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ROLLO CAMPBELL, PRINTER—GARDEN STREET—QUEBEC.

R E T U R N

TO AN ADDRESS FROM THE LEGISLATIVE ASSEMBLY TO HIS EXCELLENCY THE GOVERNOR GENERAL, dated the 3rd ultimo, praying His Excellency to cause to be laid before the House a Return, shewing:—

“ 1st. The name of each person now in close confinement for debt, or for defaults in payment of Law costs, in the Prisons of Upper Canada—how long he has been thus imprisoned—the sums for which he is thus detained—and at whose expense maintained.”

“ 2ndly. The number of persons now on bail, in civil cases, upon the Gaol limits in each of the several Counties, or Unions of Counties, so far as the said information can be conveniently and readily obtained from the proper authorities.”

By Command.

J. LESLIE,
Secretary.

PROVINCIAL SECRETARY'S OFFICE,
Toronto, 8th July, 1851.

Appendix
(L.L.)
8th July.

Appendix
(L.L.)
8th July.

LIST of DEBTORS confined in Sandwich Gaol, from 1st January, 1850, to 12th June, 1851.

Names of Plaintiffs.	Names of Debtors.	Cause of Imprisonment.	Date of Imprisonment.	Date of Discharge.	Remarks.
	William Wiseman, senior.....	Surrendered to his bail.....	December 14th, 1847	March 29th, 1851.	
	G. W. Foote	On ca. sa.....	April 2nd, 1850.....	April 13th, 1850.	
	Charles Bellisle.....	Surrendered to his bail.....	do 24th, 1850.....	May 2nd, 1850.	
	James Johnston	On ca. sa.....	May 2nd, 1850	July 4th, 1850.	
	Arch. Brown .....	.....	July 5th, 1850	do 6th, 1850.	
	Thomas Newcomb.....	.....	August 31st, 1850.....	September 3rd, 1850.	
	Richard Winson.....	Ca re.....	October 28rd, 1850	October 28th, 1850.	
	John Knox.....	.....	do 28th, 1850	Died in gaol, January 18th, 1851.	
John B. Laughton.....	James Stockwell .....	.....	November 18th, 1850	December 17th, 1850.	
David Thompson	John McKenzie.....	On Bailiff's warrant	December 21st, 1850.....	Still confined.	On the Gaol limits.
Robert Bell, et al.....	Duncan Anderson.....	Ca sa.....	April 17th, 1851.....	June 9th, 1851	
George Butchard, et al.....	Robert G. Stevenson.....	Ca re.....	May 16th, 1851	Still confined.	

WILLIAM D. BABY,
Sheriff, U. C. of E. & L.
Per JAMES S. BABY, Deputy Sheriff.

SHERIFF'S OFFICE,
Sandwich, 13th June, 1851.

RETURN of DEBTORS confined in the Gaol of the County of Kent, at Chatham, from the 1st day of January to the 7th day of June, 1851, shewing the particulars of each case as required by order of His Excellency the Governor General, under date the 5th June, 1851.

Number.	Name of each Debtor.	Upon what process Arrested.	Amount of Debt.	Whether ordinary Debt or for Law Costs.	Date of		By what authority Discharged.	Whether now Confined, on Bail, or on Limits.	Avocation or calling of Debtors.	At whose Expense Maintained.
					Imprisonment.	Discharge.				
1	William Tiffin	Writ of Capias	£ 25	Ordinary Debt	28th April, 1851.....	29th April, 1851.....	Upon paying debt .....	.....	Farmer	At his own expense.
2	John H. Bate.....	Ca. Re. Bailable.....	87	do	4th May, do	17th May, do	do .....	.....	Dealer in lumber	do
3	Reuben Harnden	Writ of Capias	21	do	26th do	30th do	Gave bail.....	.....	Itinerant teacher of writing.	do
4	Datis J. Pencille	do	21	do	26th do .....	.....	Now confined in Gaol by request of his special bail.	.....	do do	Both at expense of the County.

Note.—The Gaol of this County was only opened for the reception of Prisoners on the 1st day of January last, when the County of Kent became disunited from the Counties of Essex and Lambton.

SHERIFF'S OFFICE, COUNTY OF KENT,
Chatham, 7th June, 1851.

J. WADELLE,
Sheriff, Kent.

Appendix
(L.L.)
8th July.

Appendix
(L.L.)
8th July.

RETURN of PARTIES in close confinement for Debt or for default in payment of Law Costs, in the Gaol of the United Counties of Huron, Perth and Bruce, together with that of persons now upon the Gaol limits of the said Counties.

NAMES.			REMARKS.
In close Confinement.	On Gaol Limits.	On Bail to the Action.	
None	John Gettler .....	.....	For satisfaction of £24 0s. 11d. and Costs, £1 18s. 9d. Oath for £21.
do .....	.....	Jasper K. Gooding.....	

JOHN MACDONALD, *Sheriff*,
United Counties of Huron, Perth and Bruce,
By GEORGE FRAM,
Deputy.

SHERIFF'S OFFICE,
Goderich, 12th June, 1851.

SHERIFF'S OFFICE,
London, 9th June, 1851.

SIR,

Below you will please receive a reply to your queries of the 5th instant, received by me on the 7th, viz:—

Alexander McIntosh was arrested under a *Ca Sa* on the 25th March, 1851, as co-defendant with David McIntosh, Charles Bowler, and Henry Jarman, at the suit of Elijah Leonard, assignee of the Sheriff for £80 15s. 0d. B. R. is still in custody and supported by the County.

William Beattie was arrested under a *Capias* in B. R. at the suit of William Connor for £29 11s. 3d., on the 14th March, 1851, and bailed. On the 25th May, 1851, he was surrendered by his special bail—is still in custody, and supports himself.

By my books, ten persons are on the Gaol limits up to this date. Some are, however, discharged without my knowledge.

Yours, &c.,

JAMES HAMILTON, *Sheriff*,
County of Middlesex.

Honorable J. LESLIE,
Provincial Secretary.

SHERIFF'S OFFICE,
Woodstock, 11th June, 1851.

SIR,

I have the honor to acknowledge the receipt of your communication dated 5th instant, requesting the names of each person in close confinement in the Gaol of the County of Oxford; and also, the number of persons in Civil cases upon the Gaol limits in the County aforesaid, and in answer beg leave to state,

That Hugh Donaldson is the only person now in close confinement for default of payment of debt and law costs. He was committed on the 1st March last, for the sum of £125—has heretofore maintained himself—but shall for the future be maintained at the expense of the County.

There are, according to my Books, sixteen persons on the limits of the Gaol in Civil cases; but it is probable that some of them might have settled their debts and have gotten their discharges without my being made acquainted with it.

I have the honor to be,
Sir,

Your most obedient and humble Servant,

JAMES CARRALL,
Sheriff, County of Oxford.

The Honorable J. LESLIE,
Provincial Secretary,
&c. &c. &c.,
Toronto.

SHERIFF'S OFFICE,
Simcoe, 21st June, 1851.

SIR,

I have the honor to inform you, for the information of His Excellency, that I have no person in close confinement, for debt or for default in payment of law costs, in my Gaol; neither have I any persons on the Gaol limits.

There have been, in all, nine arrests for debt, made in my County during the year 1850, all of which have been either settled between the parties, or discharged by Judge's orders.

I have the honor to be,
Sir,
Your obedient Servant,

H. V. A. RAPELJI.

The Honorable J. LESLIE,
&c. &c. &c.,
Toronto.

RETURN of persons confined in the Gaol of the County of Waterloo, June 14th, 1851.

Name.	Number confined for debt.	Non-payment of Costs.	Date of Imprisonment.	At whose expense maintained.	Number of persons on the Jail limits.	The amount imprisoned for.
William Courts ...	1	.....	13th June, 1851.....	County ...	.....	£56 15s. 6d. interest and Sheriff's fees.
William C. Boyd.....	.....	.....	.....	.....	Admitted on the limits, 3rd August, 1850, and believed to be so still	£164 3s. 8d. do.

GEO. J. GRANGE,
Sheriff, C. W.

RETURN of Persons in close confinement for Debt, in the Gaol of the United Counties of Wentworth and Halton, at Hamilton, on the 10th day of June, 1851, shewing the name of each person, how long imprisoned, for what amount detained, and at whose expense maintained.

