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The Church Chronicle

EXTRA.

TORONTO, SEPTEMBER, 1865.

THE CLERGY COMMUTATION FUND.

The Church Society submit to the Church at large, the report of the Trust Committee, to whom was referred the statement of the Honorable J. H. Cameron, made at the last meeting of the Society, in answer to certain charges preferred against the management of the Commutation Trust Fund, and they now publish the same as examined, revised and verified by the said committee, as follows:—

The Clergy Trust Committee of the Church Society of the Diocese of Toronto, in accordance with the resolution adopted at the meeting of the Church Society on the 13th June last, publish the following statement, which, for more perfect elucidation, and for the sake of contrast, they place side by side, with the charges which relate to the management of the Fund made by a late member of the Church Society, Mr. WILLIAM HENRY BOULTON. The Committee would further add that this statement is verified by them, and published with the sanction and under the authority of the Lord Bishop of the Diocese, and that all the accounts of the Fund from its commencement in 1855 will be audited by competent persons as rapidly as an examination, extending over a period of ten years, will permit.

Mr. Boulton's Charges.

From the Globe, May 27, 1865.

THE CHURCH SOCIETY AND ITS FUNDS.

*To the Clergy and Laity of the Church of England
in the Diocese of Toronto.*

1. Believing that the members of the Church of England are little aware of the magnificent endowment that was provided for the Church in Upper Canada by the noble and disinterested conduct of its clergy, who, commuting the stipends they received for £245,614 19s. 8d., placed that sum at the disposition of the Church Society of the Diocese of Toronto as a permanent fund for Church purposes, and having vainly attempted for the last two years to obtain

Statement of Committee.

1. How far this insinuation is true, and how much the original fund has been increased, instead of wasted, will appear in the statement below.

Mr. Boulton's Charges.

Statement of Committee.

from the Church Society, as the administrator of that fund, a plain statement of what disposition has been made of it, I feel it due to the members of the Church, and especially to the clergy who made this provision, to lay before them an account of this fund, so far as I am able, from printed reports of the Society and from other reliable information, in the hope that a deeper interest will be created in its management, and that ere it is too late steps may be taken to prevent its being wholly wasted, and preserve what yet remains for the purposes contemplated by those who so generously created the fund.

2. In doing this, I feel that statements must be made that may reflect on individuals, and a publicity given to the proceedings of the Society that some may disapprove. Should such be the case, the responsibility must rest with those who have forced me to this course, after I have exhausted every method to procure what any other corporation would, as a matter of course, have unhesitatingly submitted to its members, viz., a plain statement of its receipts and expenditure, when called upon to do so; and I shall console myself with feeling that I have merely discharged a duty—a duty which it would be criminal for me to avoid.

3. The Church Society was incorporated in 1848, for promoting, amongst other objects, the encouragement and support of missionaries and clergymen of the Church of England within the Diocese of Toronto, and for creating a fund towards the augmentation of the stipends of poor clergymen, and towards making provision for those who may be incapacitated by age or infirmity, and for the widows and orphans of the clergy of the said Church in the said Diocese.

4. By its by-laws, the Corporation is to consist of the Bishop of Toronto, of the members appointed by the charter, and members of the corporation to be elected by ballot, who shall annually pay the sum of 25 shillings to the fund of the Society.

5. It is also at its meeting in the first Wednesday in June, in each year, to choose one or more treasurer or treasurers, two or more auditors, one secretary, and such other officers or officers as shall be thought convenient.

6. The accounts of the Society are to be closed on the 30th April, in each year, and the same are to be audited within one month from that date.

7. The Society possess large quantities of lands given by members of the Church for various purposes, and for which it acts as trustee. It also possesses considerable funds, such as the Students' Fund, Widows and Orphans' Fund, Widows and Orphans' Investment Fund, Mission Fund, &c.

2. No reply required.

3-7. These clauses merely state facts connected with the constitution of the Church Society, with which all are familiar.

Mr. Boulton's Charges.

8. In addition to these funds, the Society received from the clergy of the Diocese the above sum, nearly one million of dollars, the same having been paid by the Government to the Hon. John Hillyard Cameron, solicitor and agent of the Society—the Society at the same time entering into a covenant with the commuting clergy to pay to them the same salary which each had received from the Clergy Reserve Fund prior to their commutation.

9. This money was paid to Mr. Cameron in Sterling Debentures, half bearing 5 per cent. and half six per cent. interest.

10. A further sum of £7,500 was about the same time very liberally granted to the Society by the Society for Propagating the Gospel.

11. A further sum of £5,000 was given to the Society by Mr. J. H. Cameron, as a bonus for obtaining out of the funds of the Society in 1857 on loan the sum of £37,883.

12. And an additional sum of £3,650, given by Messrs. De Blaquiére, Farmer & Co. for a loan of £18,250, they having given security for that amount. The cash value received by them was only £14,600.

13. The above statements are all taken from reports laid before Parliament or Society. If any additional sum was received by the Society in exchange or non-payment of stipends by death or otherwise, it should be added to the above aggregate.

14. Since the receipt of the above sums the Diocese of Toronto has been subdivided and two Dioceses formed, and £66,551 17s. paid by the Diocese of Toronto to the Diocese of Huron in the Report to Synod of 1860—£74,143 15s. to the Diocese of Ontario, such payments having been agreed upon by mutual arrangement, and what securities were given over to each case I have vainly endeavoured to learn, and cannot discover that any report thereof has been laid before the Society.

15. For nearly two years I have endeavoured to procure a statement of account shewing what Sterling Debentures realized, and to what purpose their proceeds, as well as other funds received by the Society, were applied, but uniformly and persistently it has been refused, and unless public opinion is brought to bear upon the Society I think that no such statement will be given.

Statement of Committee.

8-9. These debentures were *not* all delivered to Mr. Cameron. 5 per cent of the 6 per cent debentures amounting to £10,250 sterling for the Upper Canada clergy, were never delivered, but were retained by the agents of the province in London, in the terms of the order in council, under which the commutation was arranged, and the rest of the debentures were delivered to Mr. Cameron, *not* as the solicitor or agent of the Church Society, but to him individually, under a power of attorney given to him by each clergyman for the amount of his separate commutation, and this arrangement was carried out by Mr. Cameron not only for each clergyman commuting in the Diocese of Toronto, but also for all the clergy in the Dioceses of Montreal and Quebec, and for the Professors of Trinity College, Toronto, and Bishop's College, Lennoxville.*

10. The nature and circumstances under which this grant was made and for what purpose are fully explained in the answer to clause 45, and in the concluding paragraph of this statement.

11-12. No such sums of money were ever given. They were the amounts of bonus added to the investments made in these cases, and the mortgages taken from Messrs. Farmer & De Blaquiére were not for a loan of money to them, but on an exchange of debentures of the Town of Saint Catharines (which had been purchased at 20 per cent. discount) for these mortgages at par.

13. How far these statements are correctly taken from the reports will appear as this statement proceeds.

14. The amounts transferred to the Dioceses of Huron and Ontario were settled by an award, made by the Bishops of Toronto and Huron, and the late Sir J. B. Macaulay. This award was adopted by the Church Society, by resolution, in 1859, and the schedules of the property transferred to Huron were, with the award, laid before the Society, and the same as to Ontario in 1863.

15. This is absolutely untrue.

* Note.—See this arrangement further detailed in clause 45, (and the tabular statements at foot of page 19).

Mr. Boulton's Charges.

16. That the fund has been grossly mismanaged I know; that a satisfactory business statement can be laid before the Society I more than doubt.

17. Up to the year 1800, four years after the amount was received by Mr. Cameron of the Government, no report whatever that I can discover, even of the amount received, appears to have been laid before the Society, nor of what became of the fund during those years.

Statement of Committee.

16. The result will show the inconsistency of this. The committee are satisfied that there is no mismanagement.

17. This is an extraordinary misstatement, the least diligence could have obtained the information. In the printed reports of the Society reference is made to the Commutation Trust Fund every year, from 1856 to 1800, as follows, by the Standing Committee:—

1856, page 13.—“Your committee have ascertained that the Commutation Fund, though invested in the most favourable ways consistent with prudence, can hardly be expected to meet the stipends of even the present clergy, without touching on the capital.”

1857, page 19.—“Your committee have much pleasure in reporting, that the report from the Commutation Fund Committee, and also from the Western Episcopal Endowment Fund Committee, are most satisfactory, and too much praise cannot be awarded to the gentlemen who composed the Committees, for the disinterested and indefatigable zeal with which they have managed the business.”

In 1858, page 16.—“Most satisfactory reports have been received from the Clergy Commutation Fund Committee, and from the Episcopal Endowment Fund Committees.”

