

which before the opening of the canal cost 15s. per ton to transport from Liverpool to Manchester, will now cost 6s. 7d. per ton ; that tinned meats, which cost 17s. 5d., will be charged 8s. ; that grain, weighted with a charge of 9s. 11d., will now find its way to Manchester at a charge of 4s. 10d. per ton, and that timber will be reduced from 9s. 5d. to 4s. 9d. per ton.

These facts constitute the opening of the Manchester Ship Canal a matter of great interest to Canada. It was stated in the newspaper account of the opening ceremonies that, in the fleet of seventy-one vessels which passed upon the day of opening, the place of honour was given to a Canadian vessel hailing from Nova Scotia.

## ARBITRATION OF PUBLIC ACCOUNTS.

353. The Confederation Act, 1867, provided for an arbitration to adjust the accounts between the Dominion and the provinces of Ontario and Quebec, as forming the old province of Canada. The arbitrators appointed were Sir David Macpherson on behalf of Ontario, Judge Day on behalf of Quebec, and Hon. Mr. Gray for the Dominion.

The majority of the arbitrators rendered an interlocutory judgment, as follows :—

“1st. That the Union Act did not create, in fact or in law, any partnership between Upper and Lower Canada.

“2nd. That the arbitrators have no power to enter into the debts or credits of the two provinces at the time of their union in 1841.

“3rd. That division and adjustment between Ontario and Quebec of the surplus debt beyond \$62,500,000, for which under section 112 of the British North America Act, 1867, Ontario and Quebec are conjointly liable to Canada, should be based upon the origin of the several items of the debts incurred by the creation of the assets mentioned in the 4th schedule to that Act, and shall be apportioned and borne separately by Ontario and Quebec, as the same may be adjudged to have originated for the local benefit of either, and where the debt has been incurred by the creation of an asset for the common benefit of both provinces, and shall be so adjudged, such debt shall be divided and borne equally by both.

“4th. That in cases in which the debt shall not come within the purview of the 4th schedule, reference shall be had as to its origin.