words of that article, those words having been agreed to by both parties and having been inserted in a treaty ratified by both Governments.

ART. 4.—Should either Government deliver to the referee a statement of its case, a copy thereof shall be at the same time communicated to the other party through its representative in Switzerland, together with a copy of all papers or maps annexed to such statement. Each Government shall moreover furnish to the other, on application, a copy of any individually specified documents or maps in its own exclusive possession relating to the matter at issue. Each party shall be at liberty to draw and lay before the referee a final statement, if it think fit to do so, in reply to the case of the other party, and a copy of such definite statement shall be communicated by each party to the other in the same manner as aforesaid. The two high contracting parties engage to use their best exertions to place the whole of their respective cases before the referee within twelve months after the exchange of the ratifications of the present treaty.

ART. 5.—The Ministers and other public agents of Great Britain and of the United States at Berne shall be considered as the agents of their respective Governments to conduct their case before the referee, who shall be requested to address all his communications and give all his notices to such Minister or other public agents, whose acts shall bind their Governments to and before the referee in this matter.

ART 6.—It shall be competent to the referee to proceed in the said arbitration, and all matters relating thereto, as when he shall see fit, either in person or by a person or persons named by him for that purpose, either with closed doors or in public sitting, either in the presence or absence of either or both agents, and either *viva voce* or by written discussion, or otherwise.

ART. 7.—The referee shall, if he think fit, appoint a secretary, registrar or clerk, for the purpose of the proposed arbitration, at such rate of remuneration as he shall think proper. He shall be requested to deliver, together with his award, a statement of all the costs and expenses which he may have been put to in relation to this matter, and the amount thereof he shall forthwith be paid in two equal portions, one by each of the two parties.

ART. 8.—The referee shall be requested to give his award in writing as early as convenient after the whole case on each side shall have been laid before him, and to deliver one copy thereof, signed by him, to each of the said agents.

ART 9.—The respective parties formally engage to consider the decision of the referee, when given, as final and conclusive, whether such decision shall be a positive decision as to the line of boundary intended by the true meaning of the words of article 1, of the treaty of 1846, or whether the said referee, being unable to give such positive decision, shall give as a decision a line of boundary as the nearest approximation to an accurate construction of those words, and as furnishing an equitable solution of the difficulty, and such decision shall, without reserve, be carried into immediate effect by Commissioners to be appointed for the purpose of marking out the line of boundary in accordance with such decision of the referee.

ART. 10.—The present treaty shall be ratified by Her Britannic Majesty and by the President of the United States by and with the consent of the Senate thereof, and the ratifications shall be exchanged at London as soon as may be within twelve months from the date hereof.

In witness whereof the respective Plenipotentiaries have signed the same, and have affixed thereunto their respective seals.

Done at London, the fourteenth day of January, in the year of our Lord one thousand eight hundred and sixty-nine.

REVERDY JOHNSON.
CLARENDON.

SEPARATE ARTICLE.

It is understood between Her Majesty the Queen, and the United States of America, that the treaty concluded between them on this day, shall not go into operation, or have any effect, until the question of naturalization now pending between them, shall have been satisfactorily settled by treaty or by law of Parliament, or by both, unless the two high contracting parties shall in the meantime otherwise agree. The present separate article shall have the same force and effect as if it had been inserted, word for word, in the treaty of this date. It shall be ratified, and the ratifications shall be exchanged at the same time as those of the treaty.

In witness whereof the respective Plenipotentiaries have signed the same and have affixed thereto their respective seals.

Done at London, the fourteenth day of January, in the year of our Lord one thousand eight hundred and sixty-nine.

REVERDY JOHNSON.
CLARENDON.

THE GREATEST AMERICAN RAILWAY.—The Pennsylvania Railroad has at last effected the actual consolidation with it of its two main Western connecting routes. The Pittsburg, Fort Wayne and Chicago, and the Pittsburg, Cincinnati and St Louis roads, thus become practically a part of the Pennsylvania Central, and over 1 000 miles of railway, stretching from the seaboard to the great cities of the Mississippi valley, pass under the control of a single corporation. The nature of this gigantic combination, effected by the great Pennsylvania line while ours are busy feeing lawyers and procuring injunctions, may be better comprehended in the light of the fact that it brings under one management property valued at $280,000,000, and reaches for freight and passengers from Philadelphia to Chicago, Cincinnati and St. Louis.—*New York Paper.*

INSOLVENCY.

IMPORTANT DECISION IN ONTARIO.

IN THE MATTER OF THOMAS HAWORTH, AN INSOLVENT.