Court.	Writ.	Name.	When committed.	Amount.	Debt or Law costs.	At whose expense maintained.
Queen's Bench	Capias.....	Elizabeth Hart ...	August 30th, 1850	£ 725 13 11	Debt	At the expense of her friends.
do do	Attachment...	John Dunn.....	February 19, 1851	19 6 10	Costs	Maintains himself.
do do	do ...	do do	do do	19 5 11	do	do do.
County Court...	Capias.....	John Snell	March 14, 1851...	64 0 0	Debt	Maintained by weekly allowance.
Chancery	Attachment...	Hugh McKenzie...	do 26, do ...	12 7 2	Indian Lands	Maintained principally by his friends.

The number of persons now on bail in Civil cases upon the Gaol limits is not known to me, as the Debtors are discharged from close confinement, and admitted to bail by Judge's order, and no notice of their discharge from the limits is ever given to the Sheriff.

SHERIFF'S OFFICE,
Hamilton, June 10th, 1851.

I certify that the within is a true return of Prisoners now in my custody for Debt.

E. CARTWRIGHT THOMAS,
Sheriff, U. C. Wentworth and Halton.

SHERIFF'S OFFICE,
Hamilton, U. C. of W. & H.,
June 10th, 1851.

Appendix
(L.L.)
8th July.

SHERIFF'S OFFICE,
Niagara, 10th June, 1851.

SIR,

I have the honour to acknowledge the receipt of your favor of the 6th instant, requesting information concerning the names and numbers of persons in close confinement for debt, or for contempt for non-payment of law costs. In reply, I beg to state that at present there is not a single person confined for debt in this Gaol; and in reply to the second question, regarding the number of persons now on the limits of the United Counties of Lincoln and Welland, I have to give the following list, which is as nearly correct as it is possible to ascertain. It commences from the 1st day of January, 1849. Of course there have been more arrested, but the debts are settled and parties released.

IN THE QUEEN'S BENCH.—Ira Spaulding, Chester Culver, Thomas Torrance, Robert Torrance, Thomas Waters, George Nickerson.

IN THE COUNTY COURT.—Thomas Ellis, Robert Griffis, Henry Wills, William Early, Ann Boyle, John W. Moffatt, John Russell, Nicholas Young, Roderick McDonald, Burdett Carruthers.

SHERIFF'S OFFICE, COUNTY OF HALDIMAND,
Cayuga, 10th June, 1851.

Name of person now in close confinement for debt, or for default in payment of Law Costs, in the Jail of the County of Haldimand, or on bail.

1. Peter Limburner.

RICHARD MARTIN,
Sheriff, County Haldimand.

By E. S. MARTIN,
Deputy Sheriff.

RETURN of persons arrested for debt and committed to the Gaol of the County of York, from the 1st day of January, 1850, to the 24th day of June, 1851.

IN GAOL.—Under a Writ of *Capias ad Satisfaciendum*, issued out of Her Majesty's Court of Queen's Bench:

* Donald McLeod, £61 11s. 8d., committed 10th April, 1851, maintained by his friends.

* This person is imprisoned at the suit of his son!

Total number of arrests made during that period.....	53
Of which were discharged by Judge's Order.....	20
do do do by Plaintiff's Attorney.....	19
do do Bailed to the Limits.....	13
And in Gaol	1
	53

Appendix
(L.L.)
8th July.

County of York.—(Continued.)

Of which number were committed on Escheat	2
do do by Court of Chancery	2
do do for non-payment of Costs	2
And the remainder being for debt between Plaintiff and Defendant.....	47
	53

W. B. JARVIS,
Sheriff.

SHERIFF'S OFFICE,
Toronto, 26th June, 1851.

RETURN of persons now in close confinement in the Common Gaol of the County of Simcoe, and on bail for debt, or default of payment of Law Costs:

NONE.

B. W. SMITH,
Sheriff County Simcoe.

SHERIFF'S OFFICE,
Barrie, 10th June, 1851.

GAOL RETURN of the United Counties of Northumberland and Durham, in obedience to an Order from the Governor General, dated June 5th, 1851; also, Persons upon the Limits of said Gaol.

Name.	Date of Commitment.	Amount.	At whose expense Maintained.	Remarks.
William King.....	21st September, 1850...	£ 477 18 7	At his own.	The Sheriff has no means of knowing, certainly, what Debtors have been discharged from the Limits, and therefore he cannot know who are upon the Gaol Limits at any specific time. There appears to have been six persons admitted to the Limits since January, 1850.

H. RUTAN,
Sheriff.

SHERIFF'S OFFICE,
Cobourg, 9th June, 1851.

Appendix
(L.L.)

8th July.

SHERIFF'S OFFICE,
Peterborough, 13th June, 1851.

SIR,

I have the pleasure, in answer to your favour of the 5th instant, to say that we have not had a prisoner in Gaol this year for debt, and only one on bail, named Hugh Miles Bunbury. The amount of debt and damages for which he is now on bail is £54 16s. 8½d., with costs to the amount of £13 10s. 6d.

I am, Sir,
Your obedient Servant

W. S. CONGER,
Sheriff.

Per GEORGE G. BOSWELL,
Deputy Sheriff.

To the Honourable J. LESLIE,
Toronto.

SHERIFF'S OFFICE,
Picton, 16th June, 1851.

SIR,

I beg leave to acknowledge your letter of the 6th instant, asking for certain returns relative to prisoners for debt, &c., and hereby return the following answers thereto:—

COUNTY OF PRINCE EDWARD.—Number of persons in close confinement for debt, or for default in payment of law costs.—None.

Number of persons on bail on the Gaol limits, 2; viz: one, David M. Lake, for debt—amount £80; and one, Lydia Branscombe, for law costs—amount £20.

I have the honour to be,
Sir,
Your most obedient Servant,

JAMES McDONALD,
Sheriff, County of P. E.

The Honourable Provincial Secretary.

Appendix
(L.L.)

8th July.

RETURN of Persons in the Gaol or on the Gaol Limits of the County of Hastings, on 5th of June, 1851.

No.	Names of Prisoners confined for Debt or for non-payment of Law Costs.	In close confinement in Gaol.	On Gaol Limits.	Amount for which arrested.			Date of Arrest.	Remarks.
				£	s.	d.		
1	John Murray .....	.....	1	58	6	11	30th April, 1847	Debt.
2	John Thomas.....	.....	2	61	1	8	26th August, 1850	Costs.
3	John Wright .....	.....	3	21	2	3	8th February, 1849	Debt.
4	William Lee .....	.....	4	27	11	0	11th March, 1850	do
5	Lyman Moon.....	.....	5	41	16	4	3rd March, 1851	do

W. DUNBAR MOODIE,
Sheriff, County of Hastings.

SHERIFF'S OFFICE,
Kingston, 9th June, 1851.

SIR,

I have the honour to acknowledge the receipt of your's of 5th instant, requesting that I would transmit to you, with a view to its being laid before the Legislative Assembly, a Return shewing:—

1st, The name of each person now in close confinement for debt, or for default in payment of Law costs, in the Gaol of the United Counties of Frontenac, Lennox and Addington.

2nd, The number of persons now on bail in Civil cases, upon the Gaol limits in the United Counties aforesaid.

In answer, I have the honour to state, that there are none in close confinement; and that there are seven persons now on bail upon the Gaol limits.

I have the honour to be,
Sir,
Your obedient humble Servant,
THOMAS A. CORBETT,
Sheriff, U. C. of F. L. and A.

Honourable J. LESLIE,
Secretary.

Appendix
(L.L.)
6th July.

SHERIFF'S OFFICE,
Brockville, 7th June, 1851.

SIR,

In reply to your letter of the 5th instant, respecting Debtors confined in the Gaol, and upon the Gaol limits of the United Counties of Leeds and Grenville, I am happy to be able to inform you that there is not at present a single debtor in close confinement, and that there have only been two so confined during the past year. I find upon examination that there are now six defendants on bail in civil cases upon the Jail limits of the said Counties.

I have the honour to be,

Sir,

Your most obedient Servant,

ADIEL SHERWOOD,
Sheriff of U. C. of L. & G.

The Hon. JAMES LESLIE,
Provincial Secretary,
&c. &c. &c.,
Toronto.