In 1859, page 18.—“With regard to the Commutation Fund, your committees have great cause for congratulating the Church, owing to the able management of the Fund at the disposal of the committee, an income, equal at least to the amount of salaries commuted by the clergy, has been secured in perpetuity to the church; and too much praise cannot be awarded to the constant attendance which the gentlemen composing the sub-committee have, at great inconvenience to themselves, given to its management. Persons will be found who will contribute many pounds to the promotion of such an object, but for years to devote, gratuitously, valuable time, nearly every week, for the benefit of the body at large; your committee believe that few individuals could be found to do so such a length of time as have the members of the sub-committee,” and

In 1860, page 17, there is a full report from the Clergy Trust Fund, as follows:—

“The Clergy Trust Committee submit their usual Report to the Church Society.

“The investments of the Trust Fund now stand as follow:

Debentures at 6 per cent.....	£152,500
Do. at 8 do.	9,516
Mortgages at 6 do. £22,500, securing....	16,850
Do. at 8 do. £55,050 18s. 7d., sec.	39,650
Do. at 10 do.	3,000
Temporary Loans, at 10 per cent.....	2,000

Mr. Boulton's Charges.

Statement of Committee.

"The interest on the investments on mortgage
"is further secured by personal bonds with
"sureties.

"These several investments yield an aggregate
"income of £14,598 Os. 5d., while the charges
"on the fund for the current year are estimated
"at £14,300, leaving a surplus of income over
"expenditure of £298 Os. 5d., which is at the
"disposal of his Lordship the Bishop of the
"Diocese, under the by-law of the society in that
"behalf.

"As the committee have carried out the direc-
"tions contained in the award between the
"Church Societies of the Dioceses of Toronto and
"Huron, since the last annual meeting of this
"society, and have transferred to the latter dio-
"cese their proportion of the Trust Fund, they
"consider the present a fitting occasion to give
"a brief resumé of the result of their operations
"since the trust was established.

"The commutation was commenced in the year
"1856, and completed in the early part of 1857,
"by which period, the sum paid to the clergy of
"our church in Upper Canada, and received by
"them from the Church Society, amounted to
"£184,850 sterling, or £224,900 16s. 8d. cur-
"rency, yielding an income of £18,954 per
"annum;—nearly £6000 a year less than the
"amount of the salaries which were charged upon
"the fund, and which the society had covenanted
"to pay to the clergy during their lives or incum-
"bencies, on receiving from them their commuta-
"tion money—a deficiency which, at the time, it
"would have been impossible to supply, except
"by an encroachment upon the capital of the
"fund, had it not been for a liberal grant of
"£7,500 made by the Society for the Propagation
"of the Gospel.

"Since that period, both the capital and income
"of the fund have steadily increased, so that now,
"before the expiration of the fifth year from the
"acceptance of the trust by the society, and
"after having transferred to the Diocese of Huron
"their proportion of the fund, amounting to
"£66,551, there remains for this diocese, as at
"present constituted, the above sum of £228,177
"19s. 8d., yielding an income of £14,598 Os. 5d.;
"being a capital of only £1721 15s. 10d. less
"than the whole sum before the commutation
"was closed, but affording a return of £644 per
"annum more than the interest at that time, an
"increase of upwards of 28 per cent. on the
"original capital, in addition to the regular pay-
"ment of the salaries of the clergy, *half-yearly*,
"until last year, when their comfort was increased
"very much by these payments being made
"*quarterly*: and this has all been effected at an
"expense of less than £750, up to the commence-
"ment of this year.

Mr. Boulton's Charges.

18. I am informed, however, that the late Mr. Thomas G. Ridout was associated with Mr. Cameron, as a sort of co-trustee for these funds, and I believe the proceeds of the Sterling Debentures were held by the Bank of Upper Canada, as treasurer of the Society, or in the joint names of Messrs. Cameron and Ridout, though I cannot say that no other name was associated with theirs. Some time previous to Mr. Ridout's death, he informed me, in a conversation respecting the fund, that in consequence of Mr. Cameron's dealing with the moneys of the fund in the Bank of Upper Canada, as his own, transmitting large sums, many thousands at a time, to New York and London, for purposes not connected with the Church Society, but apparently for Mr. Cameron's purposes, he withdrew from his trusteeship, as he did not wish to remain responsible for its management under such circumstances, and I assume that the fund thereafter stood in Mr. Cameron's sole name, or subject to his control, and, whilst so standing, he dealt with it as with his own. What interest he allowed to the Society for such use does not appear by any report published by the Society, nor have I been able to get a statement thereof.

19. Amongst the resolutions passed at the meetings of the Society and published in the annual reports, I am unable to find any rule, order, or by-law, placing the Commutation Trust Fund upon a different footing from any other

Statement of Committee.

"The committee append hereto the report of the sub-committee, whose duty it is to examine the securities of the trust deposited in the Commercial Bank, and they have much satisfaction in stating that there is not a shilling of interest in arrear on any of their securities, and only £50 of principal on a debenture of a Toronto Municipal Corporation."

"Toronto, 13th June, 1860.

J. W. GAMBLE,

Chairman

J. HILLYARD CAMERON,

Manager

C. J. CAMPBELL.

"We the Sub-Committee, appointed by the Clergy Trust Committee, do hereby certify that we have carefully examined the securities held for the Clergy Trust by the Commercial Bank of Canada, and that we find the same to be correct."

"Toronto, June 13, 1860.

THOMAS C. STUBBS,

SALTERN GIVEN

The reports referred to in these several years were all furnished to the Church Society by the committee, and are regularly entered in the minutes of the committee.

18. Mr. Ridout never was a trustee or co-trustee of this fund with Mr. Cameron. That he could have made this statement must be evident from the fact that as Cashier of the Bank of Upper Canada, he was aware that from the account of the Commutation Trust Fund it was opened with the Bank of Upper Canada, it was closed, and from the commencement of the Trust to the present time, every sum of money drawn, either from the Bank of Upper Canada or the Commercial Bank, was drawn by the signature of three members of the Clergy Trust Committee, the chairman, the vice-chairman, another member of the committee, and the manager; and every security delivered up upon the same authority.

19. In the month of January, 1855, before the part of the Commutation was affected, or arranged with the Government, the Church Society passed a by-law for the management of the fund, which by-law was printed and distributed

Mr. Boulton's Charges.

property held by the Society, or providing for its management in any mode different from the Society's other properties, and, in the absence of such resolutions or by-laws, I assume that the fund is subject to the control of the Society in the same manner as its other funds. The Act of Incorporation contemplates a central or managing committee to be appointed for the management of its affairs; but no such committee seems ever to have been appointed. Up to 1860, a Standing Committee and Land Committee only were appointed. By section 17 of the Society's rules, the only duty of the Standing Committee appears to be to prepare the business for the quarterly meetings of the Society. The duties of the Land Committee I assume to be, looking after the real estate of the Society alone. I believe, however, that up to 1860, the Standing Committee had managed the affairs of the Society as though it were the central or managing Board thereof. In 1860, for the first time I believe, a Clergy Commutation Trust Committee was appointed of 18 members, one-half being clergymen receiving stipends from the above and the other half laymen, three of whom were H. Cameron, J. W. Gamble, and C. J. Campbell, Esquires. I find no resolution in the reports of the Society authorizing the appointment of such a committee for the exclusive management of the Trust Fund, but merely, that at the June meeting of the Society such a committee was appointed, and what authority or power was delegated to this committee I cannot discover or understand, however, that they assume the whole control and management of this fund.

Statement of Committee.

among the commuting clergy, but among all the incorporated members of the society; and on the faith of that by-law the clergy took their covenants for the payment of their stipends from the Church Society, and placed their Commutation with the Society, to be administered by the Clergy Trust Committee, apart from all other moneys and funds of the Society, the accounts to be kept in separate books, and managed by officers to be appointed by that committee. This committee was by this by-law directed to be composed of nine clergymen who had commuted, and nine laymen, and was first elected immediately after the passage of the by-law in January, 1855, and has always been elected at the annual meeting of the society, every year since; and all receipts and payments were vouched for and audited by the sub-committee, appointed by this committee, while there was another sub committee to examine and vouch for the securities of the trust. The following is the

BY-LAW:

"Whereas according to the provision of the Statute of this Province, passed during the present sessions of Parliament, entitled, &c. the Clergy of the United Church of England and Ireland, receiving annual stipends from the Clergy Reserve Fund, are permitted under certain restrictions to commute such annual stipends, and to receive in lieu thereof certain sums of money in full satisfaction and discharge of such annual stipends for ever, and whereas it may be assumed that the clergy so commuting will desire to place such commutation money in trust, as well for their own maintenance and support during their natural lives, as for the maintenance and support of the clergy of the said Church in all time to come, and whereas the said Church Society was incorporated for promoting among other objects the encouragement and support of Missionaries and Clergymen of the said Church within this Diocese, and for creating a fund towards the augmentation of stipends of poor clergymen, and towards making provision for those who may be incapacitated by age or infirmity, and for the Widows and Orphans of the Clergy of the said Church in the said Diocese: and the said Church Society may therefore properly undertake the management of the said commutation money as coming especially within the scope and intention of its organization, and it is necessary to provide for its due administration.

