

confess that we are unable to grasp its precise meaning. We had no occasion to discuss the mode by which the leading banks effected the withdrawal of several millions of dollars which had been employed in New York, and there is no dispute as to the fact. The *Gazette* takes exception to our remark that "call loans in Montreal or Toronto are just as available as those in New York," on the ground that "call loans in New York are made in gold, call loans in Montreal and Toronto are made in credit." This certainly is a most extraordinary remark, and necessitates the enquiry, "Has there been a suspension of specie payments in Canada?" Every loan paid to a Canadian bank is in cheques or notes payable in gold, or legal tenders convertible into gold on demand. It is true that there is a factor of some importance to be noticed, which is that the gold which would be tendered in Canada would probably be sovereigns and not half-eagles, and that their conversion into New York funds would involve a loss. This, however, would merely affect the rate of exchange. The *Gazette* again is mistaken in assuming that the twelve millions withdrawn from New York will be found under the head of "discounts," for it is notorious that there has been a large increase in the loans for which collateral security is held, an increase about equal to the amount withdrawn from the United States. With their large liabilities the banks cannot avoid holding a large amount of securities more readily convertible than their ordinary discounts. We, of course, are well aware that the discounts and other assets have likewise largely increased, such being the necessary result of the great expansion of circulation and increase of deposits. The *Gazette* seems to doubt the ability of the Canadian borrowers to meet their engagements, a question into which we did not enter, and which we should have imagined would not have been raised by one who has such an implicit faith in Canadian prosperity. We, however, emphatically protest against the statement that the loans in New York can be treated as gold, and those in Canada as mere "promises to pay." Both are precisely on the same footing, and if not then the inevitable consequence is that Canadian bankruptcy is impending, which we sincerely hope is not probable.

#### THE QUEBEC BOUNDARY.

The recent utterances of the Quebec Premier, Mr. Mousseau, are calculated to give prominence to the question of the disputed Quebec boundary, and more

especially as the individual who from his position is most bound to advocate the rights of the Province, of which he is first Minister, has made admissions which, although inconsistent with other statements from the same mouth, are nevertheless calculated to damage the Quebec claim. Hitherto the Ontario boundary claim has chiefly occupied public attention, owing to the fact that in that Province there is a disputed boundary on the West as well as on the North, and that circumstances rendered it important that the Western boundary should be speedily settled. The determination of the Western boundary of Ontario is simple comparatively to that of the Northern boundary, but the dispute as to the Northern is common to Quebec and to Ontario. A brief explanation will, we are inclined to think, satisfy all impartial enquirers on this head.

The definition of the boundaries of the old Province of Quebec, which was subsequently divided into the Provinces of Upper and Lower Canada, was made in the Imperial Statute passed in 1774. It is a matter of notoriety that when that Act was passed, the Province of Quebec embraced a large territory which was surrendered to the United States by subsequent treaties. It is admitted by the contending parties that the true and legal boundary was that defined by the Statute referred to, and that the difference between them is as to the construction of that part of the Act which establishes the Western boundary—one party claiming that the River Mississippi was the boundary from its source, the other that a line drawn due North from the confluence of the rivers Ohio and Mississippi was what was intended. Now the point at issue is simply as to the true construction to be placed on a Statute which, owing to well-known circumstances, was very loosely drawn. There are plenty of instances familiar to Canadian statesmen of similar confusion arising from precisely the same cause. A measure is prepared carefully by a Government, and submitted for the adoption of Parliament. During the discussion in Committee of the whole House an amendment is suggested which is deemed unobjectionable, and a clause is introduced to give it effect. This clause is perhaps hastily drawn, and is found to conflict with other clauses of the bill, and to give rise to doubt as to the intention of the Legislature. A case in point may be cited. In the Banking Act the loaning powers of banks were defined in the original bill in general terms, but such as were amply sufficient. While the bill was in Committee a member was anxious to

make sure that certain powers were conferred as to making loans, and although they were fully covered by the original clause, he succeeded in procuring the insertion of the special powers which he wished to have conferred. The consequence was that it was afterwards held by the Courts that the banks were limited to the special powers indicated in the amendment.

The Quebec Act of 1774 as introduced by the Government was not open to the least doubt, and was amply sufficient for the object which Parliament had in view. Mr. Burke was apprehensive that it might possibly enable the Government, in which he had no confidence, to transfer to Canada some territory of the State of New York for which he was the paid agent, and he pressed for a more specially defined boundary, to which the minister had no objection, but a hastily drawn description made while the committee was sitting, and in the course of a few minutes, has led to a serious controversy on a point which was never in dispute at the time.

The real boundary difficulty is the question of the extent of territory which belonged to the Hudson's Bay Company at the time of the conquest of Canada by Great Britain. The Province of Quebec has precisely the same boundary as Ontario, although hitherto the controversy has been carried on as if Ontario alone was affected. The Quebec Premier has at a recent interview stated to a reporter of the *Toronto Globe* his views on the subject, and it would require the aid of a Philadelphia lawyer to find out precisely what his opinion really is. He states: 1st. "The Northern boundary has never been defined." Now the Imperial Statute of 1774 declares that the Northern boundary of Quebec, which then embraced the present Provinces of Ontario and Quebec, should be the southern boundary of the Hudson's Bay territory. Mr. Mousseau proceeds to state secondly: "There is no territory northward of Quebec of any value that we do not already possess," which is followed up by a third statement that: "if the case of the Dominion had been properly managed," no territory north of the height of land would have been awarded to Ontario. These certainly are very remarkable statements for a French Canadian to make. Mr. Mousseau may have some private information as to the territory north of the height of land eastward and westward of the boundary line, and may possibly have been assured that all of it in Ontario is good timber land and all in Quebec utterly valueless. On this point we do not profess to have any information; but what we do know is