Appendix
(L.L.)
6th July.

SHERIFF'S OFFICE,
Perth, 4th July, 1851.

SIR,

I am in receipt of your letter of the first instant, reminding me of a Circular sent on the 5th ultimo. This Circular arrived here while I was in Toronto, and on my return I understood my Deputy had forwarded you the required document; hence the mistake, which I feel sorry for.

I have one debtor in Gaol, named Andrew Hutton, supported by the United Counties, committed on 1st April last, on a *Capias* for £10 10s.; claim, £14 9s. 6½d.; costs, £1 18s. 9d.

There are seven persons on bail upon the Gaol limits.

I have the honour to be,

Sir,

Your obedient Servant,

ANDREW DICKSON,
Sheriff, U. C. of L. and R.

Honourable J. LESLIE,
Secretary, &c. &c. &c.,
Toronto.

RETURN of Prisoners in close custody for Debt, in the Gaol of the County of Carleton, on the 10th day of June, 1851.

No.	Name of Prisoner.	Date of Imprisonment.	Amount for which he is detained.			At whose Expense he is maintained.
			£	s.	d.	
1	Cornellus Gleeson	March 25th,	31	4	2½	His own.
2	William Filds	April 18th,	57	12	10	Plaintiffs.
3	Jacob Eligh	May 9th,	38	7	9	His own.
4	Charles G. Warner	do 31st,	25	1	10	do

In addition to the above there are five persons now on bail in civil cases upon the Gaol limits of the County of Carleton.

SIMON FRASER,
Sheriff.
Per JAMES FRASER,
Deputy Sheriff.

SHERIFF'S OFFICE, BYTOWN,
10th June, 1851.

RETURN of Prisoners in Common Gaol of the United Counties of Prescott and Russell, for Debt, or in default for payment of Costs, on 11th June, 1851.

Names of persons now in close confinement.	How long imprisoned.	At whose expense maintained.	Number of persons now on bail upon Gaol Limits.
Nil	Nil	Nil	1

CHARLES P. TREADWELL,
Sheriff, U. C. of P. and R.

SHERIFF'S OFFICE,
L'Orignal, 11th June, 1851.

Appendix
(L.L.)
8th July.

Appendix
(L.L.)
8th July.

RETURN of persons now in close confinement for Debt or Costs, in the Gaol of the United Counties of Stormont, Dundas and Glengarry; and also the number of persons now in bail on civil cases upon the Gaol limits of the said United Counties.

Name of Persons in Confinement for Debt, &c.	How long Imprisoned.	The sum for which he is thus detained.			At whose Expense Maintained.	Number of Persons on Bail in Civil Cases.
		£	s.	d.		
None	Four.

D. E. McINTYRE,
*Sheriff, United Counties
Stormont, Dundas and Glengarry.*

SHERIFF'S OFFICE,
Cornwall, June 10th, 1851.

R E T U R N

TO AN ADDRESS FROM THE LEGISLATIVE ASSEMBLY, dated the 27th July, 1850, to His EXCELLENCY, THE GOVERNOR GENERAL, praying His Excellency, will cause to be laid before that House, a full and complete statement of all Moneys paid to Religious Denominations, Churches, Congregations, or individual Ministers of Religion, or to the Widows or families of Ministers, from the year 1814 to 1840, inclusive, specifying the names of the parties receiving, the dates, and amount paid to each; shewing from what fund the same was paid, whether from the Casual and Territorial Revenues, or from the proceeds of sales or rent of Clergy Reserves, or from any other Public Fund whatever.

Also, a similar statement of all Grants of Land of whatever description made to the various Religious Denominations, Churches, Congregations, or individual Ministers of Religion for any purpose or pretension whatever; shewing the nature and terms of the same, the date of the Grant and extent of the Land so given, made, or granted in each respective case, with the name or names of the party or parties receiving the same.

By Command.

J. LESLIE,
Secretary.

SECRETARY'S OFFICE,
8th July. 1851.

C O N T E N T S .

- No. 1.—LIST of LANDS, in Canada West, granted to the Church of England.
- No. 2.—LIST of LANDS, in Canada West, granted to the Roman Catholic Church.
- No. 3.—LIST of LANDS, in Canada West, assigned by Order in Council to the Church of Scotland and other Presbyterian Congregations.
- No. 4.—LIST of LANDS, in Canada West, granted to different Denominations of Methodists.
- No. 5.—STATEMENT of PAYMENTS made to the undermentioned Clergymen and others, out of the Fund arising from the Rents of the Clergy Reserved Lands, applicable solely to the maintenance and support of a Protestant Clergy within this Province, from the year 1814 to 1840, inclusive.
- No. 6.—STATEMENT of PAYMENTS made to the undermentioned Clergymen, out of the money granted by the Provincial Legislature, in aid of the Civil Expenditure of the Province of Upper Canada, from the year 1814 to 1840, inclusive.
- No. 7.—STATEMENT of PAYMENTS made to the undermentioned Clergymen, out of the Funds of the Canada Company, late Upper Canada, from the year 1827 to 1840, inclusive.
- No. 8.—STATEMENT of PAYMENTS made to the undermentioned Clergymen, out of the Crown Revenues, late Upper Canada, from the year 1814 to 1840, inclusive.
- No. 9.—STATEMENT of all the Moneys paid to Religious Denominations, Churches, Congregations, or individual Ministers of Religion, or to Widows and Families of Ministers, from the year 1814 to 1840, inclusive, in the late Province of Lower Canada, specifying the names of parties receiving the same, the dates and amounts paid to each, shewing from what funds the same were paid, whether from the Casual and Territorial Revenue, or from proceeds of Sale or Rent of Clergy Reserves, or from any other Public Funds whatever.

No. 1.

List of Lands in Canada West, Granted to the Church of England.

GLEBES.

Townships.	Lot.	Concession, &c.	Acres.	Date of Order in Council.	
York	6	2	200	15th January, 1836.	
do	9	2	200		
do	22	2	200		
do	17	3	200		
do	14	2 East of Yonge Street	200		
Hamilton	Part 15	B.	50	do do do	
do	West 1/4 15	Broken Front A	50	do do do	
do	27	6	200	do do do	
do	East 1/2 2	7	100	do do do	
Bathurst	17	7	200	15th January, 1836, cancelled by O. C., 13th October, 1841.	
Drummond	4	1	200	18th December, 1816.	
Grimsby	11, 12, 13, 14	6	400	25th August, 1789.	
Monaghan	Park 15 and 16 in Lot 13	13	18	15th January, 1836.	
Peterborough	Town Lots 1, 2, 3, 4	Hunter Street	4	do do do	
	1, 2, 3, 4	Water do			
	1, 2, 3, 4	Brock do			
Smith	17	2	180	11th February, 1832.	
do	40	13	193	15th January, 1836.	
Bertie	6, 7	5	400	do do do	
do	6, 7	6			
Woodhouse	South-west 1/4 1	3	402	do do do	
do	South 1/2 of North 1/2 1	3			
do	South-west 1/2 2	3			
do	North part 6	1			
do	Part 10	4			
Oxford, West	2	1	200	do do do	
Oxford, East	16	5	200	do do do	
Ancaster	39, 40	5	400	do do do	
Oxford, County of Grenville	16 and East 1/2 15	1	250	do do do	
do do do	16	6	200	do do do	
Cavan	17	4	200	do do do	
do	10	10	200		
Vaughan	North half 27	1	105	do do do	
Sophiasburgh	North-east part D Block		400	do do do	
Augusta	18	4	200	do do do	
do	Commons between 18 and 19		50		
do	19	4	200		
Elizabethtown	19, 20	5	400	do do do	
East Flamborough	2	2	200	do do do	
do do	10	4	200		
Hope	Part 9	1	86	do do do	
do	27	4	200		
do	6	8	200		
London	12 and 13	C.	400	do do do	
Town of London	The ground on which the Church stands		4 1/2	do do do	
London	15	7	200	do do do	
do	15	3	200	do do do	
do	North East corner 16	3	4 1/2	do do do	
Thurlow	16	3	200	do do do	
do	17	3	200		
do	Part of 4	1	18		
Richmond	15 and 16	4	400	do do do	
Nepean	2	4 Rideau	200	do do do	
do	32	do	200	do do do	
Burford	3	2	200	do do do	
do	9	3	200	do do do	
Maldon	80, 81	7	400	do do do	
Grantham	3	5 and 6	400	do do do	
Thorold	98, 99, 100, 121		400	do do do	
Louth	11, 12	4	300	do do do	
do	12	5			
Stamford	72, 83, 89, 106		400	do do do	
Carradoc	22	1st Range N. L. W. Road	235	do do do	
do	16	1	200	do do do	
Adolphustown	24, 25	1	161	do do do	
Town of do	6, 7, 8	North 3rd Street	3	do do do	
do do	6, 7, 8	South 4th Street			
Cornwall	19	8	200	do do do	
	West 1/2 38	8	150	do do do	
	A strip of land in rear of the Town of Cornwall, and the Front of 2nd Concession of Township of Cornwall, Easterly Boundary			64	do do do

Appendix
(M.M.)
5th July.