"Be it therefore enacted, under the authority of the Act incorporating the said Society, and with the sanction of the Lord Bishop of the Diocese, that for the purpose of administering any sum, or sums of money that may be paid to the said Church Society, either as commutation money

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Statement of Committee.

received from the government of this province out of the Clergy Reserve Fund, or from any person or persons for the general support and maintenance of the said clergy, there shall be a Committee of the said Society, to be called the Clergy Trust Committee, who shall administer the said moneys as a separate and distinct fund from all other moneys, or funds of the said Society, and shall keep separate and distinct accounts of the same, under the name of the "Clergy Trust Fund;" that the said Clergy Trust Committee shall be composed of the Lord Bishop of the Diocese for the time being, and eighteen other members of the said Society, nine lay, and nine clerical, the clergy being elected from the number of those directly interested in the commutation contemplated; and that the first members of the said committee shall be chosen immediately after the passage of this By-Law, and shall continue to hold office as such committee until the annual meeting of the said Society in 1866, when and also in every subsequent year the members of said Clergy Trust Committee shall be elected from the Incorporated Members of the said Society, at a special general meeting to be held on the morning of the day appointed for the annual general meeting of the Society; and five of such committee shall be a quorum to transact the business of the committee. It shall be the duty of the said committee to invest all moneys received by the said Society for the purposes in the first clause mentioned, from time to time, in good and sufficient securities, of a description to be previously sanctioned by the Church Society, and to keep distinct accounts of the same, and of the charges made from time to time therein.

"That the said committee shall have full power and authority to appoint all such officers and servants as they may consider necessary for the proper and efficient management of the Clergy Trust Fund; to fix the amount of salary they shall receive, and direct the payment thereof, and to take proper security from them for the due performance of the duties with which they shall be charged.

"That the said committee shall pay half-yearly in the months of January and July, the sums so may be covenanted to be paid by the said Society to the several clergymen who shall contract their salaries from the Clergy Reserve Fund, and pay the amount thereof to the said Society according to the provisions of the covenants entered into between the Society and the clergymen respectively for that purpose, that such payments shall be made upon warrants to be signed by the Lord Bishop of the Diocese for such clergymen respectively, and shall be the first charge upon the funds of the said Society.

Mr. Boulton's Charges.

Statement of Committee.

20. This Trust Committee subsequently, I believe, but by what authority I know not, appointed a sub-committee, called the managing committee, consisting of Mr. J. W. Gamble, who signs its report as Chairman, Mr. Cameron, who styles himself Manager, and Mr. Campbell, who signed one report as a Manager, and who is I believe also the Treasurer of this fund. Who authorized these appointments I know not.

21. Amongst the printed reports of the Society, I can find none made to it by the Trust Committee. They have, however, annually laid a short report before the Synod of the Church at its annual meeting in June, which is of a very meagre description stating scarcely more than the amount of the fund remaining each year invested in mortgages and debentures, the aggregate amount of interest received therefor, and the gross charge on the fund for the year; no details whatever; a statement of the amount paid to Huron and Ontario, but no description of the securities handed over to them or of the details the arrangement whereby any amount was rived at.

"That if after the payment of the salaries in the next preceding clause mentioned, and the expenses of the management of the said Trust, there shall be any surplus of the interest or proceeds of the said Trust Fund, it shall be lawful for the Bishops of the Diocese, by warrant to the said committee, to order the payment to any clergyman of the said Church, doing duty within the said diocese, of such sum per annum as shall not exceed the sum of £100, and the said committee shall pay the same at the same times as in the next preceding clause mentioned.

"That the said committee shall lay before the Society at its monthly meetings, in April, July, October and January, in each year, a statement of all moneys invested and on hand belonging to the said Trust Fund, and shall also lay before the Society at its annual meeting a full statement of all investments and changes in investments and all moneys received, and paid by or on account of the said Trust during the current year.

"That any vacancy occurring in the said Committee from death, resignation, refusal, or inability to act during any current year, shall be filled up by the appointment of a new member of the Committee by the Lord Bishop of the Diocese in writing, and such vacancy and appointment shall be notified by the Lord Bishop to the monthly meeting next thereafter, and shall be entered in the minutes thereof."

20. This sub-committee was appointed 21 June, 1855, and originally consisted of the Hon. G. W. Allan, Mr. J. W. Gamble, and Mr. Cameron; and on Mr. Allan's departure for England, in 1856, Mr. C. J. Campbell was appointed in his place, and the sub-committee has ever since been composed of the three last named gentlemen.

This sub-committee, by the regulations adopted by the Trust Committee under the above by-law report every transaction connected with the investments of the Trust to the Trust Committee and they are expressly authorized and required to vouch for and audit all payments and receipts of money on account of the Trust.

21. Reference has already been made to the reports of this Trust Committee to the Church Society, and the report of 1850 is printed above at length. These reports have been made as the by-law directs, and the mode of settlement within the Diocese of Huron, as already stated, was settled by an award, which was approved and confirmed by the society, and the description of the securities transferred to that diocese is stated on the margin of the award, signed by the Bishop of Huron, and, so signed, was laid before the Society.

Mr. Boulton's Charges.

22. Why these reports have been made to the Synod instead of to the Society I cannot say.

23. The constitution of the Society provides, that at the June meeting in each year, one or more treasurers, one secretary and two or more auditors shall be appointed, and such appointments have conformably thereto been annually made up to 1862 or 1863. Only one treasurer has been appointed by the Society for 1864. The treasurers are the Rev. Mr. Grasett, C. J. Campbell and E. H. Rutherford, into whose hands one would of course assume that all the moneys of the Society was deposited. Such, however, is not the case. I understand that whilst the above three have confided to their keeping the small amounts annually collected for the Society, and such sums as are invested for its general purposes, (and they all go through the form of jointly signing checks payable out of these funds,) two of them, Rev. Mr. Grasett and Mr. Rutherford, have never had anything to do with the great fund of the Society, the Commutation Trust Fund, which is kept as a separate account and disbursed by Mr. Campbell, as treasurer thereof. By what authority he thus acts as treasurer of this fund I cannot learn.

24. By permitting a special Trust Committee to be formed, if such has been formally done, the Society has virtually surrendered the entire management of the trust to this committee, and they, having again appointed a sub-committee to manage it, have likewise divested themselves of its management; and it is a fact, that when the Society requires information from the Trust Committee respecting the trust, the committee cannot supply it without applying to the managing committee, who almost uniformly resist an application for details; and several members of the Trust Committee have informed me that they wished for information and applied for it to the managers, who put them off and so baffled them in their inquiries, that to obtain what they wished seemed entirely hopeless. An *imperium in imperio* has thus been formed, which says to the body that formed it, you may ask for what you like, but we will not give you the information. This arrangement to divest the Society of all control or responsibility, has not been made without a motive, and the consequences will fully appear as I proceed.

25. The first report purporting to come from the Clergy Trust Committee ever laid before the Synod, as far as I can discover, is dated June, 1860, and signed by J. W. Gamble, chairman: H. Cameron, manager, and C. J. Campbell. It states that the commutation was completed in an early part of 1857, and the amount paid to

Statement of Committee.

22. These reports have not been laid before the Synod *instead of the Society*, but at the request of the Synod in 1859, copies of them were furnished to the Synod *as well as to the Society*.

23. The accounts of the Commutation Trust Fund have always been kept in strict accordance with the by-law passed for its management in 1855. Mr. Campbell never has been the treasurer of the fund. If there has been any treasurer, it has been, first, the Upper Canada, then the Commercial Bank, into which all monies were paid, and from which they can be drawn *only* on the cheque of three members of the Trust Committee; and all receipts and payments are vouched for and audited by the sub-committee. A system quite as strict as that pursued by any banking institution in the country.

