"of land on the North." The statements are inconsistent, for if the French possessions extended to the shores of Hudson's Bay they could hardly be restricted to the height of land. There is not a word about the height of land in the treaty of Utrecht, but even if there were, the Hudson's Bay Company could derive no benefit from it. That treaty bound France to restore what had been taken during the previous war, and this France always professed a readiness to do, but positively refused to admit the claims of Great Britain, which, however, were expressly stated not to be intended for the benefit of the Hudson's Bay Company, which was tied down to what was settled by the treaty of Ryswick. Judge Armour had been the paid counsel to defend the new Dominion claim set up by Col. Dennis, and the paper which he communicated to the committee of 1880 was prepared by him to be handed to his successors, Mr. McMahon and Mr. Monk, who, though charged most unjustly with giving away their case, advocated the same view of the boundary as Judge Armour. We can assure the *Spectator* that he is quite in error in thinking that we made any mistake in our remarks of 29th September in regard to the Statutes of 1774 and 1791. We have carefully read the article, and there is no reference in it to the establishment by the Act of 1791 of the boundary on the shore of the bay due north of the head of Lake Temiscamingue. We are not surprised that the *Spectator* has adopted the opinion of those who choose to assign a meaning to suit themselves to the language of a Royal proclamation under an Imperial Statute.

As to getting fresh evidence as to the boundaries of the territories granted to the Hudson's Bay Company, we apprehend that no efforts were spared to procure all available. One of the chief difficulties now is the preparation of a case for a new arbitration, for such would necessarily be the reference to the Judicial Committee. The fear entertained is, we imagine, that there would be an indefinite delay. We doubt much whether the Judicial Committee would undertake to give a judgment as to the Southern boundary of the territories belonging to the Hudson's Bay Company. The *Spectator*, we notice, joins in the cry of those who pretend that Ontario may be entitled to more territory than that given to it by the arbitrators. We venture to think that even those who entertain the conviction that the award did not give Ontario all the territory it was entitled to will perceive the necessity of adhering to it. Counsel will have to argue for some specific boundaries. The Dominion will, as before, rest its case on the height of land and the due north line, and Ontario will doubtless stand by the award of the arbitrators. It is wholly incorrect for the *Spectator* to affirm that Mr. Mackenzie's Government "remained in a position of resistance to Ontario's "claim to the day of its dissolution." Mr. Mackenzie never contemplated the repudiation of the award. How he was "false to his trust and oath of office" by accepting it we are unable to comprehend. The *Spectator* fails to understand how Col. Dennis' report affects the controversy at all. Col. Dennis simply interpolated a clause, as in the Hudson's Bay Company's charter, which would have defined their Southern boundary to be the height of land.

To establish the inconsistency of the Dominion Government and of its defenders, it is only necessary to remark that while it has been maintained by them of late that only a judicial tribunal is competent to determine the boundaries of Ontario, Sir John Macdonald in 1871 instructed Colonel Dennis, who is not a lawyer, and who moreover had never seen at the time the mass of documentary evidence subsequently printed, to make a report determining the boundaries. Col. Dennis did make such report on 1st October, 1871, and on 11th March, 1872, Sir John Macdonald recommended that a draft of instructions in conformity with Col. Dennis' report should be transmitted to the Ontario Government. He did not even take the trouble to verify the fabricated quotation from the Hudson's Bay Company's charter. Surely if Sir John Macdonald believed Colonel Dennis competent to determine the boundary he is not in a position to declare the arbitrators wholly incompetent.

We will venture to throw out a remark in conclusion that may or may not be worth the consideration of the contending parties. Let it be left to a single arbitrator in whom both should have confidence to settle the mode of a reference to the Judicial Committee, and the documents to be laid before them, and the temporary arrangements for the government of the territory. Such an arbitrator might be found in the Marquis of Lorne, acting, of course, not on the advice of his Ministers but on his own responsibility. We believe that all reasonable men ought to be satisfied with such a proposition, which would, if promptly acted on, ensure a speedy decision. It ought to be clearly understood that the Imperial Parliament would undertake to confirm the decision arrived at, should the Dominion Parliament refuse to do so.

THE NATIONAL BANKS OF THE UNITED STATES.

Mr. R. W. Barnett, a London banker of eminence, has recently read before the Bankers' Institute of that city a paper on the constitution and progress of the National Banks of the United States, which has naturally attracted notice on this side of the Atlantic. It cannnot be uninteresting to Canadians to learn the opinion of a highly competent banker on institutions which are often held up as models for general adoption. Mr. Barnett declares himself indisposed to relinquish the English maxim that "in commerce "government assistance and interference "are highly undesirable," and yet he finds in the United States "upwards of "2,000 commercial and financial institu- "tions which owe their inception and "establishment entirely to a special "statute, and whose mode of doing busi- "ness is prescribed at almost every point, "and checked at every turn by the law." While declining to cede his own opinions as to the general provisions of the United States law, Mr. Barnett admits that the success of the National banks must be accepted as proof that they were well suited to the circumstances under which they were adopted. Although the system has only been established about twenty years, there are already 2,132 banks having paid up capitals of £92,764,000 sterling, deposits £216,000,000, and notes in circulation for upwards of £64,000,000. The operations of these banks have been so far profitable that they have paid dividends on the large capitals already quoted averaging from 7½ to 10 per cent., besides accumulating reserve funds amounting to over £25,000,000 sterling, and holding undivided profits to eleven millions more.

Mr. Barnett points out that the national bank system was the outcome of the war of secession, and he gives an interesting account of the diverse systems of banking and currency which had been the constant cause of loss and annoyance. The various schemes started prior to the civil war, including the Bank of the United States, the State banks, some of which were under the "safety fund" system, and the free banking, had none of them much success. In 1853 the Governor of Indiana in his message referred to the frauds committed on the public in the following terms:—"The speculator comes "to Indianapolis with a bundle of bank "notes in one hand and the stock in the "other, in twenty-four hours he is on his "way to some distant point of the Union "to circulate what he denominates a legal "currency authorized by the Legislature "of Indiana. He has nominally located