

Mr. Boulton's Charges.

and which, if not paid, may involve the loss of the whole security. I called the Society's attention to this fact in February, but at the last meeting of the Society in May, I learnt that the taxes had not yet been paid.

37. The mortgage from the Hamilton and Port Dover, Railway for £12,500, although one that the Society should never have taken for such an amount has, fortunately, turned out better than any of the manager's securities, as it was realized I believe, last year for the sum of £10,000; and this sum, with others realized from the manager's securities, appears, by a late report, to have reduced his debt to the society to £22,350, for which I consider the remaining securities totally inadequate.

38. The manager gave also, as collateral security, a joint bond, signed by himself, S. B. Harman, and W. Schreiber, to secure 8 per cent interest on £25,000; and one of the Hon. H. J. Boulton, to secure 8 per cent. on £10,000, and policies of life assurance for £10,000; what the cash value of these collaterals may be, I leave others to judge.

39. As previously stated, the managers reported in June 1861, that the debentures then held amounted to £163,478 7s. 7d., or about £6,900 more than in the above list. The Committee appointed to examine and report on the securities in 1862, report the debentures then held to amount to £153,819; whilst the Trust Committee, in their printed report for that year, state them to amount to £161,428 15s. 11d., or about £7,500 more than the special committee discovered. There is no explanation of this discrepancy in the statements for 1861 and 1862, but one is evidently required.

40. I feel that I may justly assert that the special committee appointed to examine and report on the cash value of the various securities, did not properly discharge their duty. I have shewn that they reported as fact what was incorrect; but they did more, they reported, as above stated, that the manager's securities left a margin affording ample security for his debt. This statement was made at the beginning of the report, but at its conclusion they state, that by a subsequent arrangement with Mr. Cameron, to insure his life for £10,000, he is only bound to pay 7 per cent for the future; so that the security which was declared to leave an ample margin is found, during the meeting, to be so defective as to require £10,000 additional security, and that, not at the debtor's expense, but at the expense of the Society, which by this reduction of interest has to pay £320 per annum to make an ample security

Statement of Committee.

it will pay nearly the whole of the original purchase money and interest. Less than 200 acres have been sold for taxes, and that sale is not contested; none of the lands can be sold for more than two years, and the committee will take care that any arrears more than be due will be protected, if not paid this reduction of the purchasers of the land.

37. The Hamilton and Port Dover mortgage secured not only on the station grounds at Hamilton, but by a registered judgment and executed over the whole road, upon which some £200,000 had been expended. The interest was punctually paid on it for all but two years of the time:—"C" was held by the society. The property of the trust valued by the Special Committee at only £7,000, but it was very soon after sold by Mr. Cameron for £10,000.

38. Mr. Cameron gave the bonds, to secure interest, at the time the mortgages were given in 1857. The life policies for £10,000 sterling were given at a subsequent period, as an additional security to the trust, to meet any depreciation of the securities.

39. There are no discrepancies, as explained above. The difference arose from the different manner in which the securities were classified by the Special Committee and the Trust Committee.

40. The Trust Committee have full power under the by-law to agree for the rate of interest on investment, and they proposed to Mr. Cameron the reduction of the rate of interest to 7 per cent if he would insure his life for £10,000 sterling. The premium of insurance costs Mr. Cameron 1 per cent, or ½ per cent more than he paid, when he was paying interest at the rate of 8 per cent

more ample security than Mr. Cameron's is, so that if he loses £320 per annum more to keep the reduction of interest, it is withheld, and has power to say it was a proposition. 41. The committee includes with "C" the property of the trust amounting to £66,000. The committee is satisfied with the appointment of securities, their property should be security when this. But as report could be made after paying 9d., Mr. Cameron, and the Committee for Messrs. Gamble fund amount to £2,000 difference. 42. As to securities, I Yonge street £620 per annum the interest which, after will leave a instead of 7 mortgage on duces nothing for taxes, an increasing at these are no will be made duce little or the taxes on The security and Huron T branches, yield The collateral In all, there exceeding £1 cent on £22, if the life a