24. This is utterly untrue.

25. The details, as here stated, are not correctly taken from the report of the Synod in 1860, and there is also an error in that report, as printed,—an error, which accounts for the printed report to the Society for the same year, being conveniently ignored by Mr. W. H. Boulton, as the error does not appear in that report, which

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the clergy and received by them from the Church Society amounted to £184,860 sterling, or £224,900 16s 8d currency, yielding an income of £18,954 per annum; and that a liberal grant of £7,500 had been made to the Society by the Society for the Propagation of the Gospel. They state that since 1857 both capital and income of the fund have steadily increased, so that in 1860, after having paid Huron £66,551, there remains for the Toronto Diocese £223,177 19s 8d. No details are given shewing how this increase took place, or in what way they paid Huron its amount. The only details given as to the investment of the fund remaining are as follows:—

Debentures at 6 per cent.....	£162,569	7	3
Do at 8 per cent.....	9,516	13	10
Mortgages at 9 per cent, £22,500			
Securing	15,850	0	0
Do at 8 per cent			
£55,650 18s. 7d., Securing	39,650	18	7
Do at 10 per cent.....	3,000	0	0
Temporary loans at 10 per cent	2,600	0	0
Total.....	£223,177	19	8

That the interest on the mortgages is further secured by personal bonds, with sureties, the parties to which, however, are not named, and that the above investments yield an aggregate income of £14,598 0s 5d, and the charges £14,300, leaving a surplus of income over expenditure of £298 0s 5d. By calculating the interest as above stated, the income should be £15 075, and a consequent surplus of £475 8s 6d, instead of £298, nearly £200 more than reported a trifling misstatement compared with others made by this committee. The debentures and mortgages are not described at length in the report, nor is there any statement as to where or by whom they were purchased, or at what discount.

A statement or report was laid before the Society, I think, in June, 1861, specifying the debentures held by the trust, describing also the mortgages and collateral securities. The debentures were as follows:—City of Toronto, £4,108; Hamilton, £25,480; Middlesex, £15,750; St. Thomas, £12,150; Welland, £7,500; Guelph, £700; Thorold, £1,950; Bowmanville, £3,100; London, £32,861; Logan, Elora, and Wallace, £7,500; Simcoe, £600; Yorkville, £1,550; Preston, £1,020; Cobourg, £1,000; Elgin, £3,450; Huron and Bruce, £8,700; Ontario, £1,700; Barton, £2,800; Toronto Hospital, £4,250; Walsingham, £225; Kent, £300; East Missouri, £1,350; Wentworth, £400; Stratford, £1,500; Ingersoll, £700; —, £300; Windsor, £1,965; Grey, £200; Malahide, £1,200; Peterboro' and Southwold, £4,500; Hastings, £3,106; and some others, amounting in all to £157,472 currency.

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is quoted above. The true details are

Debentures at 6 per cent.....	£152,560	7
Do at 8 do.....	9,516	13
Mortgages at 6 per cent. £22,500		
Securing	15,850	0
Do at 8 per cent.		
£55,650 18s. 7d., Securing	39,650	18
Do at 10 per cent.....	3,000	0
Temporary Loans at 10 per cent.	2,600	0
	£223,177	19

In both the Church Society and Synod Report the amount of

Debentures at 6 per cent. is.....	£152,560	7
and not.....	162,569	7

A small error of only £10,009 made by Mr. Boulton, and he has copied the error of calculating the first mortgages at 9 per cent., as stated in the printed Synod Report, instead of truthfully at 6 per cent., as stated in the printed report of the Church Society of the same year, which says he did not see, although the same sum of mortgages is correctly quoted in the Synod Reports for the following years, to which he refers. The committee would further observe, that where charges are brought forward, and attached made in matters of figures, the attacking party should be careful to be right himself; whereas it is apparent, that in this case, if the statement made was correct as to the £15,850 in mortgage at 9 per cent., the surplus would have been £7 10s. 5d., not £475 8s. 6d., and if the additional misstatement of £10,009, in 6 per cent. debentures, were taken into account, the surplus would have been £1874 1s. 1d. instead of £475 8s. No statement of the mortgages and debentures nor from whom, nor at what price they were purchased, was given in this report, as no such was required by the by-law of the Society.

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Mortgages, &c., securing £87,883, due by Mr. Cameron. Sundry agreements to pay J. H. Cameron, from 31 different parties, for lands, principally in the Huron tract, amounting to £4,777 10s. Mortgage on Hamilton and Port Dover Railroad, £12,500; do. on block of houses on King street, £10,000; do. land in Warwick and Melville, £7,784; do. land in Carradoc, £158,000; do. do., £210; do. do., £262 10s; do. do., £227,15s; do. do., £210; do. five lots in Hamilton, £750; do. two do., £300; do. two do., £300; do. two do. £450; do. two do. £100; do. one do., £150.

Wellington S.....	£ 3,500
Wentworth debentures.....	500
Land, J. H. Cameron, S. B. Harman, and W. Schreiber, for payment of 8 per cent on.....	25,000
Land of Hon. J. H. Boulton to pay 8 per cent interest on.....	10,000
Sundry mortgages from Messrs. Farmer, De Blaquiere and Deeds to secure a loan to them of.....	18,250
Toronto Press Brick Company mortgage	3,500
Land of Directors.....	3,500
Provincial Insurance Company Loan.....	3,000
Secured by eight bonds of company of £500 each.....	4,000
Mortgage on Con. A, Hamilton.....	1,675
Do on office.....	1,000
Do block of houses on Richmond street.....	1,500
Do house and 4 acres of land in Peterboro'.....	850
Land of 24 members, each £400 sterling	9,600
Mortgage on building on Toronto street	3,000
Mr. J. Boulton's mortgage on land in Multrie.....	500
Brunskill owes.....	175
Mr. A. Wilkins.....	250

26. By the managers' printed report in June, 1861, the debentures then held are stated to be £53,478 7s 7d, or about £6,000 more than enumerated in the above lists by the special committee. In relation to these debentures my efforts to obtain information, either as to the authority under which they were purchased, by whom, where, or at what price, have proved fruitless. That among the municipalities there should be so very few of the municipalities whose securities are undoubted, and so few of an amount of Hamilton, St. Thomas, and London debentures that must have been selling at 25 per cent. below par, if not more, seems strange and unwise. The city of Toronto has issued about £600,000 of debentures; it possesses large tracts of land in the city, and its debentures have always been considered a safe investment, the default ever having been made in interest; and of its debentures the Society holds £4,108.

26. There is no discrepancy of £6000 between the report of the Special Committee in 1861, and that of the Managers of the same year. The Special Committee report as *Municipal* debentures £157,472, but the Managers report debentures of two classes, according to their rate of interest, without reference to them as municipal or other debentures, viz.:

Debentures at 6 per cent.,	£153,361 14 8
Do. at 8 do.	10,116 13 4
	<hr/>
	£163,478 7 7

And the difference in the report of the Special Committee is shown in the other securities reported by them, making simply a difference in classification, not in amount. Every purchase of every debenture, or other security, held by the Trust Committee, has been made by the Sub-Committee,

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27. The city of Hamilton, with about one-third the number of ratepayers of Toronto, and with little or no real estate of its own, has issued £575,000 of debentures, which have been sold at from 20 to 25 per cent. discount; they have never been looked upon as a safe investment, for years they have ceased paying interest, and they are now worth about 50 cents on the dollar. Of these debentures the managers of the Trust seem to have purchased no less than \$108,920, one-half of which, \$50,960, besides interest, has already been lost. Last year Hamilton owed \$647,310 for arrears of interest, thus exceeding the debt of Toronto by over \$200,000.

28. St. Thomas, containing 465 ratepayers only, has issued \$100,600 of debentures, the interest on which has not been paid for years, and of these the managers purchased \$48,600, more than one-half of which has already been lost, as the debentures are now less than 50 per cent.

29. London has issued \$929,994 of debentures; last year it owed \$124,899 for over-due interest. Their present value I cannot learn. The average price of them from 1857 to 1864 was 20 per cent. discount, and of these the managers have purchased no less than £32,861.

30. They also purchased Cobourg, Bowmanville, Peterboro', St. Catharines, and Windsor debentures, all of which have for years been much below par. The best debentures were those which the managers should have selected for such a Trust, and they seem to have bought the very worst. Why this was done requires explanation, and how much was paid for them should be clearly shewn.

31. Of the mortgage securities, those given by Mr. Cameron, and enumerated above were to secure £37,883 of the Society's moneys, obtained by him in 1857. Who loaned this money to Mr. Cameron does not appear in any of the published reports of the Society, and remains a mystery. Members of the Trust Committee have stated that the

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and all the details connected with such purchases duly entered, reported to, and approved by the whole Trust Committee, from the inception of the trust to the present time.