Appendix
(M.M.)
5th July.

List of Lands in Canada West, granted to the Church of England.—Glebes.—(Continued.)

Township.	Lot.	Concession, &c.	Acres.	Date of Order in Council.
Williamsburgh	Part of Centre Commons, 1 and 2.....		37½	15th January, 1886.
Matilda	Centre Commons, 1, 3, 4, between 18 and 19		163	do do do
do Western Boundary...	19	6	200	25th August, 1789.
Adelaide	12	1, North East Road...	200	15th January, 1836.
do	25	1 South East Road ...	200	
Town of Adelaide	8 and 9	Front Street.....	1	do do do
Etobicoke	3 and 4	1st Range.....	205	do do do
do	West part 3	2nd do		
do	4	2, 3, and 4.....		
Ramsay	26	2	200	do do do
do	2	7	200	do do do
Southwold	9	1	400	do do do
do	17	4		
Warwick.....	15 and 25	1	400	do do do
Markham	17	5	70	24th April, 1835.
Vaughan.....	19	9	200	15th January, 1836.
Gloucester	17, 18	1st on Ottawa	400	do do do
Chinguacousy.....	23	2 E. H. Street	200	do do do
do	29	4	200	do do do
Toronto	9, Indian Reserve.....	River Credit	45	do do do
Fredricksburgh	9, 10, 11	2	250	do do do
Maidstone	3, East of River aux Puce		200	do do do
do	North half 1 between River aux Puce and River aux Perches		100	do do do
Tilbury West	8	Broken Front	100	do do do
Beckwith	North East half 21	2	100	do do do
do	West half 26	2	100	
do	17	1	200	
Niagara	126, 127, 128, 130		400	do do do
Guelph	C.	Division A.....	26	do do do
do	Reserve Lot between C. and River Speed	A		
do	14, 15		60	do do do
Town of Guelph	Centre part of St. George's Square		54½ perc.	do do do
Fuslinch	Rear ½ 3 and 4	10	240	do do do
do	Broken 3 and 4	11		
Block adjoining Town of Kingston			18	do do do
Kingston	East ¼ 12	4	500	do do do
do	13 and West ¼ 14			
Ernestown	Front 50 of 12	4	400	do do do
do	13 and West ¼ 14			
do	42	3	200	do do do
Williamsburgh	18 and 19	4	400	do do do
Goulbourns.....	24	5	200	do do do
Fitzroy	17	9	200	do do do
Clarke.....	20	2	200	do do do
do	27	2	200	do do do
Darlington	25, 31	1	400	do do do
Tilbury West.....	8, 5	1	200	do do do
Rochester	2 between Bell River and River Rus-oom		200	do do do
Innisfil.....	28	13	200	do do do
do	10	8	200	
do	10	14	200	
Town of Barrie.....	131, 132, 133	North of Mark Street .....	.....	do do do
do do	114, 115	North of Worsley do		
do do	116	South of McDonell do		

CROWN LAND DEPARTMENT,
Toronto, 6th August, 1850.

Appendix
(M.M.)
8th July.

Appendix
(M.M.)
8th July.

No. 1.—(Continued.)—List of Lands in Canada West, granted to the Church of England.

Township.	Lot.	Concession, &c.	Acres.	Date of Order in Council.
Village of Coote's Paradise...	2 Acres between Dundas and Flam- borough Streets		2	3rd December, 1835.
Etobicoke	1 and 2 in 3 and 4 and	5th Ranges	700	5th March, 1835.
do	East part 3	2nd do		
do	3	In 3rd and 4th do		
do	Part 5	In 2nd, 3rd do		
do	6	In 1st, 2nd do		
do	7 and 8	In 1st, 2nd do		
do	9	In 1st do		
do	West part 9	In 2nd do		
Town of Woodstock	1 to 15, West side of George Street.		14	27th November, 1834.
do do	1, 2, 3, 4, 5, 6, 7, East of Bexley		15	do do do
do do	1 to 15, West of Giver Street.....			
do do	1 to 15, East of Yeo Street.....			
Town of Richmond	10 and 11, East of Maitland Street		4	29th December, 1836.
do do	10 and 11, West of Fowler Street... ..			
Chatham, Town of	Block of land		5 ¹ / ₈	23rd March, 1837.
Chabruck	East $\frac{1}{2}$ centre Commons		24	17th May, 1838.
Cayuga	Gore 12	7	34	12th September, 1843
Town of Brantford	Lot South of Darlington Street.....		2 $\frac{1}{2}$	25th do do
Town of Colchester	1, 2, 3, 4, West of Clitherow Street		6	6th November, 1844.
do do	2, 3, 4, East of Bagot Street			
Town of Warwick	1, 2, 3, 4, 5, North of Digby Street.....		1	12th June, 1846.
Arthur.....	Park 6, S. Owen's S. R.		5	11th February, do
Sydenham	Part 1	1st	50	15th March, 1847.
Holland	do 1	1st	10	12th May, do
Arthur	8, East side Owen Sound Road		10	18th August, do
do	17, West side do do			
Errol	1 and 2, South of Queen Street.....		1	31st January, 1848.
City of Toronto	Victoria Square		2	12th July, do
Cumberland	East part of 20	5	20	7th October, do
Arthur.....	Part of 8 East of Owen Sound Road...		10	11th August, 1849.

CROWN LAND DEPARTMENT,
Toronto, 6th August, 1850.

No. 2.

List of Lands in Canada West, granted to the Roman Catholic Church.

Township.	Lot.	Concession, &c.	Acres.	Date of Order in Council.
Charlottenburgh	West $\frac{1}{2}$ 18	7	100	3rd January, 1832.
Town of Niagara	24		4	3rd May, do
do Amherstburgh	4, 5, 6, 7, Brock Street		5	24th April, 1833.
do do	North $\frac{1}{2}$ 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, Kempt Street.....			
Town of Perth	Block Craig Street.....		1	11th January, 1832.
do do	6 Harvey Street.....		1	3rd February, 1834.
Gore of Toronto	17	10	200	do do do
Town of Chatham.....	Block in Wellington Street.....		15	do do do
Adjala.....	10, 11, 13	8	150	do do do
Tay	116, 117	2nd East P. Road.....	200	do do do
Town of Peterborough	1, and 2, and 14 Hunter Street		3	18th February, 1834.
do do	1 and 2, Brock Street			
Peterborough	Park 6	13	9	
City of Toronto.....	Part of Mill Reserve		1 $\frac{3}{4}$	25th April, 1837.
Moore.....	43	Front.....	100	10th do 1838.
Tyendinaga.....	24 South of Road.....		100	18th August, 1846.
Trentport	1, 2, 3, 4 King Street... ..		1 $\frac{3}{4}$	9th June, 1836.
do	1, 2, 3, 4 Henry Street.....			
Town of London	Block, Duke Street		2	15th May, 1837.
do do	Park 6, Oxford Street.....		10	

Appendix
(M.M.)
8th July.

Appendix
(M.M.)
8th July.

List of Lands in Canada West, granted to the Roman Catholic Church.—(Continued.)

