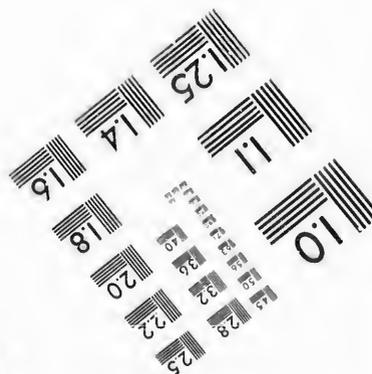
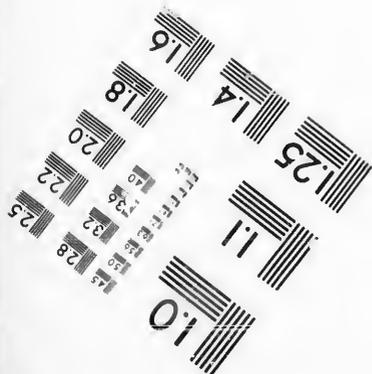
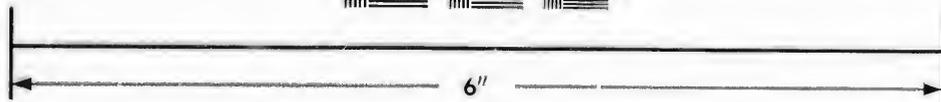
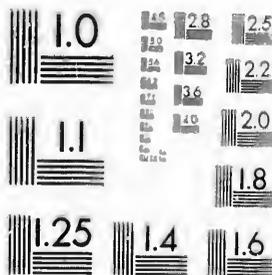


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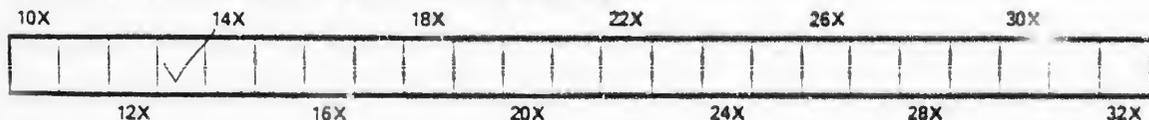
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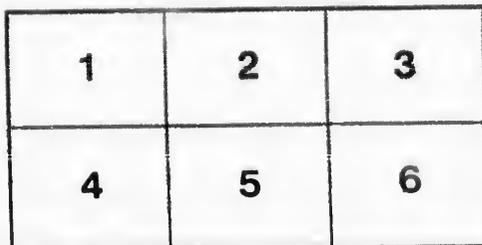
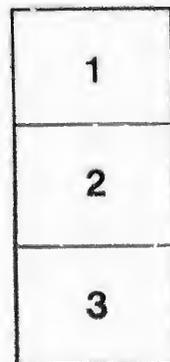
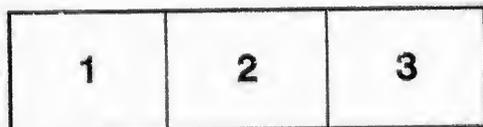
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REPORT

OF THE

DEBATE IN THE CITY COUNCIL

ON

MONDAY, JANUARY 24TH, 1853,

IN REFERENCE TO THE

£50,000 CITY DEBENTURES.

RE-PRINTED FROM THE "BRITISH CANADIAN."

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THE £50,000 DEBENTURES.

(From the British Canadian.)

WEDNESDAY, 26th JAN., 1853.

THE evil-genius of the Hon. Fras. Hincks seems to be omnipresent. On Monday evening the first meeting of the new municipal council took place, the Mayor in the chair. After some routine business was disposed of, Alderman Bell moved for a committee to investigate all matters relating to the issue of the £50,000 debentures granted to the contractors of the Northern Railroad. This it will be remembered was one of the charges to which the Mayor alluded on Monday last, as being industriously circulated against him without any shadow of foundation and in respect of which he dared his accusers. In moving for the committee Alderman Bell forbore going into the facts of the case, but in the progress of the debate they became developed and appear to be as follows. For the full particulars we must refer to the very ample report of the proceedings which we give in another place.