27. The City of Hamilton debentures held by the committee, were purchased at a time when the debt of that city was about £400,000 less than it is now, and when there was no intention as far as the committee were aware, of increasing that debt. They were purchased at an average of 20 per cent discount, for those that were payable in 20 years, and of 14 per cent. discount for those that were payable in 10 years. The whole of the interest that has been in arrear up to April, 1864, has been capitalized and added to the principal, and from that debt the interest payable over periods of 10, 20 and 30 years, at 5 and 6 per cent. per annum, for those respective periods. Not one dollar of the principal has been lost, and if the interest or principal is not collected or paid, commissioners are appointed by Parliament who can take the immediate management of the affairs of the corporation into their own hands.

28. The St. Thomas debentures were purchased by the committee at an average of 28 per cent discount. The arrears of interest up to July, 1864, have been capitalized and added to the principal, and interest is payable thereon at the rate of 3, 4, 5 and 6 per cent. per annum, for respective periods of 10 years, making in all 40 years. Not one dollar of the principal has been lost, and commissioners are also appointed by statute, as in the case of Hamilton, who can levy and recover the money in case of default.

29. The London debentures were purchased at 20 per cent discount, for those in sterling, payable in England, and 25 per cent. for those in currency, payable in Canada. The overdue interest referred to, is that which is due to the Government on the Municipal Loan Fund debt. The interest on their Municipal debt, proper, has always been paid.

30. These municipalities have paid the debenture debt and interest, and the debentures which the committee hold, and the rates at which they have been purchased, are entered clearly in their books.

31. Mr. Cameron did not obtain £37,883 of the Society's moneys. He exchanged mortgage securities to the amount of £30,162, as Messrs Farmer & De Blaquiere did, for Municipal Loan Fund debentures, which had been purchased at 15 per cent. discount, but which were sold and delivered to him by the Committee in 1857, and

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Society did not, and I have every reason to believe that Mr. Cameron did not apply to the Society for such a loan, and that the Society never authorized it. As manager of the fund, he seems to have obtained it. As Solicitor to the Society he prepared the securities, and afterwards, as member of a special committee, reported his security to be ample, whilst I have no hesitation in saying that no capitalist in the country would have advanced one-third of the amount upon them.

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104, on which the bonus of £5000, alluded to in paragraph 11, was obtained by the Trust, and his mortgage for £10,000 was taken by the Committee as a loan to him, in consequence of certain securities having been improperly withheld by the London agents, on a claim which they made to hold them for a private account of that gentleman, a claim which they persisted in for a considerable time; but finding that it could not be sustained, the securities were eventually given up by them to Mr. Cameron, who was allowed to retain them, having given the Trust these mortgage securities for the amount. These securities were taken by the Trust Committee in November, 1857, examined by the arbitrators in 1859, taken into consideration in the award in 1860, on the division with the Huron Diocese, again in 1863, on the division with the Ontario Diocese, and confirmed by distinct resolutions of the Church Society in the months of May and February of the present year; and at the meeting of the Trust Committee in November, 1857, it was resolved, on the motion of the Lord Bishop of Toronto, seconded by Sir J. B. Robinson,

"That as the whole of the Commutation is now invested, the thanks of the Committee are justly due to the whole Executive Committee, but more especially to the Manager, by whom most of the arrangements have been made for such an investment of the fund as will produce an income almost equal to the expenditure required for the salaries of the clergy in which, at the time of the commutation, there was a deficiency of upwards of six thousand pounds a year. And the Committee express their hope that they will still have the services of the Executive Committee and the Manager for the continued Management of the Fund."

And the last paragraph of the resolution was added by Sir J. B. Robinson himself, in consequence of Mr. Cameron expressing his desire to retire from the trust, as he had become a borrower from the fund. Mr. Cameron did not prepare his own securities nor report upon them then, but he did report upon their value four years afterwards, with other members of the committee, and the Trust Committee have no more reason now, than they have had at any time heretofore, to doubt the correctness of that report, and the amount of Mr. Cameron's indebtedness has been reduced upwards of £15,000.

32. A committee was appointed in 1862, composed of the Rev. Dr. Patton, Rev. Dr. McMurray, the Hon. G. W. Allan, W. B. Simpson, Esq., the Manager, the Chairman, and C. J. Campbell, Esq., to examine the securities held by the Clergy Trust, and to ascertain and report upon their cash-value. They reported the Trust to hold

32. There is no discrepancy between the reports of the Trust Committee and the Special Committee; they have only classed the securities in a different manner, as explained in the reference to paragraph 26.

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debentures of thirty-two different municipalities, amounting in gross to £153,819, whilst the published Report of the Trust Committee for the same year shows that the Trust then held £161,428 15s 11d of debentures, or nearly £8,000 more than the special committee discovered.

33. They also reported that the manager was indebted to the Society in £32,000, paying 8 per cent. interest, for which the Society held the above-named securities, which, after some *necessary depreciation and other causes*, still leaves a margin affording *ample security* for the debt. Amongst them they refer to a block of shops on Yonge street, securing £10,000, and say that they are not now valued at more than that amount, and that the present rental of the block, after paying taxes and insurance, is £890. This statement is intended to convey the impression that the shops were an ample security for £10,000, over and above encumbrances, and producing a clear rental of £890 per annum, or nearly 9 per cent of income. On examining this income I found that at the time of this report the premises were mortgaged to the vendor of the land for about £4,000, and that the rents payable for the shops and premises at and prior to the date of the report was less than £620, or £270 less than the Committee reported, and that not exclusive of insurance.

34. Another security reported on consists of assignments, by the manager, of certain mortgages on sixteen town lots in Hamilton for £2,580, being at the rate of £150 per lot. A competent party has informed me that he knows the lots, that he doubts if most of them would bring £50 each on time; many of them are assessed at only £25 each, and, from the City Clerk, I learn that the taxes due on the Hamilton lots amounted last November to over £1,000, and accumulating at the rate of 10 per cent per annum. I doubt very much if this security would realize £800.

35. Another security consists of 29 agreements of sale by Mr. Cameron of lands in Huron, amounting in 1862 to £4,519, and about £1,000 of lands in Carradoc. How much is yet due on these lands I cannot say. It is a kind of security that should never have been taken for a Trust investment, but it is perhaps the best of the manager's securities, if unencumbered.

36. Another security given by the manager consists of an assignment of Malcolm Cameron's mortgage for £7,784, on 3,696 acres of land in Warwick and Adelaide. On inquiring into this security I found, although the committee report that they have sold portions of it at \$11½ per acre, it does not seem to be occupied or that the purchasers have paid for it, as 200 acres have already been sold for taxes, and on the remaining 3,496 acres taxes to over \$1,800 were due last November,

33. At the time these securities were taken from Mr. Cameron, they were ample in value. The Yonge Street buildings produced a clear return of £1000 per annum. The mortgage to the vendor of the land was collaterally secured to the Trust Committee by the assignment of other mortgages to the amount of £5000, on which the interest has always been punctually paid, and nearly one-third of the property was absolutely released from the vendor's mortgage, and the report of the Special Committee was in strict accordance with the facts.

34. The Hamilton lots had almost all been sold at large advances, on their purchase from Mr. Cameron, and on all of them, with the exception of two of £150 each, the interest has always been punctually paid, and the committee have no reason to doubt that the whole amount will be realized from them. If there are any arrears of taxes, of which neither Mr. Cameron nor the committee have had any notice from the corporation, the purchasers residing in Hamilton are perfectly able to pay them.

35. A large part of the agreements in Huron, and the mortgages in Carradoc, have been paid off, which is the best answer to the charge of insufficiency of these securities, and all the residue are ample security and will be paid.

36. The Hon. Malcolm Cameron's mortgage was given by him in a purchase of the lands in Adelaide and Warwick. On the purchase in 1855, he paid £1000 in cash, and the interest on the mortgage until July, 1861, or nearly four years after the mortgage was taken in security. The land has been valued at 8 dollars per acre by the Special Committee, but a considerable portion of it has been sold at \$11½ per acre, and none of it under \$10 per acre, and even at the latter rate

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and which, if not paid, may involve the loss of the whole security. I called the Society's attention to this fact in February, but at the last meeting of the Society in May, I learnt that the taxes had not yet been paid.

37. The mortgage from the Hamilton and Port Dover Railway for £12,500, although one that the Society should never have taken for such an amount has, fortunately, turned out better than any of the manager's securities, as it was realized I believe, last year for the sum of £10,000; and this sum, with others realized from the manager's securities, appears, by a late report, to have reduced his debt to the society to £22,350, for which I consider the remaining securities totally inadequate.

38. The manager gave also, as collateral security, a joint bond, signed by himself, S. B. Harman, and W. Schreiber, to secure 8 per cent interest on £25,000; and one of the Hon. H. J. Boulton, to secure 8 per cent. on £10,000, and policies of life assurance for £10,000; what the cash value of these collaterals may be, I leave others to judge.

