the means by which you have arrived at your conclusions, and the evidence upon which you have relied.

I remain,

Your obedient servant,

(Signed)

C. A. BROUGH,

Acting Secretary.

To H Wood, Esq.,
Treasurer, County of Victoria, Lindsay.

TORONTO, June 30th, 1873.

SIR,—We the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the municipalities in the County of Waterloo, exclusive of Berlin and Preston, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$72,200 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$72,200 00 is to be divided by the Government among the towns, townships and incorporated villages in the County other than the municipalities excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The municipalities excepted above are excluded from sharing in the above allowance, because they have been separately dealt with by the Government.

We remain,

Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Act.-Secretary.

To the Treasurer,
County of Waterloo.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the municipalities in the County of Welland, exclusive of Bertie, Chippewa, Wainfleet and Fort Erie, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$36,794 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$36,794 00 is to be divided by the Government among the towns, townships, and incorporated villages in the County of Welland, other than the municipalities excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The municipalities excepted above are excluded from sharing in the above allowance, because they have been separately dealt with by the Government.

We remain,

Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Act.-Secretary.

To the Treasurer,
County of Welland.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the County of Wellington, exclusive of Guelph Township, Guelph Town, Elora, Fergus, Maryborough, Minto, Nichol, Orangeville, Peel, Amaranth, Arthur and Mount Forest, on 1st Fe-

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bruary, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$46,770 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$46,770 00 is to be divided by the Government among the towns, townships and incorporated villages in the County of Wellington, other than the municipalities excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The municipalities excepted above are excluded from sharing in the above allowance because they have been separately dealt with by the Government.

We remain,
Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Act.-Secretary.

To the Treasurer,
County of Wellington.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipality of the County of Wentworth, exclusive of the Town of Dundas, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$55,496 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$55,496 00 is to be divided by the Government among the towns, townships, and incorporated villages in the County of Wentworth, other than the municipality excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by by-laws of the Local Municipalities, passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The municipality excepted above is excluded from sharing in the above allowance, because it has been separately dealt with by the Government.

We remain,
Your obedient servants,
(Signed) WM. CAYLEY,
Auditor.

(Signed) C. A. BROUGH,
Act.-Secretary.

To the Treasurer,
County of Wentworth.

(Duplicate.)

TORONTO, June 28th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Township of Wallace, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$2,684 58.

This sum is for an allowance in respect of the Wellington, Grey and Bruce Railway. Should there appear to you to be any error in the above statement, it should be brought to our notice within fifteen days from this date.

We remain,

Your obedient servants,

(Signed)

W. CAYLEY,

Auditor.

(Signed)

C. A. BROUGH,

Act.-Secretary.

To the Township Clerk,
Township of Wallace.

NOTE.—For change in amount of allowance to Wallace, in respect of Wellington, Grey and Bruce Railway, see circular in Elora correspondence.

AUDITOR'S OFFICE,

TORONTO, June 24th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you that we have calculated the sum to be paid by the Province to the Township of Wainfleet under the Municipal Loan Fund Act, and that the same amounts to \$22,545 24, as of 1st February, 1874.

The following is a statement of our calculation :—

Allowance in respect of Buffalo and Lake Huron Railway as of 1st January, 1873.	\$20,323 41
Interest thereon from 1st January, 1873 to 1st February, 1874.	1,105 08
Allowance at rate of two dollars per head according to census of 1871.	5,346 00
Total to credit of Wainfleet.	\$26,774 49
<i>Less :</i>	
Balance of debt to Municipal Loan Fund on 1st Jan., 1873. \$4,011 16	
Interest thereon from 1st January, 1873, to 1st Feb., 1874. 218,09	4,229 25
Balance payable to Wainfleet.	\$22,545 24

Should there appear to you to be any error in the foregoing calculation, you are to bring the same under our notice within fourteen days from this date.

We remain,

Your obedient servants,

(Signed)

WM. CAYLEY,

Auditor.

(Signed)

C. A. BROUGH,

Act.-Secretary.

B. O'Reilly, Esq.,
Clerk, Township of Wainfleet.

TORONTO, June 30th, 1873.

SIR,—We, the undersigned, have been instructed by the Government to inform you, that we have calculated the sum to be paid by the Province to the Municipalities in the County of York, exclusive of the Townships of Scarborough and Markham, on 1st February, 1874, according to the provisions of the Municipal Loan Fund Act, and that the same amounts to \$94,230 00, being two dollars per head of the population, according to the census of 1871.

This sum of \$94,230 00 is to be divided by the Government among the towns, townships, and incorporated villages in the County of York, other than those municipalities excepted above, according to their respective populations, as directed by the 7th paragraph of the Municipal Loan Fund Resolution; and is to be paid over for such purposes pointed out in the 12th section of the said Act, as may be provided for by laws of the Local Municipi-

e Railway.
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palities passed after the 1st day of February next, in accordance with the 13th section of the said Act.

Should there appear to you to be any error in the above statement, it should be brought to our attention within fifteen days from this date.

The Municipalities excepted above, are excluded from sharing in the above allowance, because they have been separately dealt with by the Government.

ditor.

H.
-Secretary.

We remain,

Your obedient servants,

(Signed) W. CAYLEY,

Auditor.

(Signed) C. A. BROUGH,

Act.-Secretary.

Wellington,

To J. K. McDonald, Esq.,
Treasurer, County of York.

1873.

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EXPLANATION of the mode of distribution of Government Allowance in Railway Tables,
3 A., 3 B. and 3 C.