It appears then that the contractors of the Northern Railroad were entitled to receive

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£50,000 city debentures, which they had managed with parties in New York to negotiate at par, that they came here with their solicitor for the purpose of receiving them, on their arrival they were informed that there was a legal doubt as to the power of issuing them, and they would be worth nothing. At this moment they had heavy engagements to meet and, unprepared for such a contingency, when it was proposed to them that the debentures such as they were would be issued to the amount of the £50,000 provided they would consent to a discount of £20 per cent., they were obliged to submit. The debentures accordingly issued to the amount of £50,000—were lodged in the Bank, and the contractors were authorized to draw as against them to the amount of £40,000. They did so. In a few weeks £100,000 city debentures under the consolidated loan fund act issued at par, and £50,000 of them were at once applied to redeem the so called questionable debentures which had been cashed by some body at a discount of £10,000.

These are the facts as we gather them from the statements of the Mayor, his friends and his accusers, and we further find that it is alleged that the Hon. Francis Hincks, Mr. James Cotton, some party whose name has not transpired and the Mayor were parties to

this discount transaction by which £10,000 has been netted either at the expense of the contractors or of the city, the cash available for it being part of a large sum lying unproductive in the Bank belonging to the public but under the control of Mr. Hincks.

Alderman Gowan, Alderman Thompson, and Mr. Romain threw the mantle of protection over our Chief Magistrate, who seemed by no means loth to avail himself of it. They were seconded by other of his Worship's supporters who tried to stifle all enquiry into the transaction. Those members of the council who have the mercantile honor and character of the city at heart were not to be thus foiled, and at length his Worship pressed with searching interrogatories from all sides and on all points, fairly turned at bay, and as chairman, and from the chair told the members of the council that "*he would make it a personal matter* with any man who pressed it further." This intimation of "*pistols for two and coffee for one*" was not the sort of amusement peacetul and highminded citizens admired, nor did they consider it likely to solve the mystery, and the debate was of course at once terminated.

After a careful review of the several explanations offered by his Worship, including his reply to the questions very considerably put by Mr. Romain, we are led to the con-

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clusion, that the Mayor limits his denial and non-interference in the transaction to any *personal* negotiation with the Bank or the Contractors—that on the question whether he is a participator in the benefit derived or to be derived from the £10,000 “*shave*,” he is studiously silent, at the same time that he deems it politic to prepare his followers, and the mind of the public for what might be brought to light, by claiming a perfect right to “*shave*” the debentures if he thought fit—that it was not the business of the public to what use he put his money—and that hereafter he would hold that individual personally responsible, who should presume to challenge him on the subject. That the public will indorse his Worship’s opinions, we very much doubt and we hesitate not to say, that they will draw a wide distinction between a private citizen trading in city securities, and the Mayor who may be regarded in the light of a Trustee of those securities—in intimate communication with the Government—forewarned of their intentions with reference to the Consolidated Loan Fund Act, and the influence that Act would have on those very securities with which he claimed a right to deal for his personal benefit. But the matter can not rest here.

PROCEEDINGS OF THE CITY COUNCIL.

THE first meeting of the New Council took place on Monday evening when there was a full attendance of the members.

His Worship the MAYOR having taken the chair, the Council then proceeded to the nomination of the several standing committees.

A number of petitions were then presented and some communications read from various parties, after which

Alderman BELL rose to move for a special committee to investigate all matters relating to the issue of £50,000 city debentures; when sold, at what rate, to whom they belonged when first issued, and who had benefited to the amount of the £10,000 discount thereon. He said in making this motion he hoped the Council would indulge him in alluding as he must to rumours which were current as to the conduct of his Worship the Mayor therein, but which rumours he trusted the report of that committee would prove to be unfounded. He (Alderman Bell) was in possession of some facts which he could lay before that committee when appointed. It was unnecessary for him to recapitulate the rumours as to the debentures or his opinion that it was illegal for gentlemen of this Board as such, to purchase them improperly. If his Worship purchased them in his individual capacity, if he had used his own property in making that purchase he had a right to do so.

This was not what was charged. It was a charge far more serious. It was said that these debentures were improperly issued—that they were used in certain speculations which it was improper for any member of this Council to be engaged in. Whether his Worship or not was so engaged in them remained to be proved. He (Mr. Bell) was not satisfied upon this point, he was not satisfied as to the terms on which these debentures were negotiated, but he hoped that the report of this committee, if granted, would dispose of the matter fully, set at rest those rumours abroad to which he had alluded, and set his mind at rest also.

