

guarantee securities. It must, however, be borne in mind that there would be besides these, \$5,500,000 of Dominion securities to represent the other 50 per cent. We confess that our remarks on the proposed scheme are submitted with diffidence, as we do not perceive how any large increase to the circulation of Dominion notes can be obtained until after the expiration of the present Bank Charters, and we do not understand the distinction between Dominion guarantee securities and the Dominion bonds now held as reserve. While on the subject we may observe that the Dominion note statement would be more satisfactory if it gave the gold and Dominion securities, showing that they were together equal to the circulation.

THE BOUNDARY QUESTION.

In a few weeks it will be 210 years since a very indefinite grant of territory and trading privileges was made by King Charles the 2nd to the Hudson's Bay Company. From the grant of the charter to the present day a constant warfare has been carried on, on the subject of the company's claim to territory, for the first century with the French, and in modern times with Canada, as constituted after the conquest by the Imperial Parliament. It was hoped that when the Canadian Dominion had acquired the rights of the company, by the surrender of the entire territory to the Crown, there would have been an end to these controversies, but, sad to relate, the difficulties appear to be more formidable than ever, if we may judge from the speech of the Lieut.-Governor of Ontario at the close of the late Session, and from the resolutions adopted by the Legislative Assembly of that Province with unusual unanimity. The subject has become one of great importance, although we hesitate to adopt the opinion which seems to be entertained by the opposition, that the committee selected by Mr. Dawson, M. P. for Algoma, is intended as a screen for the Dominion Government. We shall endeavor to present fairly to our readers the points in controversy. An evening contemporary has affirmed that all statesmen, including the particular statesmen who framed the British North America Act, believed that the northern boundary of old Canada "followed the watershed of the St. Lawrence Valley," and he has furnished a map giving "the old line of Ontario," which is in accordance with the extreme pretensions of the Hudson's Bay Company. Now ten years before the passage of the British North America Act, the Government of Canada,

Sir John A. Macdonald being Attorney General, accredited the late Chief Justice Draper to the Imperial Government, to protest against those very pretensions of the Hudson's Bay Company, which it is now alleged were admitted at the time of the passage of the British North America Act. At that time Mr. Cauchon was a colleague of Sir John A. Macdonald and Commissioner of Crown Lands, and he prepared an elaborate memorandum on the subject of the boundaries, and most assuredly did not admit the above described claim of the Hudson's Bay Company. In 1857, a committee was appointed by the Canadian Assembly to collect evidence as to the rights of the company, and among the witnesses examined was Mr. W. McD. Dawson, brother of the member for Algoma, the chairman of the Committee of 1880. That gentleman stated that he had made this subject "a particular object of study for many years." Referring to the decision of 1818 in Quebec, which is chiefly relied on in support of the line due north from the confluence of the Ohio and Mississippi Rivers, Mr. Dawson said: "I hardly think that any 'surveyor, geographer or delineator of boundaries of any experience or scientific attainments would concur in that 'decision.' And again referring to the boundary said to have been recognized by the framers of the British North America Act, the watershed of the St. Lawrence, he said "for which there is no earthly authority except themselves."

PROTESTS OF CANADA AGAINST HUDSON'S BAY COMPANY.

At the time when Canada, represented by the Government of Sir John Macdonald was making a vigorous protest through its Crown Lands Commissioner, Mr. Cauchon, and its able representative, Chief Justice Draper, against the indefensible claims of the Hudson's Bay Company, it was a unit, but the disputed territory formed part of the old Province of Upper Canada, and if the pretension of Sir John Macdonald's Government was just in 1857, it would be part of Ontario now. In 1869, Sir George Cartier and the Hon. Wm. Macdougall, members of Sir John A. Macdonald's Government, visited England to contest the territorial claims of the Hudson's Bay Company, so that it would be hardly possible for any one to be more thoroughly committed against those claims than the Dominion Premier. It is possible that Sir John A. Macdonald may hold the opinion that, whereas, in 1857 and 1869, he was bound to maintain the boundary that would give most territory to Canada, he is, now that the entire territory of the Hudson's Bay Company has been surrendered to the Dominion, equally bound to

maintain a contrary view. One thing, however, is clear, which is, that if Canada was right in 1857 and in 1869, the Dominion is wrong in 1880 in affirming the old pretensions of the Hudson's Bay Company, which, as Mr. McD. Dawson most correctly stated, have "no earthly authority except themselves." The probability is that Sir John A. Macdonald has never been able to devote much time to the study of the boundary question; indeed, in noticing in his late speech some articles on the subject which appeared in this journal in 1878, he attributed them to a journal which has no existence, the Monetary Review. He seems to be under the impression that the arbitrators adopted a "conventional boundary," which is generally understood to mean a compromise between conflicting claims. There is nothing in the award which was published in this journal at the time to lead to the supposition that it was a compromise.

THE WESTERN BOUNDARY.

The really important point for decision is the western boundary, which it is pretended by some is a line drawn due north from the confluence of the rivers Ohio and Mississippi. It must be borne in mind that by the treaty of peace between Great Britain and France, concluded at Paris in 1763, it was agreed that "for the future the confines between the dominions of His Britannic Majesty and those of His Most Christian Majesty in that part of the world shall be fixed irrevocably by a line drawn along the middle of the River Mississippi, from its source to the River Iberville, etc."

During the war which preceded the conquest of Canada, the territory west of the Alleghany mountains, comprising portions of Pennsylvania and Virginia and the territory now comprised in the States of Ohio, Kentucky, Tennessee, Indiana and Illinois, were a battle field for the rival powers and the Indian tribes which supported them. It is important to bear this in mind in considering the Act of 1774 which was passed during a very critical session of the Imperial Parliament, along with the Boston Port Act and two other coercive Acts. In the following year, 1775, the revolutionary war had commenced. The expressed object of the Act of 1774 was to make provision for the administration of Civil Government in the new territory acquired by Great Britain from France. The bill was introduced, and carried through the House of Lords, and the territory was defined thus: "All the said territories, islands and countries heretofore a part of the territory of Canada in North America, extending southward to the banks of the river Ohio, westward to the