The Government ascertained the amount of aid given by each municipality to the railway, and distributed the allotment per mile in proportion to the aid given, amongst the different municipalities aiding the road. Compound interest on the ascertained share of each was then allowed from the date when the loan was made by the municipality to the railway, and the total of principal and interest so ascertained credited to the municipality.

Take for instance the Township of Bertie :

Bertie loaned the Buffalo and Lake Huron Road \$40,000 out of a total of \$829,000 applied by the various municipalities in aid of that road; the Government allowance at \$2,000 a mile was \$320,000.

20,323 41

1,105 08

5,346 00

6,774 49

4,229 25

22,545 24

Bertie's share of which would be a few cents short of.....	\$15,537 00
Interest compounded at five per cent. from 16th April, 1853, on 19 years 260 days.....	25,107 23

Giving Bertie as a total to be credited to the Township..... \$40,644 23

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MUNICIPAL LOAN FUND—TORONTO, GREY AND BRUCE RAILWAY.

From a letter received from Mr. Sutherland Taylor, Secretary to the Toronto, Grey and Bruce Railway Company, it appears that the portion of the railway between Toronto and Arthur (72 miles) is the only portion coming within the meaning of the 5th Municipal Loan Fund Resolution as having been "commenced prior to 7th December, 1870," and in respect of which allowances can be made to municipalities granting bonuses in aid of the railway.

From the letters of Mr. Sutherland Taylor, and telegrams received from the Clerks of Mount Forest, Owen Sound, and the County of Grey, it appears that the following municipalities voted bonuses to the amount mentioned after their names, in aid of the railway, and that they are the only municipalities which voted such bonuses prior to the passing of the Railway Act in 1871.

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1873.

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Toronto	\$250,000 00
Albion	40,000 00
Caledon	45,000 00
Mono.....	45,000 00
Amaranth	30,000 00
Orangeville.....	15,000 00
Arthur	35,000 00
Mount Forest.....	20,000 00
	<hr/>
	\$480,000 00

Luther voted a bonus of \$20,000 but it was forfeited by the Railway Company, and never paid.

The length of the railway from Toronto to Arthur is 72 miles, which, at the rate of a \$1,000 a mile, makes the allowance to be divided, \$72,000.

The following table shews the shares of the \$72,000 to be received by the municipalities named :

Toronto.....	\$37,500 00
Albion.....	6,000 00
Caledon.....	6,750 00
Mono.....	6,750 00
Amaranth.....	4,500 00
Orangeville.....	2,250 00
Arthur.....	5,250 00
Mount Forest.....	3,000 00
	<hr/>
	\$72,000,00

MUNICIPAL LOAN FUND--TORONTO AND NIPISSING RAILWAY.

Mr. Graham, the Secretary of the railway, states that the following Municipalities voted bonuses to the amounts mentioned after their names, prior to the 7th day of December, 1870 :

Toronto.....	\$150,000 00
Scarborough.....	10,000 00
Markham.....	30,000 00
Uxbridge.....	50,000 00
Scott.....	10,000 00
Brook.....	50,000 00
Eldon.....	44,000 00
Bexley.....	15,000 00
Somerville.....	15,000 00
Laxton, Digby and Longford.....	12,500 00
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\$386,500 00

Mr. Leys, the solicitor of the Toronto and Nipissing Railway Company, states that the only portion of the line which can possibly come within the meaning of the Municipal Loan Fund Resolutions, as entitling the municipalities granting bonuses in aid thereof, to receive the allowance of \$1,000 00 per mile in accordance with the Resolutions, is that portion between Toronto and Uxbridge (42 miles.)

The length of the line from Toronto to Uxbridge of 42 miles, which at the rate of \$1,000 00 per mile, would make the allowance to be divided \$42,000 00.

The following table shows the shares of the \$42,000 00, to be received by the municipalities granting bonuses :—

Toronto.....	\$16,300 08
Scarborough.....	1,086 69
Markham.....	3,260 03
Uxbridge.....	5,433 37
Scott.....	1,086 69
Brook.....	5,433 37
Eldon.....	4,781 36
Bexley.....	1,630 03
Somerville.....	1,630 03
Laxton, Digby and Longford.....	1,358 35
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\$42,000 00

WELLINGTON, GREY AND BRUCE RAILWAY.

By returns made by the Secretary of the railway and others, it appears that the only portion of the road not entitled to aid under the Railway Aid Act, is that portion from Guelph to Harriston (48 miles.)

The following Municipalities voted bonuses to the amounts mentioned after their names, prior to the passing of the Railway Aid Act, and are entitled to share in the distribution of the Government allowance :—

Elora.....	\$10,000 00
Fergus	10,000 00
Nichol Township	10,000 00
Peel Township	40,000 00
Maryborough	40,000 00
Wallace	25,000 00
Minto.....	65,000 00
Howick.....	20,000 00
Total.....	\$220,000 00

The length of the line from Guelph to Harriston is 48 miles, which at the rate of \$1,000 00 per mile, makes the allowance to be divided, \$48,000 00.

The following table shows the shares of the \$48,000 00 to be received by the Municipalities, being at the rate of \$218 18 per \$1,000 00 :—

Elora	\$2,181 82
Fergus.....	2,181 82
Nichol	2,181 82
Peel	8,727 27
Maryborough	8,727 27
Wallace	5,454 54
Minto.....	14,181 82
Howick	4,363 64
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	\$48,000 00