Councilman BUCC seconded the resolution.

Alderman GOWAN said, this was a singular motion. He had heard so much about these debentures, that he would before proceeding ask a question or two for information sake.—To whom did the Debentures issue. (A voice. To the contractors.) At par? (The Mayor. yes). Well, if so, what further had we to say to them. If the city issues £50,000 debentures to the contractors of the Northern Railroad, when issued they pass out of our hands, and are we going to ask the contractors to whom they parted them or what they received. What is the amount issued? £50,000. To whom? The contractors. Well we part with them and the city has nothing more to do with it. If then there be any intention of enquiring into the subsequent acts of the Chief Magistrate of the City, in connexion with them, he would protest against it. This was not the time nor the place for such an enquiry if allowed at all. The time was when the Chief Magistrate was being elected, but not after. He would

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ask any member, would he submit to it? If the Alderman who made the motion had abstained from putting on this committee of five, the candidates who were opposed to his Worship, there was Mr. Caley for instance,—

Alderman BELL—There are three of his supporters on it, Messrs. Armstrong, Hayes, and Dunn.

Alderman GOWAN would protest against going into such an investigation into the character of any man. Would any man submit to an enquiry by this committee. He trusted it would not be assented to. If there were any thing wrong, it was competent to the Alderman to show it up and state it. The speaker then took up a printed hand-bill, which had been in circulation before the election of Mayor, and put therefrom the following queries:—

“Is it not true that City Debentures to the amount of £50,000 were deposited in the Bank of Upper Canada, against which the Contractors of the Northern Road were authorised to draw 80 per cent only.

“Is it not true that in consequence of the Debentures being unauthorised by statute, so soon as the Act for the issue under the Consolidated Fund was in operation they were replaced by £50,000 and the City debited with that amount.

“Is it not true that the Contractors never received more than £40,000 for the said £50,000 Debentures, and that neither the bank of Upper Canada nor the city, received any part of the difference, £10,000.

“Is it not true that the legal issue of Debentures were purchased at par generally, and in instances at a premium.

“Is it not true that you can explain into whose hands the profit on the £10,000 Debentures went, and were you not a partner in the transaction.”

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Suppose now all this was true, what was there in it? Did the city lose one six-pence? If the contractors comp'ain, we ought then enquire into the matter, if not it was ridiculous to do so. He would not vote for the committee.

Councilman PLATT was sorry for this motion, and alluded to the hand-bill which he said had been circulated by the clerk of one of the rival candidates. (Name). Mr. Alderman Hutchinson's clerk.

Alderman HUTCHINSON protested against being made responsible for the acts of his clerk. He knew nothing of them.

Councilman PLATT—Well, still he thought it would not be fair to put him on the committee, but if it be referred to one at all, let the charges be reduced to writing.

Alderman HAYES was in favour of this enquiry, but would decline acting on the committee as now constituted. He was quite certain at the same time that his Worship would join with him in seeking that enquiry.

Councilman ROMAIN said, that when they were called on to elect the Chief Magistrate was the time to have made these objections. Alderman Bell told him that he would raise such a clamour in relation to these debentures as would make his hair stand on end, but he would shew that there were more than Alderman Bell guilty of slander.

Alderman BELL—Do you charge me?

Councilman ROMAIN—Yes.

Alderman BELL—You state what is not the fact. I said that "if what I had heard were true it would raise a clamour that would make your hair stand on end."

Councilman ROMAIN was notwithstanding

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not disposed to go into it now. The time for doing so was when they met on the Friday night previous to the election of Mayor. He was told that the railroad had been given debentures to the amount of £50,000 on which they were obliged to make a reduction of £10,000. No one questioned the right of any one to buy up those debentures, but it was said that the £10,000 was retained to pay engagements of the contractors in England. On the Saturday before the election he (Mr. Romain) had gone to the Bank of Upper Canada to enquire about the matter, and was there told by Mr. Ridout, the Cashier that he condemned the conduct of Alderman Bell—that it was disreputable—whilst the conduct of the Mayor was worthy of commendation in as much as he had negotiated £100,000 at par for the city when no other man could do so. When he asked Mr. Ridout and Mr. Prondfoot what had become of the £50,000 debentures and who had bought them,—was it the Mayor?—was it his money?—did the deficiency go into his pocket or any portion of it? he was answered, no. He contended that the Mayor had the same right to go and purchase them if they were in the market as any one else had, and as was done by others in reference to the £13,000 debentures lately issued for city improvements. He might be told it was none of our business what the Mayor did in the matter. What—Was it not our business to know if the Mayor were speculating at our expense? Well, he had exercised that right. He made that enquiry at the Bank—he got the answer in writing—the Mayor obtained it from him and read it on the day of