39. As previously stated, the managers reported in June 1861, that the debentures then held amounted to £163,478 7s. 7d., or about £6,000 more than in the above list. The Committee appointed to examine and report on the securities in 1862, report the debentures then held to amount to £153,819; whilst the Trust Committee, in their printed report for that year, state them to amount to £161,428 15s. 11d., or about £7,500 more than the special committee discovered. There is no explanation of this discrepancy in the statements for 1861 and 1862, but one is evidently required.

40. I feel that I may justly assert that the special committee appointed to examine and report on the cash value of the various securities, did not properly discharge their duty. I have shewn that they reported as fact what was incorrect, but they did more, they reported, as above stated, that the manager's securities left a margin affording ample security for his debt. This statement was made at the beginning of the report, but at its conclusion they state, that by a subsequent arrangement with Mr. Cameron, to insure his life for £10,000, he is only bound to pay 7 per cent for the future; so that the security which was declared to leave an ample margin is found, during the meeting, to be so defective as to require £10,000 additional security, and that, not at the debtor's expense, but at the expense of the Society, which by this reduction of interest has to pay £820 per annum to make an ample security

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it will pay nearly the whole of the original purchase money and interest. Less than 200 acres have been sold for taxes, and that sale is to be contested; none of the lands can be sold for any other arrears for more than two years, and the committee will take care that any arrears that may then be due will be protected, if not paid, by the purchasers of the land.

37. The Hamilton and Port Dover mortgage was secured not only on the station grounds at Hamilton, but by a registered judgment and execution over the whole road, upon which some £200,000 had been expended. The interest was punctually paid on it for all but two years of the time it was held by the society. The property was valued by the Special Committee at only £7,500, but it was very soon after sold by Mr. Cameron for £10,000.

38. Mr. Cameron gave the bonds, to secure the interest, at the time the mortgages were given in 1867. The life policies for £10,000 sterling were given at a subsequent period, as an additional security to the trust, to meet any depreciation of the securities.

39. There are no discrepancies, as explained above. The difference arose from the different manner in which the securities were classified by the Special Committee and the Trust Committee.

40. The Trust Committee have full power under the by-law to agree for the rate of interest on an investment, and they proposed to Mr. Cameron the reduction of the rate of interest to 7 per cent if he would insure his life for £10,000 sterling. The premium of insurance costs Mr. Cameron 1 per cent, or $\frac{1}{2}$ per cent more than he paid, while he was paying interest at the rate of 8 per cent

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more ample. Nor is this all; they reduced Mr. Cameron's interest to 7 per cent., but they took no security that he would keep up his life policies, so that if he makes default, the Society, besides losing £320 a year, will have to pay as much or more to keep up the insurance. Who authorized this reduction I cannot discover, as all information is withheld, but I cannot believe the committee has power to do it, and I believe I am correct in saying it was not authorized by the Society, nor was a proposition to do so submitted to it.

41. The report to the Trust Committee concludes with this ominous and significant statement:—"Considering the variety and magnitude of the transactions in managing a fund still amounting to £217,967 15s 9d, after paying the sum of £66,521 to the ministers and parsons, the Committee feel that the Church has reason to be satisfied with the present position of the Fund." In other words, they could not do what they were appointed to do—put a cash value on the securities, that the Society might know what their property was worth; but they think the Society should be satisfied that they have any security whatever: it amounts to little more than this. But as if it were impossible that any special report could agree with the printed reports of the Trust Committee, it appears by the above, that after paying Huron, they still have £217,967 15s 9d., by Messrs. Gamble, Cameron, and Campbell; whilst the report of the Trust Committee for the same year, 1862, signed by Messrs. Gamble and Campbell, states that the fund amounts to £219,565 12s. 9d., or nearly £2,000 difference. Which is right I cannot decide.

42. As to the productiveness of the manager's securities, I would state that the rentals of the Yonge street block amounted in 1862 to about £620 per annum, or about £400 over and above the interest of the existing prior mortgage, which, after deducting insurance, agency, &c., will leave about £350 clear at 3½ per cent., instead of 7 per cent., on that security. The mortgage on Warwick and Adelaide land produces nothing, 200 acres of it having been sold for taxes, and \$1,800 of taxes are yet due, increasing at 10 per cent. per annum; and if these are not paid a further sale of the lands will be made. The Hamilton lots, I believe, produce little or nothing, not even, it seems, to pay the taxes on them, already exceeding \$1,000. The securities on land in Adelaide, Carradoc, and Huron Tract, may, if free from prior incumbrances, yield an interest of £300 per annum. The collateral securities, I fancy, realise nothing. In all, therefore, the securities produce not exceeding £650 in money—or less than 3½ per cent on £22,350 yet due by the manager—and if the life assurance premiums are deducted,

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41. The committee still continue of the same opinion as expressed by the committee in 1862, and the difference of the two statements alluded to is accounted for by the fact, that the Special Committee reported only upon the securities, and not upon the cash balance, which is included in the report of the Trust Committee.

42. The Yonge Street property and the collateral mortgages have always paid the interest on this mortgage. Only 150 acres of these lands have been sold, and the sale is contested as illegal; the lands cannot now be sold for any taxes in arrear, Mr. Cameron having, three years ago, paid nearly \$3000 of taxes upon them. The Hamilton lots have always paid their interest, with only two exceptions, and that only recently. The Adelaide, Carradoc and Huron securities, have always paid their interest. The collateral mortgages have always paid their interest. The securities produce upwards of £1,100 per annum, and Mr. Cameron's rents are paid into the Commercial Bank quarterly, to make up any deficiency arising from the securities.

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at least £300 per annum, it will leave only £350, or about 1½ per cent interest on the manager's debt, instead of £1,564 10s. which, at 7 per cent, it amounts to

43. Of the value of the securities given by Messrs DeBlaquiere & Co. I am unable to form an opinion, but upon a partial examination of them I found several prior encumbrances.

44. With such irreconcilable statements is it surprising that information is required by members and resisted by the managers? Had the accounts of the Society been audited as the constitution requires, these conflicting statements could not have appeared. It is true that each year the form of electing auditors is carried out: it is also true that the auditors meet and audit the accounts of the Mission Fund, Students' Fund, Widows and Orphans' Fund, and incidental expenses, involving, perhaps £5,000, and duly certify the same; but the great fund of the Society, almost the sole reliance of the Church for its future support, involving over a million of dollars, the auditors have never been permitted to examine or report upon.

45. I have alluded to several reports made by different committees. I must now refer to another made by the Commutation Trust Committee to the Society at its quarterly meeting in February last, and on perusing it I think one must come to the conclusion that little or no reliance can be placed on anything emanating from that committee. In the Trust Committee's printed report of 1860 they state that the Commutation money received was £184,850 sterling, or £224,900 16s 8d currency. In the report made last February by the same committee, they state the amount received to have been £184,500 sterling—or £350 less than reported in 1860, and that this smaller sum produced £240,954 19s 2d. £11,534 2s 6d more than the larger sum, and which, with the £4,500 from the Society for Propagating the Gospel, was invested in securities amounting to £291,263 19s 6d—whilst in 1860 they state that the Commutation money, without the £4,500 received from the Society for Propagating the Gospel, produced £289,728 19s 8d. If £184,850 sterling alone produced £289,728 19s 8d, with £4,500 added thereto, the investments should have amounted at least to £294,228 19s 6d. But the Bishop states that £7,500 was received, not £4,500; thus leaving £3,000 yet wholly unaccounted for, as far as I can learn from the reports of the Society. Nobody, that I am aware of, has ever questioned the accuracy of these reports, and it was only on finding two of them disagree that I went further and searched them thoroughly. The result has not only astonished but bewildered me, for on applying to the Government to discover what sum was actually received for Commutation money by the clergy,

43. A thorough instead of a partial examination would have shown that all prior securities have been assigned to the trust.

44. There are no irreconcilable statements, except such as Mr. Boulton himself has made, as he had in the very statements which he impugnes, the means of satisfying himself of their correctness. No audit could have made any difference in these statements, and the examination of these accounts was provided for under the by-law which created the trust.