Township.	Lot.	Concession, &c.	Acres.	Date of Order in Council.
Huntley	15	8	200	13th March, 1841.
Town of Lindsay	1 and 2, Russell Street		1	2nd May, 1843.
do Barrie	127, 128		1	2nd November, 1837.
do Amherstburg	26 Bathurst Street		1	6th do 1844.
do Arthur	17 and East part 18, Smith Street		2 1/2	25th May, 1846.
do Richmond	12, Fortune Street		1	29th July, 1846.
do do	12, 13, Maitland Street		1	
do do	Part 15, Ottawa Street		10	
Town of Peterborough	4, 5, 6, McDonell Street		3	17th August, 1846.
do do	4, 5, 6, Murray Street			
do Cornwall	17, 4th Street		1	31st May, 1847.
City of Toronto	Block in Government Reserve		10	9th do 1822.
do do	do Hospital Street		1	24th March, 1829.
Willmot			200	25th October, 1828.
Town of Adelaide	12 and 13, North of George Street		4	31st August, 1841.
do do	13 and 14, South of do do			
do do	11, 12, 13, 14, South of Queen Street			
do London	Lot in Bond Street		2	25th May, 1837.

CROWN LAND DEPARTMENT,
Toronto, 6th August, 1850.

No. 3.

List of Lands in Canada West, granted to the Church of Scotland, and other Presbyterian Congregations.

Township.	Lot.	Concession, &c.	Acres.	Date of Order in Council.
Williamsburgh	West half of Commons between 18 and 19	1, 2, 3	70	6th October, 1826.
Osnabrock	Commons between 18 and 19	1 and 2	24	do do do
Charlottenburgh	West 1/2 of 16, South of River aux Raisins		100	7th December, 1830.
Zorra	25	5	5	20th October, 1836.
Lanark	Park 4	1	120	10th August, 1837.
do	East 1/2 2			
do	13 and South 1/2 14, East of Prince Street		2	23rd October, 1840.
Village of Fredericksburgh	8, 9, 10, 11, 12, East of Richmond do		3 1/2	do do do
do do	East 1/2 8, 9, 10, West of do do			
Town of Richmond	11, East of Fortune Street		2	21st March, 1844.
do do	11, West of Maitland do			
Garrafraxa	8	1	200	13th June, 1836.
Town of Peterborough	12, 13, North of Brock Street		1	30th May, 1835.
Eldon	6	4	200	8th December, 1835.
Town of London	13, South of York Street		1/2	12th July, 1838.
do do	6, 7, 8, South of Duke Street		3	31st January, 1842.
do do	6, 7, 8, North of North do			
Charlottenburgh	11, South of River aux Raisins		60	10th April, 1821.
Town of Belleville	30, 31, East of Church Street		1	6th December, 1827.
Town of Barrie	8, 9, Blake Street		1	6th November, 1844.
do do	4, South Collingwood Street			
City of Toronto	Gore between North of 4 and 5 Dutchess Street		1/2	1st December, 1824.
Elmsley	26	10	200	22nd August, 1849.
Eldon	26, North of Portage Road		200	8th December, 1835.
Town of Woodstock	2 and 3, East of Graham Street		1	21st do do
Chatham, Town of	Block of Land, South Wellington Street		10	7th July, 1837.
City of Kingston	343, 344, 349, 350, and South 1/2 351,	Block C.	2	1st October, 1817.
Town of Cornwall	East 1/2 5	2	100	1st June, 1831.
Town of Niagara	157, 158, 183, 184		4	15th July, 1824.
Brock	West 1/2 8	10	100	27th October, 1836.
Thorah	South 1/2 12	6	100	do do do
Dummer	West 1/2 6	4	100	9th March, 1837.
City of Toronto	Parcel of land at the intersection of King and Simcoe Streets, formerly belonging to Mr. Hagerman		1/2	25th November, 1845.
Edwardsburgh	29	2	200	29th April, 1846.
Town of Lindsay	12, South of Francis Street		1/2	2nd November, 1846.
York	41 and part of 39 and 40	1st from Bay	200	20th January, 1847.

Appendix
(M.M.)
8th July.

Appendix
(M.M.)
8th July.

List of Lands in Canada West, granted to the Church of Scotland, &c.—(Continued.)

Township.	Lot.	Concession, &c.	Acres.	Date of Order in Council.
Town of London	6, 7, 8, North of East North Street		3	24th December, 1845
do do	6, 7, 8, South of Duke Street		4	25th October, 1847.
Town of Woodstock	Park 4	4th Range	10	17th November do
Bentnick	Part of 25	West of Owen Sound Road	8	14th August, 1848.
McNabb	Part of 12		8	29th December, 1847
do	Part of 13		12	28th January, 1848.
Asphodel	East part of 13 and 14		1	3rd February, 1835.
Town of Lanark	29, North of Clarence Street		200	25th October, 1828.
Wilmot			12200 sq. feet	12th February, 1831.
Town of Perth	Lot in Town of Perth		100	30th May, 1835.
Thorah	East 1/2 of 10	4	100	8th December, 1835.
Puslinch	Front 1/2 28	8	100	28th July, 1836.
Leeds	5	2	200	
Town of Peterborough	Lot F. Brock Street		91800 sq. links	30th May, 1835.
Nepean	8	C.	178	19th do 1836.
Montague	17	7	200	11th do 1837.
Lanark	Park 4		25	10th August, 1837.
do	East 1/2 2	1	100	do do do

CROWN LAND DEPARTMENT,
Toronto, 6th August, 1850.

No. 4.

List of Lands in Canada West, granted to the different Denominations of Methodists.

Township.	Lot.	Concession, &c.	Acres.	Date of Order in Council.
Town of Peterborough	1 and 2, South Brock Street		1	27th November, 1834.
do Amherstburgh	34, 35, West of King		1/2	14th February, 1837.
do Woodstock	11, 12, Vansittart		1	26th January, 1837.
do do	11, 12, Delatre		1	do do do
do Niagara	77, 78		1 1/2	17th August, 1837.
do do	103, 108		1 1/2	17th August, 1837.
do Peterborough	8, Simcoe Street		1/2	18th July, 1841.
Onondaga	A Broken front		68	3rd October, 1842.
Town of Perth	10, Robinson Street		1	2nd May, 1843.
do Woodstock	4, Graham		1/2	do do do
do London	9 and 10, North		2 1/2	do do do
do do	9 and 10, Duke		2 1/2	do do do
do do	North-east 1/2 Block on Bond Street		2 1/2	do do do
do do	South-east 1/2 do		2 1/2	do do do
do Lindsay	6, Wellington		1/2	25th November, 1842.
do Barrie	85, 85		1/2	22nd December, 1842
do Woodstock	6, Graham Street		1/2	6th November, 1844.
do Lanark	15 and 22, East and West of Prince		2	27th September, do
do Peterborough	Part of 6, Hunter Street		1/2	21st March, do
do Adelaide	1 and 2, King		1	10th October, 1845.
do Lindsay	19 and 20, Kent		1	22nd April, 1846.
do Chatham	10, Park		1/2	28th October, 1848.
do Sandwich	19, Peter		1	15th March, 1847.
do do	22, Peter		1	6th November, 1844.
do Richmond	12, West of McBean Street		1	21st March, 1846.
do Sydenham	Part of Park 11	2nd Range	2	25th May, do
do do	9 and 10	Scrope	1	3rd February, 1847.
Egremont	Part 1	1st	4	15th March, do
Town of Fredericksburgh	1, 2, 3, Fitzroy Street		3	27th April, do
do do	2, 3, 4	Apsley	3	31st May, do
do Sydenham	13, 14, East of Hill Street		2	18th June, do
City of Toronto	Lot in Victoria Square		1	30th March, do
Williamsburgh	Part of Centre Commons	3rd	37 1/2	17th August, 1837.
Town of Barrie	77, 78, 103, 108		1 1/2	12th January, 1846.
do London	Block in Market Street		4	do do do
Egremont	Part of 1	1st	4	

CROWN LAND DEPARTMENT,
Toronto, 6th August, 1850.

STATEMENT of Payments made to the undermentioned Clergymen and others, out of the Fund arising from the Rents of the Clergy Reserve Lands, applicable solely to the Maintenance and Support of a Protestant Clergy within this Province, from the year 1814 to 1840, inclusive.

