

pleted, naturally wished to make the most of the bargain—unauthorized as it was, and the inference Mr. Morris draws from Mr. Harper not having telegraphed his disapproval, is in their judgment wholly unwarranted.

Mr. Morris would have the readers of his pamphlet believe that the purchase of Exchange was of the greatest consequence to the Bank, and very profitable. That it was *necessary* to the Bank has been already shown to be erroneous, and it will not be difficult to show, that the profit, if any, was trifling. As stated before, we had funds in New York whence to remit to cover the British accounts, and there was ample time, (two months), to complete arrangements for this object. There was no gain in the shape of interest—indeed that was rather a loss, as the rate of interest in London was under 3 per cent.,—as previously stated also. Even had the Board decided to take Government Exchange at 11 per cent., an unnecessary loss of commission was incurred by Mr. Morris's not waiting to know what disposition of the Exchange might be preferred by Mr. Harper, as the greater part would have been taken in small sums to sell again, without going through the London Account.—Again on the 25th May, our Agent in New York advised the rate there 10 per cent., and the demand not animated, and on 5th June it declined to $9\frac{1}{2}$ per cent. *a* $9\frac{3}{4}$ per cent. Mr. Morris quotes rates of Exchange at Toronto $12\frac{1}{2}$. This could only be obtained for discounts of long dated paper. On 27th May, Mr. Cameron could only obtain $11\frac{1}{2}$ on settlement of balances with other Banks, which is the proper regulating basis upon which a Bank should determine purchases of Exchange.

To return to the statement of facts. On receipt of Mr. Morris's Telegraph, advising purchase,