It is perhaps unnecessary to premise that in a mattor involving such great interests between parties of high dignity, it is above all things important that there should bo no infringement of legal rights, and that nothing should be hazarded which can load to a just eomplaint by ono Province that its rights have been sacrificed to the advantage of the other. An indiscretion in this respeet, from whatever causc arising, is likely to havo as its consequence a conflict within the Dominion which may lead to great publie injury.

A striet legality in tho proceedings is the more essential as the threo persons appointed under the Act were not only Arbitrators, but necessarily Assignors to eaeh of the Provinces of Ontario and Quebec, of thc assets and property belonging to the late Province of Canada. Up to the time of the award and assignment these assets and property are held jointly in undivided right by the two Provinces, and in order that each should be divested of its legal estatc in the portion awarded to the other, and obtain a valid title to his own portion, the Arbitrators assuming to make the award must have a clear authority to pass the title as Assignors.

If any doubt should arise of their authority in that respect, the question of titlc would inevitably come up in one shape or another before the Provincial Courts of Law, a contingency whieh, for obvious reasons, ought to be sedulously guarded against. Yet it seems to be too plain, that notwithstanding these considerations, ground has been ventured upon, which is both unsafe to the public interests and indefensible in law, and it therefore becomes necessary in view of the serious consequenees involved, that the legality of the proceedings and award should be carefully examined.

The questions upon which the validity of the proceedings and award depend are to be tried by the terms of the 142nd section of the B. N. A. Act, whieh are that the division and adjustment contemplated by the Act "shall be referred to the arbitrament of three Arbitrators, one ehosen by the Government of Ontario, one by the Government of Quebee, and one by the Government of Canada," and these questions may be stated under three speeifie heads :

1. Whether upon a hearing before the three Arbitrators, two of them eould legally render a decision, and if yea, could they do so in the absence of the third.

2. Whether upon a hearing before two of the Arbitrators only, these two could legally render a deeision in the absenee of the third.

3. Whether, after one of the Arbitrators had resigned his office, and his authority had been revoked, the remaining two eould legally proceed to hear the case, and to make a final award.

Before entering upon these questions separatcly, I propose to discuss the subject of the Arbitration upon prineiples and considerations of a eharacter entirely different from any whieh seem to have engaged the attention of the two Arbitrators in arriving at their eonclusions. It is entitled to be regarded from a higher level and in a broader aspect than they have viewed it. The reference to Arbitrament eontained in the 142nd Sec. of the Aet is in fact in the nature of a treaty between Independent States, and is not a matter to be dealt with upon the narrow techniealities of