No.	Names of the	Office held by them.	The Years ending respectively the 31st December.											
			1816.			1821.			1822.			1824.		
			£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1	The Ven. and Rev. Dr. J. Strachan...	Late Minister, Cornwall ...	427	9	4½									
2	do do do	Minister of York										*475	0	0
3	do do do	Archdeacon of York												
4	Rev. John Houghton and others.....	Minister, Bath, Church Wardens				150	0	0						
5	Ralph Leeming and others.	Rector, Ancaster, Church Wardens							200	0	0			
6	William Macaulay and others. ...	Rector, Township Hamilton, Church Wardens										300	0	0
7	John Bethune	Minister, Brockville												
	Jonas Jones, Esq.....	Church Warden												
8	The Ven. George Mountain	Archdeacon, Quebec.....												
9	Adam Gordon, Esq.....	Chief Clerk, Colonial Office												
10	The Ven. and Rev. George O'Kill Stuart	Archdeacon of Kingston ...												
11	do do do	Minister, Church of Eng- land.....												
12	The Honorable and Right Rev. Charles James Stewart.. ..	Lord Bishop of Quebec.....												
13	Roswell Mount, Esq.	For the Incumbent of Ade- laide.....												
14	Honorable John H. Dunn	Receiver General, Salaries to Ministers, Church of England, and Pensions to Widows												
15	Rev. Jackson Gevins													
16	Thomas Baines.....	Secretary Clergy Corpora- tion												
17	do do	do do do												
18	Rev. D. E. Blake	Building and Repairs to Glebe Houses in Car- radoc and Adelaide.....												
19	Rev. John Flood													
20	do Alexander Bethune.....	For services performed for the Clergy Corporation.												
21	The Venerable and Rev. Dr. John Strachan, for Rev. R. H. D'Olier	Salary as Rector of Peter- boro'												
22	Henry Boys, Esquire, for Rev. S. Gevins	Bursar, King's College. ...												
		Totals, Currency... ..£	427	9	4½	150	0	0	200	0	0	775	0	0

INSPECTOR GENERAL'S OFFICE,
Toronto, 8th July, 1851.

Appendix
(M.M.)
8th July.

Appendix
(M.M.)
8th July.

STATEMENT of Payments made to the undermentioned Clergymen out of the Fund of the King's Rights, &c.—(Continued.)

No.	1836.			1837.			1838.			1839.			1840.			
	£	s.	d.	£	s.	d.										
1																
2	100	0	0	100	0	0	100	0	0	100	0	0				
3	100	0	0	100	0	0	100	0	0	100	0	0				
4																
5	180	0	0	90	0	0										
6																
7																
8																Erection of Roman Catholic Churches and Chapels.
9																Erection of Roman Catholic Churches.
10																
11																
12																
13																
14																
15																
16																
17																
18																
19																
20																Building Presbyterian Churches.
21																Building Catholic Church at Adjala.
22																Building Catholic Church.
23																do do do at St. Catharines.
24																Patent and Survey Fee for a Glebe Lot, Cornwall.
25																Catholic Churches.
26																Catholic Church, Longuenil.
27																do Plantagenet.
28																For erection of Public places of Worship.
29																For do of Wesleyan Methodist Chapels.
30																
31																
32																Erection of Roman Catholic Chapel.
33																do do Church at London.
34																do do do at St. Thomas.
35																do do do at Loughboro'.
36	699	19	11	700	0	0	699	19	11	699	19	10	349	19	11	
37	2565	12	5	2588	6	8	2540	18	0	2476	5	0	2508	1	8	
38																Erection of Roman Catholic Church, River Trent.
39																do do do Guelph.
40																do do do Amherstburg.
41																do do do Cornwall.
42																Erection of Churches for Established Church of Scotland.
43																Erection of Church at that place.
44				21	5	0										
45				3690	0	0	1845	0	0	1400	0	0	350	0	0	
46				1200	0	0										
47							810	0	0							Loan to Congregation of said Church.
48										437	12	11½				
49													169	6	9	
£	3645	12	4	6539	11	8	6095	17	11	5213	17	9½	3372	8	4	

JOS. CARY,
Deputy Inspector General.

STATEMENT of Payments made to the undermentioned Clergymen out of the Funds of the Canada Company, late Upper Canada, from the year 1827 to 1840, inclusive.

No.	Names of the Clergymen.	Office held by them.	The Years ending respectively the 31st December.								
			1827.			1828.			1829.		
			£	s.	d.	£	s.	d.	£	s.	d.
1	The Hon. and Right Rev. Dr. Alexander McDonnell	Roman Catholic Bishop of Rhoesina and Regiopolis	200	0	0	400	0	0	400	0	0
2	Right Rev. Romigius Gaulin ...	Roman Catholic Bishop of Regiopolis									
3	The Hon. and Right Rev. Dr. Alexander McDonnell	Support of Roman Catholic Priests	750	0	0	750	0	0	750	0	0
4	Right Rev. Romigius Gaulin ...	do do do									
5	The Hon. and Right Rev. John Sirachan	Archdeacon of York	150	0	0	300	0	0	300	0	0
6	Rev. George O'Kill Stuart	Archdeacon of Kingston	150	0	0	300	0	0	300	0	0
7	Rev. John Machar	Minister, Established Church of Scotland	61	17	9	90	0	0	90	0	0
8	Rev. H. Urquhart	do do do	78	3	3	90	0	0	90	0	0
9	Rev. George Sheed	do do do	47	11	9	90	0	0	90	0	0
10	Rev. Archibald Connell	do do do	90	0	0	90	0	0	90	0	0
11	Rev. John McLaurin	do do do	90	0	0	90	0	0	90	0	0
12	Rev. John McKenzie	do do do	90	0	0	90	0	0	90	0	0
13	Rev. Alexander Gale	do do do				33	0	9½	90	0	0
14	Rev. Robert McGill	do do do							18	16	7
15	Rev. Alexander Ross	do do do							33	7	11
16	Rev. John Crookshanks	do do do									
17	Rev. Thomas C. Wilson	do do do									
18	Rev. William McAlister	do do do									
19	Rev. John McLaurin	do do do									
20	Rev. George Cheyn	do do do									
21	Rev. William Rintoul	do do do									
22	Rev. James Ketchum	do do do									
23	Rev. William Stewart	do do do									
24	Rev. James Smith	do do do									
25	Rev. William Benson	do do do									
26	Rev. John Smith	do do do									
27	Rev. John Fairbairn	do do do									
28	Rev. M. Millar	do do do									
29	Rev. George Romanes	do do do									
30	Rev. Peter McNaughton	do do do									
31	Rev. M. Y. Stark	do do do									
32	Rev. John M. Rogers	do do do									
33	Rev. Alexander McNaughton	do do do									
34	The Hon. and Right Rev. Alex. McDonnell	Roman Catholic Bishop, Regiopolis									
35	do do do	do do do									
36	Rev. Edward Gordon	do do do									
37	The Hon. J. H. Dunn	Salaries of the Ministers, Church of Scotland									
38	Rev. William Rintoul and other, Moderator	Salaries of the Ministers of the Presbyterian Synod of Canada									
39	Rev. John McIsaac	Minister, Church of Scotland									
		Totals, Sterling... £	1707	12	9	2323	0	9½	2432	4	6

INSPECTOR GENERAL'S OFFICE,
Toronto, 8th July, 1851.

Appendix
(M.M.)
8th July.

STATEMENT of Payments made to the undermentioned Clergymen out of

Appendix
(M.M.)
8th July.