APPLICATION, on behalf of the above insolvent, by Mr. Strong, Q.C., for the confirmation of a deed of composition and discharge, executed in pursuance of the Insolvent Act of 1864. The deed was made between Thomas Haworth, of the first part, W. T. Mason, of the second part, and the several persons, creditors of the said Thomas Haworth, of the third part, and recited that the insolvent had made an assignment of all his estate and effects to W. T. Mason, Esq., official assignee; that he had proposed to pay his creditors fifty cents on the dollar, giving them his own promissory notes, payable in 4, 8, 12, 16 and 20 months; that a majority in number and three-fourths in value had agreed to accept said offer, and to authorize the assignee to re-assign the estate to him. Covenant by insolvent to deliver to the assignee the said notes immediately after the execution of the deed by the requisite number. Covenant by assignee to distribute the notes. Release and discharge by parties executing the deed for themselves and all other creditors. Proviso, that in case any of the notes should not be paid at maturity, the original debt shall revive, and be recoverable as if no need had been executed. Consent by parties executing to the confirmation of the deed so soon as the convenants and conditions of the deed have performed, and to the re-assignment of the estate to the insolvent. Covenant to idemnify the assignee against loss or damage. Proviso, that the deed shall be void unless executed by the requisite number within two months from date. The total amount of liabilities was $52,119.45. The deed required to be executed by creditors representing three-fourths of that sum, or $30 089.58. It purported to be executed by $39,400, and the insolvent, therefore, claimed his discharge.

Mr. Wells (Blake, Kerr & Wells), on behalf of Henry Mulholland, Esq., and other creditors, opposed it, upon the following, amongst other, grounds:—

1. Many of the creditors, who have executed the deed, have not proved their claims, and it is impossible to tell, with certainty, whether the requisite amount is upon the deed or not. Doria & McCrea, 745; Abbott's Insolvency Act. '61; Act 1864, sec. 3 sub. 24; sec. 5 and sub. 5; sec. 11 and sub. 4. Form K.

2. One claim or $2,648 is secured by mortgage, and should be deducted. Act 1864, sec. 5. sub. 4 and 5; sec. 9 and sub. 5; Act 1865, secs. 18, 21 and 22. The English rule upon this subject, as settled by recent cases, does not apply, there being no provision in the English Bankruptcy Act similar to that in our Act.

3. The amount due to the Bank of Toronto, and for which they signed the deed, was $5,820. This liability consisted of customers' notes discounted by the insolvent at the bank. Since the execution of the deed it has been reduced by payments, made by the makers, to $1,840, which is the amount for which the bank really sign. The requisite amount has not, therefore, been obtained.

4. Neither the insolvent nor the assignee have executed the deed. It should have been a perfect deed at the expiration of two months from its date.

5. The covenants, as to the delivery of the notes to the assignee, and the distribution of them by the assignee, have not been performed. The creditors only consent to the confirmation of the deed, so soon as conditions have been performed.

6. The insolvent has no right to exact covenants from his creditors. Dill v. King, 12 W. R., 280. If this deed is upheld, the minority, who have not executed it, and who oppose it are bound to indemnify the assignee against loss. The deed is bad on this account alone.

7. The creditors who executed the deed were misled as to the value of the insolvent's estate. The leasehold, which was erroneously valued in the statement submitted to them, at $300, is, according to the evidence, worth $6,000.

8. The clause as to the original debt reviving in favour of any creditor whose note might not be punctually paid, avoids the deed, since, by collusion, any creditor might be paid in full, to the prejudice of the rest. *Ex parte* Cockburn, 12 W. R. 184.

His Honour Judge Boyd delivered the following judgment:—

The insolvent made an assignment of all his estate and effects to W. T. Mason, an official assignee for the County of York, on the 19th day of June, 1868. On the 30th June, 1858, the insolvent obtains a deed of composition and discharge, executed by many of his creditors, and came before me to confirm the said deed of composition.

Mr. Wells appears on behalf of certain creditors opposing the confirmation of the deed.

Mr. Strong, Q.C., and Mr. Bell, Q.C., appear for the insolvent.

There are four objections amongst those raised in the argument, which are in my opinion sufficient to prevent my asserting the validity of the deed of confirmation and discharge.

The 1st is, that there are not three-quarters in value of the liabilities of the insolvent represented in the deed of composition.

2nd. That secured creditors should not rank in the deed for the full amount of their claim; but that the amount or value of the security should be deducted, and that they should only rank for the difference.

3rd. That the covenant in the deed of composition where the creditors are made to indemnify the assignee, invalidates the deed as it binds not alone those who have executed it, but those who have not become parties to it.

4th. That it appears by the affidavit and statements of the cashier of the Bank of Toronto, that their claim is now reduced from $5,820 to $1,840.98.