the election. It had the name of the cashier attached, and it was read to them. On the whole of the facts thus before them he would put to the Mayor two questions. The first Sir, is--did you or did you not issue these debentures at a discount? The second is--did you or did you not make money by the contractors, or have they lost this £10,000?

The MAYOR said the books of the Finance Committee would answer these questions.

Some confusion took place and calls of order.

The MAYOR said in answer to the first question, that all the debentures were issued at par. He was not to be told that he was not to use his own money as he liked while he was Mayor. He had a perfect right to do so as long as he did not defraud the city. At the time he first entered the Council and acted as Chairman of the Finance Committee, he found that the assets for the payment of their debts were low and their credit low; he asked the clerk of the Council for a statement of those assets and debts, and advised with the Committee of Finance as to the best means of raising their credit. He saw that in 1853 there must be £34,000 had to pay their mortgage debt, and two years ago, with the approbation of the Finance Committee he submitted to the Bank of Upper Canada the possibility of their raising money in England. They wrote to England and received intimation in reply that their debentures would not go at par. He was asked would he sell them at a discount--he answered no--he asked if credit could be got--he wrote to London to obtain that credit--he got it at par, and the city finances and credit

were raised under his administration. As to the £50,000 for the Northern Railroad, the debentures were granted at the urgent request of Mr. Boulton—they were considered to have been granted contrary to law and as worthless—they were issued without any provision for redemption when due. Some thought they had authority for issuing them yet this was found to be an error but Mr. Boulton seeing we were pressed by the contractors urged their issue in order to keep faith with them we undertaking at the time that they should be legalized. This was done by the subsequent issue of debentures to the amount of £100,000 with which they and others were redeemed and the city debt consolidated. As to what the Northern Railroad sold their debentures for, we had nothing to do with it. It was not our affair but theirs. We had no right to ask them what they would sell them for. He (The Mayor) protests against this council or any men, or any one, saying what he should do with his money were he the purchaser; he had nothing to do with negotiating them but he would now assume the whole responsibility and if it were £20,000 or £50,000 were made by it, he had as good a right to do it after they left the Chamberlain as any one. But he did not do it except through an agent to guard against the clamours of those who would like to keep them low. As to the credit of the city the great difficulty with them is that the city debentures which were selling at from 30 to 20 per cent. discount are now at par. The evidence about these debentures is in the Chamberlains office. Having now answered these questions, he would tell them at once he would answer no more,

Honourable Mr. CAYLEY in reply to the observations of Mr. Romain said, that possibly this council may be divided into two or three sections, who might be classified into friends to his Worship, indifferent, or opposed to him, but he doubted whether there would be any dissentient voice or any division on the desire of the council to support the dignity of the Mayoralty, or see untarnished the character of the officer who filled the chair. His (Mr. Cayley,) name had been improperly challenged by Alderman Gowan, on the proposed committee. His name was not on it.— But would he be allowed to make one or two remarks in reply to the objections founded on his presumed hostility to the Mayor. Would Alderman Gowan say that he (Mr. Cayley) had, (though in his canvass for the honour of the Mayoralty he had addressed himself in turn to nearly every member of the council,) ever used one single expression derogatory to the character of Mr. Bowes. He would be unworthy of the high office which he had aspired to had he stooped to such means to secure it. It would have been derogatory to the position that he (Mr. Cayley) held in the Government of the country—to the position he sought to occupy in the opinion of his fellow-citizens. He challenged any one to say that he had ever thrown any aspersion upon his opponent. He appealed to all, he challenged all. Those who are friends to you sir, are taking a mistaken course, if they seek to suppress enquiry from any supposed reference such enquiry might have to yourself;—they are unfriendly friends. If the whole council with one exception were desirous to suppress enquiry, to him you should