THE YEARS ENDING RESPECTIVELY

No.	1830.			1831.			1832.			1833.			1834.			1835.			1836.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1	400	0	0	400	0	0	500	0	0	500	0	0	500	0	0	500	0	0	500	0	0
2																					
3	750	0	0	750	0	0	1000	0	0	1000	0	0	1000	0	0	1000	0	0	1000	0	0
4																					
5	300	0	0	300	0	0															
6	300	0	0	300	0	0															
7	83	9	5½	60	11	11	62	10	0	63	14	3½	20	16	8						
8	78	6	0	60	11	11	62	10	0	63	14	3½	28	0	0						
9	78	6	0	60	11	11	56	10	5												
10	78	5	10½	60	11	11	62	10	0	63	14	3½	28	0	0						
11	78	6	0	60	11	11	62	10	0	5	2	8½									
12	78	6	0	60	11	11	62	10	0	63	14	3½	28	0	0						
13	78	6	0	46	6	6				6	11	11½	20	16	8						
14	83	9	5	60	11	11	62	10	0	63	14	3½	28	0	0						
15	57	10	0	57	11	11	62	10	0	63	14	3½	28	0	0						
16	66	2	3	60	11	11	62	10	0	63	14	3½	28	0	0						
17	13	11	9½	60	11	11	62	10	0	63	14	3½	28	0	0						
18				57	11	11	62	10	0	63	14	3½	28	0	0						
19				100	0	0															
20				14	8	6	62	10	0	63	14	3½	28	0	0						
21				48	6	6	90	0	0	41	16	8½									
22				14	8	8	62	10	0	63	14	3½	28	0	0						
23							62	10	0	63	14	3½	28	0	0						
24							31	5	0	63	14	3½	28	0	0						
25																					
26										9	13	3½	28	0	0						
27										9	13	3½	28	0	0						
28										28	0	0									
29										1	7	7½	28	0	0						
30										28	0	0	28	0	0						
31										14	17	7½	28	0	0						
32										11	19	3½	20	16	8						
33										3	13	7½	28	0	0						
34													135	0	0						
35													18	0	0						
36													81	18	0						
37													773	12	7½	1456	0	0	729	0	0
38																			712	10	0
39																					
£	2523	18	8½	2694	1	3	2490	5	5	2537	5	2	3016	17	4	2956	0	0	2941	10	0

Appendix
(M.M.)
8th July.

the Funds of the Canada Company, late Upper Canada, &c.—(Continued.)

Appendix
(M.M.)
8th July.

THE 31st DECEMBER.

No.	1837.			1838.			1839.			1840.			Remarks.
	£	s.	d.										
1	500	0	0	500	0	0	500	0	0				
2										479	10	1	From 15th January, 1840, at £500 per annum.
3	1000	0	0	1000	0	0	1000	0	0				
4										1000	0	0	
5													
6													
7													
8													
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35													
36													
37													
38													
39													
£	1425	0	0	1425	0	0	1540	0	0	1540	0	0	
				194	4	9½							
£2925	0	0		3119	4	9½	3040	0	0	3019	10	1	16th August, 1835, to 31st December, 1838.

JOS. CARY,
Deputy Inspector General.

Appendix
(M.M.)
8th July.

No. 9.

Appendix
(M.M.)
8th July.

STATEMENT of all the Moneys paid to Religious Denominations, Churches, Congregations, or Individual Ministers of Religion, or to Widows and Families of Ministers, from the year 1814 to 1840, inclusive, in the late Province of Lower Canada, specifying the Names of Parties receiving the same, the Dates and Amounts paid to each, shewing from what Funds the same was paid, whether from the Casual and Territorial Revenue, or from proceeds of Sale, or Rent of Clergy Reserves, or from any other Public Funds whatever; prepared in conformity to the Honorable the Provincial Secretary's Letter of the 30th July, 1850.

No.	Names of Ministers.	Offices.	From what Fund Paid.	1814.		1815.	
				£	s. d.	£	s. d.
1	The Right Rev. Jacob Mountain	Lord Bishop of Quebec	.....	2000	0 0	2000	0 0
2	do do do	Allowance for Rent as do	.....	400	0 0	400	0 0
3	The Hon. and Right Rev. Charles James Stewart	Lord Bishop of Quebec	.....			
4	do do do	Allowance for Rent for do	.....			
5	Rev. G. Mountain	Official to Lord Bishop.	.....			
6	do	Archdeacon, Quebec	.....			
7	do	Minister, Established Church do	.....			
8	do	Allowance for Rent	.....			
9	Rev. S. J. Mountain	Minister, Established Church, Quebec	.....	400	0 0	400	0 0
10	Rev. J. Mountain	do do Montreal	.....	300	0 0	300	0 0
11	Rev. John Leeds	Officiating do Christ do do	.....			
12	Rev. J. Bethune	Minister, do do	.....			
13	Rev. J. Mountain	Ecclesiastical Commissioner	.....	150	0 0	150	0 0
14	Rev. Geo. Mountain	Evening Lecturer, Quebec	.....	123	18 0		
15	Rev. J. L. Mills	do do	.....	26	14 2	150	0 0
16	Rev. James Coghlin	Acting do do	.....			
17	Rev. A. McIntosh	do do do	.....			
18	Rev. Joseph Brown	do do	.....			0	
19	Rev. Geo. Jenkins	do Montreal	.....			75	0 0
20	Rev. B. B. Stevens	do do	.....			
21	Rev. R. J. Short	Minister, Three Rivers	.....	200	0 0	200	0 0
22	Rev. F. Evans	do do	.....			
23	Rev. S. S. Wood	do do	.....			
24	Rev. J. Jackson	do William Henry	.....	150	0 0	150	0 0
25	The Hon. and Rev. Charles James Stewart	do Hatley	.....	100	0 0	100	0 0
26	do do do	Visiting Minister, District of Quebec	.....			
27	Rev. James Reid	Minister, St. Armand	.....			
28	Rev. C. C. Cotton	do Durham	.....	100	0 0	100	0 0
29	Rev. Richard Bradford	do Chatham	.....	100	0 0	100	0 0
30	Rev. A. Sparks	Presbyterian do Quebec	.....	50	0 0	50	0 0
31	Rev. James Harkness	do do do	.....			
32	Rev. James Sommerville	do do Montreal	.....	50	0 0	50	0 0
33	Rev. M. Townsend	Minister, Caldwells and Christie Manor	.....			
34	Rev. Archibald Henderson	do Argenteuil	.....			V2 49	0 9
35	Rev. Edmund Sewell	do Chapel of Holy Trinity Quebec	.....			
36	Rev. G. J. Mountain	Repairs to the Burying Ground, St. John's Suburbs, Quebec	.....			
37	Claude Dennechaud	Rent of the same	.....	20	18 6	20	18 6
38	John Grout	Verger, Metropolitan Church, do	.....	30	0 0	30	0 0
39	Rev. A. McDonald	Roman Catholic Missionary, Upper Canada	.....	50	0 0	50	0 0
40	Rev. E. Burke	do Settlers, Nova Scotia	.....			
41	Rev. J. O. Plessis	Roman Catholic Bishop, Quebec	.....	1000	0 0	1000	0 0
42	Rev. B. C. Panet	do do do	.....			
43	Rev. J. O. Plessis	Rent of Bishop's Palace, do	This rent was paid by an annual Vote of the Legislature.	150	0 0	150	0 0
44	Rev. B. C. Panet	do do do					
Totals.....				£	5401 10 8	5524 19 3	

Appendix

(M.M.)

5th July.

STATEMENT of all the Moneys Paid to Religious Denominations, Churches, Congregations, or Individual Ministers of Religion, or to Widows and Families of Ministers, from the year 1814 to 1849, inclusive, in the late Province of Lower Canada, &c.—(Continued.)

Appendix

(M.M.)

5th July.

REMARKS.	REMARKS.
A.—This Salary was increased from £2000 to £2600 Sterling, on 1st January, 1819.	R.—Salary from 1st February, 1827, to 30th June, 1828, at £200 Sterling.
B.—Died 16th June, 1825, and the Salary and Allowance paid his Representatives to 31st October, 1825, per Authority of Earl Bathurst's Despatch of 28th July, 1825.	S.—Salary from 1st July, 1828, at £200 Sterling.
C.—Salary from the 20th June, 1817, at £150 Sterling.	T.—Appointed Lord Bishop of Quebec the 1st November, 1825, and the Salary and Allowance for Rent reduced one-half from the 1st January, 1832.
D.—Appointed Archdeacon on 1st November, 1821, at £150 Sterling, and increased to £500 Sterling on the 1st November, 1826.	U.—Paid to 1st May, 1817.
E.—Salary from 1st May, 1817, at £400 Sterling.	V.—Died 7th March, 1819.
F.—Rent from 14th April, 1817, at £90 Sterling.	V 1.—Six months of this Salary was paid out of the Jesuits' Estates, viz: from 1st November, 1829, to the 30th April, 1830, at £200 per annum.
G.—Paid to 1st May, 1817.	V 2.—Paid from 6th May, 1815, at £100 Sterling.
H.—Died the 10th April, 1817.	V.—Mr. Harkness appointed 19th March, 1819.
I.—Salary from the 11th April, 1817, at £300 Sterling.	W.—The yearly payments for these Rents ends respectively the 19th December for the year 1814, to 1831, inclusive, and from date to the 19th September.
K.—Salary from the 1st November, 1818, at £300 Sterling.	X.—Increased from £150 Stg. to 500 Stg. on the 1st April, 1819.
K 1.—Six months each.	Y.—Paid the 31st July, 1831, at £500 per annum; since then by Act of Lower Canada, 1 William IV. cap. 6, at £1000 Sterling per annum.
L.—Salary from 1st November, 1819, to 27th August, 1814, at £150 Sterling, and appointed 28th August, 1814.	Y 1.—Salary increased from £50 to £100 on 1st November, 1815.
M.—Died 12th August, 1832.	Z.—Appointed 1st November, 1820, at £100 Sterling, and died 29th November, 1821.
N.—Salary from 13th August, 1832, at £150.	
O.—Salary from 1st May, 1815, at £150.	
P.—Salary from 1st May, 1821, at £150.	
Q.—Died 31st January, 1827.	

