

of record in the Attorney General's office, and had been referred to in correspondence with him on several occasions, when ineffectual demands were made by the Institute for payment of the balance of the costs for which he held security. And it cannot be supposed that the Attorney General would have given his consent to the new suit, had he been aware that the charges it contained had already been disposed of.

Be that as it may, however, the balance of costs remaining from the old suit in 1879 was paid in December last on behalf of the Attorney General, that being a necessary preliminary to the institution of the new proceeding, which was then immediately taken out and served upon the Institute.

The charges made by Mr. Fraser in the name of the Attorney General, impute to the Governors dishonesty and maladministration of the grossest kind. The leading points may be summed up as follows :—

1. The reception by the executors and trustees, of large sums of money which were not entered in the accounts rendered by them to the Institute.

2. The alleged payment of large sums of money by the executors and trustees, which were not actually paid by them.

3. The falsification and suppression of the accounts prepared by Messrs. Riddell & Evans; and the substitution of false and fraudulent accounts prepared for the purpose, at the instance of the trustees and executors.

4. The mismanagement and sacrifice of the Merchants Bank Stock left by Mr. Fraser, from which heavy loss had accrued to the fund.

5. Speculation and dealing in real estate by the Governors, from which also a large loss had resulted to the trust.

6. The mismanagement and neglect of the property of the trust, by which the revenues had been greatly reduced; and finally,

7. It was charged that by these means the fund had been so reduced that it was no longer sufficient to carry out the objects of the testator; and that by the unnecessary and improper delay of the trustees and Governors in opening the Institute, the charter had been forfeited.

From a legal point of view it will be obvious that the only charge contained in this voluminous indictment, which affected the charter of the Corporation, was the last one. But the Governors determined not to take advantage of that fact; and get rid of the charges, by pleading their inapplicability to the conclusions of the proceeding; but, on the contrary, to meet them all by a full and unreserved statement of the facts in respect of each charge, in order that their conduct might be judged without reference to any legal technicality whatsoever.

Their answer to the charges may be summed up, as follows :—

1. They reply that the monies received but not mentioned in the return of the executors to the Institute, were sums of money received for goods held on consignment, which had been remitted direct to the consignors. That these sums did not belong to Mr. Fraser, and therefore could not be made over to the Institute.

2. That no sums were charged, or alleged to be paid, by the trustees and executors, which had not actually been *bonâ fide* paid, and which were not amply and regularly vouched for.

3. That there had been no alteration of the accounts prepared by Riddell & Evans; and in proof of it, they produced those accounts from the archives of the Institute, and filed them in Court. And that the abstract of those accounts annexed to the deeds of conveyance to the Institute, precisely accorded with those accounts.

4. That the Merchants Bank Stock subscribed for by the trustees and executors, was a part of the increased capital of the Bank offered at a low premium, and the subscription for it was at the time an advantage