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listen as your best friend. He (Mr. Cayley,) never heard your name tangibly connected with this transaction. Why then are your friends so careful, why so tender as though fearful something prejudicial to yourself might leak out. Let your enemy come out and assail you,—if innocent his shaft would fall powerless from your shield of honor, and recoil upon himself. A committee appointed by ballot would be preferable, and if adopted he trusted they would enter on the enquiry with a single desire to arrive at the truth.—For the satisfaction of the citizens, enquiry should be made, the whole history of the debentures should be sifted out. Let it be made if even the committee be wholly composed of your friends, and he trusted they would not allow angry debates and personal allusions so damaging to continue.

The Mayor said, that in all his canvass Mr. Cayley had not said one word against him—no honourable man would do so—Mr. Cayley was an honourable man.

Alderman Brooke thought that for the credit of the City it was desirable this matter should be investigated. If the books in the Chamberlains office explained it, they could be easily referred to, and so set it at rest. It is due to the city that on reports of so scandalous a nature, the Mayor should court enquiry. For his credit and the credit of the city, they should be investigated.

Alderman CARR was inclined to this enquiry. He disliked the expressions of Mr. Romaine which were as much as to say that they had voted the Mayor into the Chair, and would sustain him there right or wrong and therefore they would refuse this Committee.

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He, Alderman Carr opposed the issue of these debentures originally. What were the charges as he understood them? £50,000 City debentures were lodged in the Bank against which the Contractors were entitled to draw to the extent of £40,000 thus showing a loss of £10,000 on them—Debentures for £100,000 were subsequently issued of which £50,000 were placed at par in the Bank to redeem the original ones and it was said that the Hon. Francis Hincks, the Mayor and some other party made the £10,000 difference and that the matter was thus managed. There was some £180,000 or so of the Public money lying there under the control of Mr. Hincks not bearing interest, and the Hon. F. Hincks gave authority thereout to pay the £40,00 to the Contractors and thus the Mayor and other parties made £10,000. If this were so he would certainly press enquiry.

Councilman Buce seconded the resolution. He wished enquiry for the credit of the Mayor, for the credit of the City; yet those who called themselves his Worship's friends were the parties who were so anxious to stifle all enquiry.

Alderman Thompson said they should not be called on to enquire into how these debentures were disposed of; as well might they enquire into the private speculations of any man. He understood the debentures were paid over to the contractors and by their order lodged in the Bank of Upper Canada. No one can say the contractors were defrauded—who brings a charge? If any, it is this, that they have received £10,000 less than they should. He has had interviews with the contractors, and one of them

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said he would not consent to lose one shilling on them. We were told by Counsel when these debentures were about to issue that there were conflicting clauses in the law, the special act being over ridden by the general act, both having received the Royal Assent the same day, and this was the cause of the difficulty as to them. He would move in amendment that the contractors be applied to to know if they had suffered any loss by the delay in the issue of the debentures or otherwise, and that the City Chamberlain do communicate with them to ascertain if they had any and what complaint to bring before this Counsel on the subject.

Councilman PLATT seconded the amendment.

Alderman DENISON objected to both the original resolution and the amendment, though from what had now fallen he thought the matter should be investigated if it were only for the express purpose of clearing the Mayor's character. The amendment implies charges and invites them. He would vote for the original resolution for the purpose of clearing up all doubts. The rumours in circulation were most prejudicial—he believed them to be false—many were not of that opinion, but they should be satisfied that the Mayor and Corporation were free from corruption.

Councilman ASHFIELD did not see the object of the amendment; he had heard that £50,000, debentures had issued—that the legality of their issue was questioned—that they were placed in the Bank by the contractors with full knowledge of this question—that they were authorised to draw as against them

only to the extent of £40,000 and that they were taken up afterwards by an issue of £50,000 at par.

The MAYOR.— They were in exchange for them.