45. The only error that has crept into the report of the committee has been in the statement of the sterling bonds received on the commutation. The amount was mis-printed £184,850 sterling, instead of £184,350 sterling, or £500 sterling too much. The money received from the Society for the Propagation of the Gospel has always been stated at £7,500, of which £3000 was expended, when received, in paying the stipends of the Clergy, and the remaining £4500 was invested, as not being immediately required, although applicable to income, as it was given to make up any deficiency that might arise in the salaries of the commuting clergy. The whole amount awarded by the government for the commutation of the clergy of the Church of England for the whole of Canada in sterling 5 and 6 per cent bonds was £230,050 Sterling, of which the Government retained themselves, under the agreement of retention of 5 per cent until a final statement, the sum of £11,300 in 6 per cent bonds, of which £10,250 was retained on account of the Upper Canada Clergy, and £1,050 on account of the Lower Canada Clergy, leaving of these bonds applicable to the clergy of the whole Province £218,750, of this sum £23,700 was delivered for Lower Canada and £13,500 for Trinity College, Toronto, leaving £181,550 for the Upper Canada Clergy, which with £2800, the proportion of the reserve for Upper Canada, afterwards returned by the Government made up the whole sum in sterling bonds, £184,350, or £224,292 10s. cy., at the par of Exchange as reported by the Committee, (with the error of £500 mentioned above) in 1860. This sum was increased by premium on the sale of debentures, exchange and interest to £240,954 19s 6d, the

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I find that instead of the sum being £224,000 16s 8d, as stated in 1860, or £240,951 19s 21, as reported in 1865, the actual sum received was £245,614 19s 8d, or £20,714 3s more than stated to be received in 1860, and £4,660 0s 6d more than in 1865

I have also a statement from an officer of the Finance Department of the Government stating that the larger sum of £245,614 19s 8d was paid over by the Government in 1866 to Mr. Cameron, as agent of the clergy who had commuted. The sums, therefore, that ought to be accounted for stand thus:—

Amount received from Government.....	£245,614 19 8
Do do Society for Propagating the Gospel.....	7,500 0 0
Bonus paid by Mr. Cameron in 1857	5,000 0 0
Do by Messrs. Farmer & de Blaquiere, in 1857	3,650 0 0
	<hr/>
	£261,764 19 8

or £36,864 8s. more than stated in Report of 1860 and £20,810 0s 6d more than appears by the Report of 1865. Why these statements do not agree is not stated in the Reports of the Society.

sum reported by the Committee to the Society in November 1857, as the basis of the Fund, and which, with the balance of £4500 from the Society for the Propagation of the Gospel, was invested in securities amounting to the sum of £291,263 19 5d. The currency amount of the Commutation for Upper Canada is duly entered in the books of the Committee as stated at £245,614 19s 3d, but from this has to be deducted the currency amount for Trinity College, £16,465 4s 0d and the proportion of the Government Reserve.

In carrying out the Commutation for the clergy, Mr. Cameron presented seven lists of claimants, whose claims were allowed by the Government. These lists, as settled and returned to him by the Government, were divided in four heads, 1st. The currency amount of the Commutation. 2nd. The sterling amount according to the terms of the order in Council. 3rd. The amount of sterling bonds delivered on each list. 4th. The amount of sterling bonds retained by the Government. It would be too lengthy to set out these lists here in full detail, but the addition or totals of each are given in the tabular statement at the foot of the page, as they require more space than this column allowed, and the care expended on their preparation will be easily conceived. The gross total makes the sum of £245,614 19s 8d., before reported as the original Commutation, less the amount retained by the Government.

The Committee also state that Mr. Boulton was distinctly informed both of the deduction of the amount for Trinity College, and of the appropriation of £8000 of the grant of the Society for the Propagation of the Gospel, at two several meetings of the Church Society, held before he published his statement. The statement of the Committee in 1860 was that the fund then stood at the sum of £259,728 19s 8d, the difference between that sum and the sum of £291,263 19s 5d being accounted for by the payment of so

	Currency.	Sterling.	St. Bonds Delivered.	St. Bonds Retained.
No. 1.—	£135,647 16 5	£113,080 6 0	£107,426 5 9	£5654 0 5
" 2.—	73,690 17 7	60,975 16 3	57,927 0 6	3048 15 9
" 3 —	14,628 16 5	12,204 0 10	11,593 16 10	610 4 0
" 4.—	17,504 11 2	14,603 2 4	13,872 19 3	730 3 1
" 5.—	1,565 5 4	1,305 16 4	1,240 10 6	65 5 10
" 6.—	1,607 4 4	1,340 6 3	1,273 15 5	67 0 10
" 7.—	1,670 8 0	1,393 0 4	1,323 16 11	69 13 5
	<hr/>	<hr/>	<hr/>	<hr/>
	£245,614 19 3	£204,902 18 4	£194,658 5 2	£10,245 3 2

In the first list, is included the amount delivered to Trinity College, in the Commutation of the then professors as follows:

The Rev. Mr. Whitaker	£7728 0 0	Currency.
The Rev. Mr. Parry	5216 8 0	
The Rev. Mr. Irvine.....	3520 16 0	

£16,465 4 0

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46. The annual Reports of the Trust Committee, as laid before the Synod from 1860 to 1864, are equally startling and inexplicable. In 1860 they report the fund to be £223,177 19s 8d. producing an income in excess of the expenditure of £298 0s 6d. In 1861 they report the fund to be £221,791 6s 8d, with an income of only £180 less than that of 1860; in other words, with a surplus income the capital is reduced in one year £1,386 14s. In 1862 the fund is reported to be £220,005 12s. 9d., shewing a deficiency of income for the year of £59 5s. 11d. but showing a further reduction of capital of £1,725 12s 11d. In 1863 they report the fund to be £218,025 5s 8d. but no further deficiency of income; yet the capital is diminished in the year by £2,040 7s 1d. And in 1864 they report the fund to be £141,408 19s 6d, after having paid Ontario £74,143 15s 1d. Total, including Ontario, for 1864, £215,547 14s 7d, or a deficiency of principal in the year of £2,477 11s. 1d.; whilst the deficiency of income is reported to be only £605 5s.

And as if a correct statement could never emanate from the committee, they state in their report of 1863 that as soon as the necessary documents were executed there would be transferred to the diocese of Ontario £74,143 15s. 1d., leaving the sum of £143,881 10s 7d., for this diocese—these two last sums together making £218,025 5s. 8d., the amount of fund reported in 1863. But the report of 1864 shews the fund then to be only £215,547 14s. 7d., or £2,477 11s 1d less than it should be, and less than they state it would be the year previous.

much on account of the interest, that, having been included in the latter sum, which also embraces the £1500 of the Grant of the Society for the Propagation of the Gospel, and all the bonus or additions made on the investments, including the bonus on the purchases of the debentures by Mr. Cameron and Messrs Farmer and DeBlaquiere.

46. The Committee call attention to the disingenuous nature of the statements made in this paragraph. From these statements it would appear that Mr. Boulton had made the discovery of the discrepancies, which he alludes to, and that he could find no explanation of them, and yet in the printed reports, from which he copied, they are stated and accounted for by the Committee.

In the Synod Report for 1860, page 275, the Committee report, that the investments amount to £221,791 6s. 8d. The report then proceeds: "These several investments represent an aggregate income for the year of £14,418 17s. 11d., being £180 0s. 6d. less than the income of the fund as it stood at the last annual meeting, arising from the temporary loans, which had borne interest at 10 per cent. The amount invested is also in diminution of the sum invested at the last annual report, by £1366 14s., arising also from the repayment of the temporary loans, which having been made from sums at the credit of the Income Fund not required for the time, have since been decreased by that amount paid for salaries."

In the Synod Report for 1862, page 36, the Committee report the then investments at £220,005 12s. 9d., representing an increase of £11,316 14s. 1d. The Committee then proceed: "The sum invested, as belonging to income, has been to a certain extent repaid, it having become necessary, owing in the first instance to the repayment of loans at a high rate of interest; and in the second place, to the non payment of interest on the Hamilton debentures. The amount of liabilities for salaries for the present year is £14,376, shewing a deficiency in income of £59 5s. 11d., against which there was a balance of overdue interest on the 1st of May last, of £2558 10s. 6d.

In the Synod Report for 1863, page 24, the Committee report the above investments at £218,025 5s. 8d., of which the Diocese of Ontario was entitled to £74,143 15s. 1d., leaving £143,881 10s. 7d. for the Diocese of Toronto, with an estimated income therefrom, if all collected, of £8932 14s. 9d., with charges upon it of £8913 17s. 6d. The Committee proceed: "The interest on the debentures of the City of Hamilton, amounting now to the large sum of £3017 14s., still remains unpaid, and no arrangement has yet been made with that corporation for its settlement. A large portion of the inter-

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est of this corporation, as well as the interest of part of the debt of the Corporation of St. Thomas, must necessarily be carried to the capital account, until the interest of these corporations is adjusted, as the Trust Committee have necessarily been obliged to deduct from the capital account, until this interest is paid or satisfactorily arranged."

