

Trustees and Executors, while in fact those accounts were erroneous to a large extent, and were known to be so by the auditors.

Mr. Edward Evans, the surviving auditor, then brought an action of damages against Mr. John Fraser, for the libel which he asserted was contained in these statements of Mr. Fraser. After a protracted trial, in which the books and accounts were produced in Court, and their correctness investigated, judgment was rendered by His Honor Mr. Justice Johnson, on the 31st day of May, 1880, maintaining Mr. Evans' action, declaring the statements contained in the petition of Mr. Fraser to be unfounded, and condemning him to pay damages and costs. This judgment was inscribed for revision by Mr. Fraser, and is still pending before the Court of Review.

On the 15th day of May last, Mr. Fraser presented a memorial to the Legislature of the Province of Quebec, reiterating the assertions and charges made by him on several previous occasions against the Executors and Trustees, but no action was taken upon the memorial.

Negotiations were entered into during the past year with the *Institut Canadien* for the acquisition of their Property, Library, and Works of Art: which were offered by that institution on liberal terms as to price.—But negotiations fell through without reaching any result, in consequence of the Institute being unable to undertake to open the Library and Works of Art to the public, within a limited time to be named in the suggested agreement.

The position of the property and affairs of the Institute remains very much as at the end of the past year. The business of the Institute is managed as economically as possible. The improvement in financial and business matters is likely to increase the value of the Bank Stock, and to facilitate the payment of the calls due upon it, with less loss to the Institute than was anticipated. The properties are all under lease at moderate rentals, and there appears to be a prospect, that the hope expressed by the Board of Governors in their last annual report, that there would be a gradual increase in the market value of the properties, will shortly be realised. And it is the intention of the Board to continue the policy laid down in that report.

J. J. C. ABBOTT, *President.*

F. W. TORRANCE,
PETER REDPATH,
THOMAS WORKMAN, } *Governors.*

MONTREAL, 1st July, 1880.

To the PR

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