Councilman ASHFIELD—Aye, in exchange. There is the question?—the point at issue was who benefitted by the exchange? Did the contractors get the £10,000 deficient. No. The Bank say they did not,—who did? Who knows any thing of it? Your worship,—no one else. Such being the case he must say it is ill advised of your friends by their vote to suppress enquiry, they are not your friends. All know the rumours, there are few but know something of them and in the absence of full information every member of the council is prejudiced—You sir, owe it to your own position, and the council require information at your hands—Enquiry by the committee if granted, from the way it has been managed will amount to nothing. The Bank did not get the £10,000. The contractors did not get one penny of it. Three or four persons appear to be implicated in it, the whole affair was open to suspicion. He would tell him who is said to have participated in the £10,000. His Worship was one.—An official in the Bank of Upper Canada was another.—Jas. Cotton was a third, and the Hon. Fras. Hincks was a fourth. Those are the parties who are said to be connected with the transaction. The contractors received the first issue of debentures and if there were any guilt in the transaction his worship must know the facts. No doubt if you had any thing to do with that, you thought yourself fully justified in treating it as private transaction and as such you entered into it.

The MAYOR said, if all this were true as to himself, if he were the party who purchased the debentures, he denied the right of the council to question him—what right had they to know whether he used his money in purchasing debentures or in mortgages? He had as good right to do one as the other. He would now assume the whole responsibility of the negotiation; if £20,000 were made by them after they passed away from the parties to whom they issued what was that to them? He would do what was right and should always do it. He would not make such a purchase directly, he would do it again as he had done before, by an agent. If any one says he has no right to do so, he would tell him he would submit his private transactions to be questioned. He stood here as the representative of the council, and so far as the city is concerned, he will see that its funds are husbanded. As to his private transactions, he repeated he will allow no one to investigate them—no one has a right to investigate them, nor will he submit to it.

After a few brief observations from Aldermen Hayes, Robinson and Gowan.

Alderman Brook said, it was clear some party or parties made £10,000,—either the Mayor or some one else, or all four shared it; why then object to ascertaining who it was? This charge should not be overlooked—it is too serious. The contractors certainly lost £10,000,—who got it?

Hon Mr. CAYLEY said the question was as to the *shave* on the original debentures, and were the contractors driven by their necessities to submit to it. He wanted to have the facts elicited, for if the 'debentures were

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illegally issued and the parties thereby prejudiced they were entitled in equity to such remedy as the city could afford them whenever the opportunity should offer. It was perfectly well known before the meeting of the Legislature that the Government had it in contemplation to introduce the bill—the consolidated loan fund act which would materially improve the character of all Provincial securities. Were the contractors who submitted to the *share* aware of this fact?—Were the parties who *shaved* the contractors aware of this fact?—was there any obligation on the part of the city to replace the less marketable debentures with debentures commanding par? Was that obligation to the contractors or to the parties who *shaved* the contractors, or was the city in a position to claim the benefit of their improved credit and position? All these were points in which the public took interest and on which they had a right to be enlightened. It would be for the Committee to do so—to ascertain in what shape the debentures were put into the market—when redeemed—how replaced. The public had clearly a right to know all these things and whether the most had been made of their funds.

The Mayor said that he repeated he had no objection to take the whole responsibility of the transaction upon himself.

Ald. BULL said he looked on the Amendment as intended to stifle enquiry. At the time the debentures were issued it was competent for the contractors to make any bargain they pleased to dispose of them in New York at par. He would now state the facts, for jobbing of the description we had here should be

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denounced. The Contractors settled in N. Y. upon the Credit of the City of Toronto to have the debentures taken up at par and they came here with their Solicitor for the purpose of doing so when they were met with the objection that their issue was illegal and that they were worth nothing. Their Solicitor then returned to New York saying that we did matters here in a very slovenly way. The Contractors were now left in an awkward position, they had claims upon them coming due which owing to this circumstance they were unprepared to meet. They were in want of the funds and threatened with the stoppage of the works the next day, and being so an arrangement was made by which they agreed to take eighty pounds for what they could get £100 in New York if they had been properly issued. Why not then enquire why they had not been properly issued. Why was this contingency permitted to occur? Have we not a right to know it? Who furnished money to purchase the debentures? Who supplied the £40,000? Was it the Bank of Upper Canada? If yes then that £10,000 belongs to them,—their credit produced it, not J. G. Bowes's; but if you say it is yours it is by reason of your *faux pas*. If the contractors sell their right at 20 per cent discount, then you had a right to use your money as you pleased. He (Alderman B.) had heard the Mayor declare that he had nothing to do with the transaction, and now he tells us he is willing to assume the whole responsibility of it. Yes. He says so now, and he (Alderman Bell) wants to know—his Constituents wants to know—the Council wants to know why the contractors were