In the same way, in 1864, the difference in the amount of the capital account is accounted for by the non-payment of any of the interest on the Hamilton and St. Thomas debentures, which again required the payment of the stipends of the clergy out of the invested account, as again explained in the report to the Synod for that year; while it was thus known that the Hamilton and St. Thomas corporations would pay a reduced rate of interest, the estimated deficiency of income was only £605 5s.

And in all these reports the Committee reported only the estimated income, supposing it to be all paid, not the amount of income actually received.

47. The reason of the difference is, that in the mean time, the Archdeacon of Kingston had died, and the difference of £765 19s. was the amount payable to the Diocese of Ontario, under the award for the division of the Diocese, upon his death.

48. The difference of £2774 11s. 8d., is so much of the amount of income invested, which was used as required between the years 1868 and 1865; and in 1864 the Committee reported the investments for the Diocese of Toronto to be £141,403 17s., with arrears of interest to be added, making up the whole cash amount stated in the report of £146,987 15s. 9d.

49. This is utterly untrue. It has already been shewn that a very large sum included in the sum invested was really income, and that for several years, from 1861 to near the commencement of 1865, the Hamilton and St. Thomas corporations paid no interest, although the interest of the debentures of those corporations was calculated in the estimated income of each year. These arrears of interest amounted alone to nearly £5000, and this sum had to be met during those years from the invested account, or the stipends of the clergy could not have been paid. Those arrears have now been capitalized up to April

47. Again, in the Report of 1863, they place the amount to be paid Ontario at £74,148 15s. 1d., whilst in their Report of last February, it is stated to be £74,899 14s 1d., a difference of over £700.

48. Such a multiplication of errors, if nothing worse, I venture to say was never exhibited in the proceedings of any incorporated body. But here is yet another, In their Report of last February they state that when the debentures were converted and invested, the fund amounted to £291,263 19s 5d. In the very same report they state that out of that fund Huron received £66,651 17s 11d; Ontario received £74,899 14s 1d; leaving for Toronto £587 751 18 or £146,937 5s 9d; total, £288,489 7s 9d, whereas the balance in favour of Toronto by the above figures should be £149,912 7s 5d, shewing another discrepancy of £2,774 11s 8d; and in 1864 the Trust Committee reported only £141,403 17s to be left for Toronto, shewing a further discrepancy of over £5,500.

49. To shew in a concise form how the fund gradually diminishes, I submit a short statement of the various reports:—

1860, fund reported to be	£223,177	19	8
1861, "	221,791	5	8
1862, "	220,065	12	9
1863, "	218,025	5	8
1864, "	216,517	10	11

Of income, during the first two years, there is a surplus; in 1862 a deficiency, £59 5s 11d; in 1863 no deficiency is reported; in 1864, there is a deficiency of £605 5s; total deficiency of income, £664 10s 11d, whilst the capital

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during the same period has diminished by £7,630 6s 1d, or more than twelve times the deficiency of income—of which, however, there should have been none, from the fact that many clergymen receiving stipends from the fund have died, and the aggregate of their incomes cannot have been less than £2,000 per annum; but these are not even alluded to in any of the reports.

I shall say nothing further about the management of the Trust Fund.

Statement of Committee.

and July, 1864, and will be again brought to investment account, but the rate of interest is diminished for the next ten years to 1 per cent. in the case of Hamilton, and 3 per cent. in the case of St. Thomas.

As to the stipends of the clergy, whose lives have fallen in, it has already been stated that the commutation of the clergy of the present Diocese of Toronto in 1855, amounted to the sum of £116,726 9s. 11d. which, by the additions made in its investment, was increased to £146,987 15s. 9d. at which sum it stood on the last division of the Diocese, when Ontario was set apart, while the charges borne in 1855 upon this commutation for the present Diocese of Toronto, for the salaries of those clergymen alone who commuted within its limits, were nearly £10,500 per annum, or about £1800 a year more than the interest of the above sum of £146,987 15s. 9d. which represented the commutation of this Diocese. Since that period part of these salaries, to the amount of £1850 0s. 0d., has fallen in, and the amount now payable is £8535 13s. 0d., to which must be added about £125 for the salary of the book-keeper and other expenses making a total of £8660 13s. 0d. per annum, which is about £600 a year more than the present income of the fund, in consequence of the reduced rate of interest now payable on the Hamilton and St. Thomas debentures. It must be remembered that the largest salaries were payable within the present Diocese of Toronto, while, on account of the advanced ages of many of the recipients, the amount of their commutation was comparatively small in proportion; most of those large salaries still continue to be paid, while, instead of being a charge on the whole commutation fund of the three Dioceses, as they were originally, they are now borne by the fund of this Diocese alone, while the other Dioceses with much less charge upon them, have in the division of the Commutation Fund received an amount nearly equal to the sum retained by this Diocese. It will thus be seen that while there has been a reduction of salaries to the amount of upwards of £1800 a year, that reduction has not admitted of the paying of any name on the commutation list of this Diocese, even with this reduction, the income is insufficient, from the large charges upon the fund to meet the salaries of the clergy who have commuted within its limits.

* * * * *

W. H. BOULTON.

Toronto, May 24th, 1865.

The Committee have thus examined, *seriatim*, all the charges that have been made in relation to the Commutation Trust Fund, and they believe that the statement that they now put forth is a complete refutation of each and all of them, but in addition to this, they desire to call the attention not only of the members of the Church Society, but of the Church at large, to the history and progress of this fund, from its commencement to the present time.

When the commutation was effected, the charges upon the fund were upwards of £6500 a year more than the interest of the debentures, which had been given for the commutation; and in receiving the commutation, the Church Society covenanted with each clergyman for the payment of the stipend that he had formerly received from the Clergy Reserves, and the Church Society therefore accepted the management of the fund, with the knowledge that their management commenced with an acknowledged deficiency of income to meet their expenditure of £6500 a year. To assist the Society in meeting this deficiency, the Society for the Propagation of the Gospel generously granted £7500 Sterling, £3000 to be paid in 1856, £2500 in 1857, and £2000 in 1858, and the first sum of £3000 was used in January 1856, in paying the salaries of the Clergy that became due at that period. Owing to the exertions of Mr. Cameron, while in England in 1857, the society was induced to pay the remaining £4500 that year, instead of putting off the payment of the last instalment to 1858, and that sum became a part of the Income Fund applicable to the salaries of the clergy. With so large an annual deficiency as £6500 meeting them in the very inception of their Trust, it became incumbent upon the Committee to make every exertion to procure such Investments as would produce the highest rate of interest, either directly by periodical payments, or by purchasing debentures and other securities at such a rate of discount, as would enable the Committee to meet the annual charges upon the Fund without trenching upon the actual capital they had received. That actual capital, as received by the Society in debentures at their par value, was £224,292 10s. currency, of which the proportion that belonged to the present Diocese of Toronto was £116,725 9s. 11d. That capital, with the premium on debentures sold, exchange, interest invested, and the £4500 sterling from the Propagation Society, stood in the year 1860, when the first division of the Diocese was made, at £288,489 7s. 9d., of which the Diocese of Huron received £86,651 17s. 11d., and Ontario, in 1863, on the second division, £74,809 14s. 1d., each of those amounts containing the share of those dioceses of the increase of the capital of the commutation of the clergy within their respective limits, which was rather more in each case than one-fourth of the whole sum transferred to them, and the Diocese of Toronto retaining as its share £146,987 16s. 9d., or £30,262 6s. 10d. more than the actual commutation of the clergy within its limits, that commutation having been, as before stated, £116,725 9s. 11d., and deducting arrears of interest included in the £30,262 6s. 10d., making an addition of nearly 22 per cent. to the original sum; while the whole expenses of the fund from the commencement have not exceeded £1000, which have been expended in the salary of the book-keeper, and in travelling expenses of members of the committee living out of Toronto. The Society, in entering into the covenants with the commuting clergy for the payment of their stipends, when so large an amount had to be made good beyond the then interest, naturally looked upon the falling in of lives, as a means of the reduction of the charges upon the fund, and had not many deaths occurred, the invested amount must have been greatly reduced, but the Committee are able to state that not only have all the charges upon the fund been met to the day, and in the nine and a half years, to the 1st of January last, they have amounted to £156,512 2s. 5d., but the comfort of the clergy has been increased by their stipends being paid quarterly, instead of half-yearly, as they were before the commutation, and there is an invested sum still to the credit of the Income Fund, which will make up the deficiency in interest on the Hamilton and St. Thomas debentures for some years to come.

The Committee believe that the state of the Commutation Trust Fund can bear comparison with the state of any monied institution in the country, and they only await the appointment of such gentlemen as the Church Society may name, for the fullest audit of the accounts of the fund from its commencement to the present time.

JOHN TORONTO,

President of the Church Society.