

the Directors, dependent upon them for the means of carrying on their business, and voted yea for this alteration until one person started the question of the impropriety of increasing the present power of the large stockholders, which could have no other object but to destroy the necessary check of the small stockholders upon the Directors, who already had too much power in their hands for the benefit of the institution in general. Two or three men in favor of the change had procured proxy votes which, together with Whitney, Dalton, Bartlet, and a few others, gave a small majority, and the measure was declared carried. It was objected to, as the whole proceedings were irregular.

Whitney and Co. next proposed that the same rule of voting should be adopted at the Board of Directors; that is, if a Director at the board had 100 shares, he had as much influence and power as 5 directors owning together 100 shares. The meeting was indignant at the infamous proposition made. Dalton was heard to say the motion had better be postponed, as the gentlemen don't understand it. Some of the Stockholders at the top of their voice said, "you are a set of swindlers!" and the meeting broke up in disgust.

Matters continued until 1822; the Directors loaning themselves and a few favorites the funds of the institution, when a quarrel commenced. It appears that Whitney entered into co. with a man named Whitaker, and secretly opened a *shaving shop* for lending individuals a portion of their own funds. Some of them were made to understand that if their wants were urgent, Whitaker was ready to shave them for a fee amounting to double interest, and Whitney urged these notes to be discounted. The Directors, however, did not relish Whitney's plan, & at a board he was accused of mal-practices, and suspended until a meeting of the Stockholders was had.

At this time £8000 of redeemed notes of the Kingston Bank was at Montreal. Whitney heard it, and gave out he was going in another direction, but posted down to Montreal and presented himself at the Bank. The Cashier, ignorant of matters at Kingston, requested Whitney to take charge of the packet of notes for Mr. Cashier Bartlett. This was exactly what Whitney expected, and the packet was handed to him; he then broke the seals and made use of a large amount of the Bills. Dalton was sent post after Whitney to Montreal, and took the opinion of the present Judge Stuart, who said it was an act of felony, and he W. might be apprehended as such.

These proceedings created an alarm and caused a run upon the Bank, which increased by the reports of Whitney and his partizans, who appeared determined if they could not rule, to ruin the institution, by flogging the Directors with the £8000 rod Whitney had stolen.

The Bank had pushed out a large amount of Bills for so small a capital, and was soon drained of its specie. This caused an extra panic, which was increased by the ignorance of some, and designing