

...been chosen to pay... in the pound, notwithstanding the unprecedented depression of all kinds of money securities and real estate in this city. Bank Stocks fell from 20 to 60 per cent below their former rates; the loss upon this species of security alone, which has been considered the best, being nearly £7000, equal to 15½ per cent upon the amount invested; so that had all the assets of the Bank been of this description, the loss would have been much greater. Real estate, in many cases, fell to less than half its former value, and, in other cases was altogether unsaleable, whilst many also, of the personal securities to the Bank became insolvent. The successful winding up of the Institution, the Trustees, however, attributed, as a great measure, to the adoption of a system of transfer of mortgages to the depositors, wherever it could be done with advantage, and the consent of parties. These transfers were all made at the rate of 90 per cent,—10 per cent being reserved as the estimated amount required to meet the ultimate deficiency. On the propriety of this course, which has been impugned, and the general management of the Bank since its suspension, the Trustees would call attention to the copy of a letter from three of the Cashiers of Banks in this city, with a note from Hugh Allan, Esq., President of the Board of Trade, which will be found below.

At the time of the suspension upwards of £100,000 was due to the Bank by mortgage on real estate, in addition to £88,000 in Stocks, and had the Directors proceeded in the ordinary course to collect the monies secured on real estate, so much property would have been brought into the market, as greatly to depreciate its value, and result in a ruinous loss to the Depositors; and to any one who knows the delays incident to the collection of debts in Lower Canada, it will be apparent that the course followed by the Trustees, was the most judicious that could be adopted.

In order to meet the money borrowed during the "run," and the first dividend of 4s. in the £ to the Depositors, the sum of £64,000 had to be provided, and to obtain this, nearly all available securities had to be pledged to the Banks which made the necessary advances. In consequence of the large privileged amount thus requiring to be met, and the difficulty experienced in realizing the assets, it will be easily seen that a considerable time necessarily elapsed before a second dividend could be paid.

It was, therefore, not until November, 1850, that by the sale of £23,800 Road Bonds to the Government, at a comparatively small discount, the Trustees were able to clear off all advances and declare a second dividend. This amounted to 7s per £, and was followed in April last by a third of 5s, which, with the present one of 2s, makes, including the first dividend, a total of 18s per £, on the amounts due at the Bank's suspension.

Appended is a statement shewing in figures, the affairs of the Bank. It will be seen that the assets on hand are estimated to realize £13,393 18s 10d of this amount, £8,500 can be shortly realized, and as experience shows that the Depositors do not all come forward at once, to claim their dividends, the Trustees have not hesitated to declare the dividend, believing that the other assets can be realized as the payments are needed.

Before concluding, the Trustees feel called upon to notice the course adopted by some of the depositors in this city, no doubt influenced by certain parties whom they (the Trustees) had to sue as debtors to the Bank. But in doing so, they do not desire to impute other motives to those persons than their actions warrant. That course has been to throw discredit on the Bank, impugn the good faith of the Trustees' statements, impede the collection of debts, and induce depositors to sacrifice their claims. The case of the depositors who were thus led astray, is, doubtless, a hard one; but, with the exception of a few who may have been compelled by necessity, and for whom none can feel more deeply than the Trustees, they would not thus have suffered had they not chosen to believe the misrepresentations of irresponsible persons rather than the statements of the Trustees, which have been verified to the letter, and who had no object whatever to serve, except the right discharge of a duty which they had undertaken for the public good.

The Trustees would only further add in connection with these proceedings, that they cordially acquiesced in the appointment of a Commission of enquiry appointed by Government as prayed for by the parties above referred to, believing that it only required an impartial investigation into the management of the Bank to set their conduct right before the Depositors and the public. On the appointment of the Commissioners, every Book and paper was placed at their disposal, and every facility afforded them; and it was hoped that they would have proceeded with dignified impartiality to the investigation of the truth. On the contrary, however, they had scarcely commenced when the chairman distinctly stated that the object of himself and the Commissioners was to make the directors personally liable, and the Trustees are prepared to prove that all the subsequent proceedings of the Commissioners had in view the same object, namely to inculpate them and their predecessors, and to promote the end and objects of their accusers. In fact, the Commissioners have allowed themselves to become prosecutors instead of, as the nature of their appointment required, impartial investigators.

The Trustees make these statements to guard the minds of Depositors against the conclusions and opinions expressed in the Report of the Commissioners now ordered by the Legislature to be printed, and which may be in circulation before the opportunity which the Trustees have sought from the Legislature, of proving its contents to be most one-sided and unfair, can be afforded them.

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