obliged to sell our debentures at a large discount to meet the demands upon them? He has a right to know whether the £40,000 thus applied came from the Bank of Upper Canada, based on the security of the debentures. If answered in the affirmative, then he would contend that the £10,000 belongs to the City of Toronto, for in a few weeks after when the consolidated Loan Act became a law, you substituted other debentures for them.— You handed into the Bank £50,000 new debentures at par, and you got out the £50,000 old debentures. The contractors state, they got but £40,000 he believed the Mayor was himself aware, they were told that if the money was advanced they would get but £40,000. The Mayor should court instead of opposing enquiry. He had no right to use the credit of the City of Toronto to procure £40,000 for the contractors, and put £10,000 into his own pocket. That some one has done so he believed, and under all the circumstances it was their duty to investigate whether or not the credit of the City is to be used, to enable that man to make £10,000—for it cant be denied that sum was put into some ones pockets. If enquiry be refused here, the public will know it by other means. Enquiry will not be stifled. If it be you will have to say “save me from my friends.” He would say it was a fact that the contractors got but 40,000 instead of £50,000. Who procured the former sum? Was it procured on the credit of the city, or on private credit?

The Mayor rose apparently much excited and said, he trusted there would be no further remarks upon this subject or *he would*

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make it a personal matter with any one who would attempt to use his name. No debentures until lately had been issued on which there was not a loss of from 10 to 20 per cent. There was loss on all their debentures, and as well might they ask the purchasers to make good the loss to the poor men who held them. If he (the Mayor) purchased the whole he had a right to do so—they were not purchased by the city, had he money he would not hesitate to purchase them, and his doing so was no business of theirs.

Alderman CARR The Mayor now states that whether he did so or not was no business of the council. The Mayor denies having anything to do with the negotiation of the debentures but he asserts his right to deal with them after they are once issued, with his own funds in any way he may see fit. Had he stated so on the Friday night when the matter was brought up by Mr. Romaine he should have thought very differently of it but at that time he denied any trafficking in the debentures, but now it appears he is prepared to assume the whole responsibility of the transaction.

Alderman BELL said as the names proposed to be put on the committee were objected to he would withdraw them all. He cared not whose names were on it, let all be the friends of the Mayor if they pleased, but let them have the Committee.

Alderman THOMPSON then asked leave to withdraw his amendment which being given the original resolution was put and lost eight voting for and seventeen against. The Council then adjourned.

TORONTO, 27th Jan., 1853.

To the Editor of the British Canadian.

SIR.—In the report of the proceedings of the City Council of Monday evening last, the *Patriot* has reported "Councilman Romain stated," he had the authority of Mr. Ridout, Cashier of the Bank of Upper Canada, to state that the conduct of Mr. Bell, Alderman for St. David's Ward, was disreputable, in making certain inquiries in reference to the £10,000 transaction then in question.

As such a declaration on the part of Mr Ridout could not have been made with truth, I found it necessary to address to that Gentleman the following note :

TORONTO, 26th Jan., 1852.

THOS. G. RIDOUT, Esq.,

Cashier, Bank of Upper Canada,

SIR.—In a discussion that took place in the City Council on Monday evening last, Councilman Romain stated that you had authorized him to charge me with disreputable conduct in having made inquiries of you, as to who got £10,000 for discounting the City Debentures.

It becomes my duty to ask you, for self defence, if you did confer such authority, and if you did, that you will point out in what particulars I am chargeable or liable to be stigmatized.

Your obd't. Serv't.,

JOHN BELL.

MR. RIDOUT'S ANSWER.

TORONTO, 26th Jan., 1853.

SIR,—In reply to your note of this date, I beg to inform you, that I have not authorized Mr. Romain to charge you with disreputable conduct as you term it, neither am I aware that I have said, or done any thing that could be so construed.

I remain, Sir, your obd't. Serv't.,

(Signed) THOMAS G. RIDOUT.

JOHN BELL, Esq.,

I ask you now to place the facts before the public, through the same channel that Mr. Romain's declaration was conveyed.

Your obd't Serv't.,

JOHN BELL.

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