On the 1st and 2nd objections, I have come to the conclusion that there is not a sufficient number of creditors in value who have executed the deed of composition to satisfy the 19th section Insolvent Act of 1864. I have arrived at the opinion, from the language of the Insolvent Act of 1864, that the second creditors should only rank on the estate of the insolvent for the difference between the value of the security and the total amount of his claim. In support of this view, I refer especially to section 5, sub. 4, and sec 9, sub. 5 of the Insolvent Act of 1864. I cannot see any clause in the Imperial Act of 1861, corresponding to sec. 5, sub. 4 of our Act.

3rd. I think that the clause indemnifying the assignee for immediately acting on the deed of composition and reassigning the said estate, invalidates the deed as it would bind not only those who have executed the deed, but those who oppose it; and it is necessary that no burden should be put on those consenting to become parties to the deed. The case of Dill vs. King, 12 W. R., 280, is strongly in support of this view.

4th. The affidavit, with statement annexed of Mr. Hague, Cashier of the Bank of Toronto, filed in this matter, clearly shows that the claim of the bank on the estate is now reduced from $5,820 to $1.840, and therefore they should only rank for the sum of $1 840. This done, the amount represented by those creditors of insolvent who have executed the deed would be reduced to less than the required three-fourths. Without entering into the other objections raised on the argument, I have therefore come to the conclusion to withhold my consenting to the validity of the deed of discharge.

Thereupon the following order was read:—

Upon motion made, &c., and upon hearing what was alleged by counsel, &c., I do order that the said motion be refused with costs, to be taxed as between solicitor and client, and paid by the said assignee to the said H. M., as his solicitors forthwith, out of the estate in the hands of the said assignee.—*Globe.*

COLONIZATION.

A new scheme to meet the case of French Canadians returning from the United States.

MR. MARCHAND is almost daily in receipt of letters from Canadians in the Eastern and Western States—mechanics, factory operatives and farmers—in which they express an ardent desire to return "home," as they call the Province of Quebec. These people have left this country at different times within the last ten years, but instead of realizing the bright prospects which allured them from the land of their birth they have had to encounter high prices, heavy taxation, and in many cases the scorn and rebuffs of their go-a head Yankee neighbours. Mr. Marchand is the Moses who is to lead them back to the land of promise. That gentleman has propounded a scheme which will meet their case, which, in his opinion, will also promote colonization and immigration generally, without giving special privileges to any class, or trenching unduly upon the revenue of the country. His scheme has at least the merit of novelty. What other merits it may possess, the reader can judge for himself. In brief his proposition is to abolish the present immigration agencies in the Province, and to place the whole matter in the hands of the County Agricultural Societies—in other words, giving these Societies power to form themselves into Colonization Societies. The government grants for colonization purposes are to be placed in the hands of these societies, and to each of them a certain tract of Crown lands is to be assigned, which it will be its duty to open up, to give every information to the people of its county, and to others, concerning the locality and quality of the lands under its care, and generally to afford every facility to persons desiring to settle on them. A resident agent might be appointed in each new settlement, whose duty it would be to point out the land to intending settlers. The benefits claimed for this scheme are:—1. An economical and productive outlay of the colonization money, the officers of each society being directly responsible to its member for every dollar expended, the funds of the society would likely be put to the best use. 2 It will place information respecting the wild lands of the Province with easy access of the residents of all the old settled counties, and through them to their friends in other counties. 3. It will cause the whole Province to feel a deeper interest in the settlement of the Crown lands. 4 As a result of all these benefits it will stay the tide of emigration now pouring from every county in the Province into the United States, and induce the young men of the old counties to seek a home in the new unsettled districts and thus greatly tend to the opening up of the country, and the development of its natural resources. This scheme will be submitted by Mr. Marchand to the Committee on Colonization, where it will, no doubt, receive a cordial and careful consideration.—*Quebec Cor. Montreal Daily News.*

ENGLISH GRAIN MARKETS.—The *Mark Lane Express* of the 4th inst., in a review of the grain trade of 1868, thus describes the present position of affairs: We have seen a heavy reduction in prices, when wheat was, and even now is, selling at less than barley, till a large consumption for cattle food and other purposes has brought some reaction, which we expect to be permanent, with a further rise in spring. Barley has turned out less than expected, and is thought to be nearly exhausted. Oats appears still more deficient notwithstanding the high prices paid; and were it not for foreign help in beans and peas both would be much dearer. The complaint from many quarters now is "we have nothing to send but wheat;" and with rising market there is still likely to be less, as it is the farmers' banking stock and his only chance. The past week has continued to show great firmness for the time of year, with a rise of fully 1s. per quarter. France has exhibited something of an upward movement in prices, as well as Belgium, and in New York the tendency is to improvement, only checked by rising freights.