

4. An account of the revenue derived from the works mentioned in the third paragraph.

5. An account of the expenditure in each Province on objects or for purposes other than those mentioned in the third paragraph.

6. An account of the expenditure on objects or for purposes mentioned in the third paragraph.

In order that disputes may be avoided, the public accounts should be strictly adhered to in taking the accounts. The total debt after deductions to be made according to the British North America Act will be given by the Dominion Government—from it will be deducted \$62,500,000, which, in so far as Ontario and Quebec are concerned removes altogether from the consideration of the arbitrators this sum—Ontario and Quebec paying their proper portion of it into the Dominion exchequer. Therefore, it will only be the excess debt over this amount with which the arbitrators will have to deal.

The accounts being taken in accordance with the above six propositions, it will be seen whether Lower Canada has paid more or less into the Treasury of the late Province from local or Lower Canada sources than it has drawn out of it for local or Lower Canada purposes and objects; if more, the late Province will be indebted to it for the excess; if less, it will owe the late Province what it has drawn out over its contributions into the Common Treasury.

The same consequences will attach to Upper Canada, and the apportionment of the excess of debt and the division of the assets will be made between the two Provinces accordingly.

I have now said all I think it necessary at present to say on the subject. It seems to me, it would be well in the first place, carefully to consider in connection with the whole subject, the Union Act of 1840. In my judgment, it lays down a broad and fundamental basis which must be taken to be the solemn contract between the parties, and from the provisions of which no departure can be permitted. Here is something tangible, something explicit, something which cannot be denied, and which on all occasions can be invoked in justification of all things done in conformity to its stipulations. Let the question be asked with respect to every view which has been taken of the subject and every suggestion which has been offered, "what says the Constitutional Act, under which Upper Canada and Lower Canada became re-united in relation to this matter"? In the second place it would, I submit, be well attentively to consider and never to lose sight of the fact that the annual appropriation Acts were passed by the Legislature in view of and with full notice and knowledge of all the circumstances of the Union and of the contributions made to the revenue by each Province, and that therefore it must be assumed that the Legislature has adequately provided for, met and satisfied the just claims of each Province. Neither should it escape attention that the proper adjustment of the apportionment of moneys has been recognized, and expressly