

IN THE MATTER OF THE DIVISION AND ADJUSTMENT OF THE DEBTS  
AND ASSETS OF UPPER CANADA AND LOWER CANADA, UNDER  
THE 142ND SECTION OF THE BRITISH NORTH AMERICA ACT,  
1867.

OPINION OF THE ARBITRATOR APPOINTED BY THE GOVERNMENT OF  
QUEBEC.

The elaborate argument with which the Arbitrators have been favored, respecting the principle and mode of the division and adjustment of debts and assets to be made by them, under the provisions of the B. N. A. Act, 1867, has been carefully considered, and I think it right in stating the conclusions at which I have arrived, to explain at some length the grounds and process of reasoning, upon which these conclusions seem to me to be justified.

In the discussion of the subject we must of course start with the 142nd Section of the Act, from which all the powers of the Arbitrators are derived.

It is enacted in that section "that the division and adjustment of the debts, credits, liabilities, properties and assets of Upper Canada and Lower Canada shall be referred to the arbitrament of three arbitrators." The Act lays down no rule or mode for the division and adjustment, but leaves the subject with the simple provision contained in these few words.

In consequence of this silence of the law, the Counsel for the Provinces of Ontario and Quebec, respectively, have submitted several suggestions as to the principle under which the division should be carried out, and have in their printed cases presented these suggestions in the form of four distinct propositions; of these, three are presented on the part of the Province of Ontario, and one on the part of the Province of Quebec.