REPORT

Of the SELECT COMMITTEE to which was referred the Petition of Joseph Morency and others, Pilots for the Port of Quebec, praying for an Act of Incorporation; and also, the counter-Petition of François Lapointe and others, Branch Pilots for and below the Harbour and Port of Quebec.

(Translation.)

YOUR COMMITTEE have examined the Petition of Joseph Morency and others, praying for an Act of Incorporation of the Pilots; and also that of François Lapointe and others, praying that the said Act of Incorporation may not be granted to the Petitioners.

Your Committee, desirous of ascertaining public opinion on the subject, and of being thereby aided in the task imposed upon them by Your Honorable House, addressed a circular to various persons, for the most part connected with Trade and Navigation; and also to the Trinity House, and the Board of Trade, at Quebec.

Your Committee take the liberty of remarking to Your Honorable House, that, as may be seen on referring to the answers addressed to the Committee, and annexed to this Report, of the number of persons consulted, seven declared themselves, in their individual capacity, in favor of the Incorporation of the Pilots; and five as opposed to it. The Trinity House gave no opinion one way or the other. The Board of Trade is opposed to the Incorporation; and nineteen Captains of Vessels have given their opinion in favor of it. One of the answers returned to Your Committee, is favorable to the Incorporation, but with certain conditions.

Your Committee represent, moreover, to Your Honorable House, that the principal Petition is signed by two hundred and fifteen Pilots; whereas the opposing Petition bears no more than thirty-seven signatures, whereof thirty-four are affixed also to the first Petition. These latter declare, in a certificate annexed to the second Petition, that their opinion had been changed subsequent to the first signing: from all which, Your Committee conclude, that of the Pilots themselves, an immense majority are in favor of the Incorporation.

Your Committee have moreover, by the evidence brought before them, arrived at the conviction that public opinion in general is favorable to the Incorporation of the Pilots, and that a Legislative enactment to that effect, will be as beneficial to commerce in general, as it will be to the Pilots themselves.

On coming to the consideration of the internal merits of the question, Your Committee are convinced of the truth of the allegations contained in the principal Petition, that is to say: that by reason of the exceptional position of the profession of a Pilot, unlimited competition involves the consequence of the greatest degree of exposure to extreme dangers, and lengthened and perilous voyages, in private vessels, ill-formed and ill-adapted to the exigencies of the pursuit; that, as a necessary effect of these voyages, the Pilots are often drawn off to the lower parts of the River, while the interests of navigation require their presence at points of danger, higher up.

Your Committee observe, moreover, that commerce can in no way suffer by reason of such Incorporation, inasmuch as the Legislature have thought fit, for the protection of trade, and for the prevention of undue competition, to regulate by statute the fees payable to Pilots; a wise regulation, but rendered abortive, to the great injury of the public, by the want of any organization of the Pilots themselves.

Your Committee therefore, conclude their labors, with a recommendation that the prayer contained in the Petition of Joseph Morency, and others, be granted; and that an Act be passed Incorporating the Pilots of the Port of Quebec: provided that such Act of Incorporation shall in no wise infringe on the Laws now in force relative to Pilots, nor diminish the force and validity of the Trinity House, nor the authority of any legitimate control to which Pilots are subject, for the protection of trade and commerce.

The whole of which is respectfully submitted.

J. C. TACHE,
Chairman.

11th July, 1851.

COPY of the letter addressed by the Chairman of the Committee, to various persons in Lower Canada, for the purpose of ascertaining their opinions with respect to the prayers of the Petitions, referred to the Committee.

(Translation.)

TORONTO, 3rd June, 1851.

SIR,

The Committee to whom were referred the Petition of the Pilots of Quebec, praying for an Act of Incorporation, and another Petition from a certain number of Pilots of the same place, praying that the same be not granted, are desirous of learning your opinion on the subject.

For your information, and in order to aid you in your consideration of the question, the Committee take the liberty of laying before you, a summary of the grounds of petition on both sides. The parties seeking to be incorporated, allege that commerce suffers for the want of such organization, many vessels finding their way about the Port of Quebec, without Pilots, while the latter are stationed at the entrance of the gulf; that the Pilots not being perfectly free from the control of the Masters of Vessels, often risk making sail in dark weather, in the midst of danger, which the Masters are not aware of; that the Pilots are now exposed to great perils and expenses, which would be diminished by a system of association, while under such a system, commerce would be benefited by the more regular and active performance of the duties required.

On the other hand, the opponents of Incorporation, hold that a system of association is calculated to diminish the energy of the Pilots, and to render them less laborious.

The Committee request that you will be pleased to transmit to them, your opinion on this question, by the 12th instant.

Your obedient Servant,

(Signed,) J. C. TACHE,
Chairman.

Appendix
(N.N.)
11th July.

QUEBEC, 9th June, 1851.

SIR,

I have the honor in reply to the questions proposed in your letter of the 3rd of June, as Chairman of the Committee, to whom the Petition of the Pilots of Quebec has been referred, to state, that it is difficult to give an opinion on this subject, without being in possession of a copy of the Petition. I am, however, of opinion, that by restraining the Pilots from going below the limits allowed them by law, the inward bound vessels and the Pilots would be benefited; the former by obtaining a Pilot when most needed, and the latter by boarding and procuring a Pilot on board every vessel that passed.

There must be some mistake in the next question, as it cannot be expected that they should be placed beyond the control of the parties by whom they are employed; the Pilot's duty is to guide the vessel in safe channels, under the control and direction of the Masters by whom they are employed, who relieves them from all responsibility, if he undertakes to sail in dark weather, or among dangers, contrary to their advice.

With respect to the reasons assigned on the other hand, against the Act of Incorporation, I do not see in what way it would diminish the energies of the Pilots, if granted, if it did not interfere with their duties towards the shipping interest.

I have the honor to be,
Sir,
Your most obedient and most humble Servant,

JOHN McDOUGALL.
Late examiner to the
W.I.R.M.S.P. Company, at
Southampton.

QUEBEC, June 9th, 1851.

SIR,

To answer your letter: I have been Master of a vessel for about thirty years, sailing in the St. Lawrence. I have a knowledge of the Pilot's duty on the St. Lawrence; first and foremost, Captain Bayfield's book of Instruction, we trust and depend upon it, for to find a Pilot at Bic Island. Captain Lambly's book also, and different other ones; on the contrary way, the Pilots often are off Gaspé, and to the east of Gaspé, when stormy and foggy weather keep the best of the shipping coming up without a Pilot; coming up to Bic, where the station of Pilots ought to be, we cannot find any. A Master of a Ship is obliged to proceed up the river for the safety of life, ship, and cargo. I experienced myself last May twelve months, coming up the river in company with about fifty sail of shipping, without a Pilot, passing all the Pilots of Gaspé, without seeing them. To the best of my knowledge, if the Pilots were corporated and stationed at Bic, there would not be so many ships cast away; it would be more beneficial to the Trade, Insurance, and Ship Owners.

I am,
Sir,
Your most obedient servant,

PETER TROUDE, M.M.

BEAUPORT, June 9th, 1851.

SIR,

I beg leave to respectfully give my decided opinion, that the Pilots should be stationed between the Island of Bic, and Pointe des Monts; and that they should be Incorporated. It will be of great consequence to the ge-

neral safety of their lives, but also of great consequence to the general interest and safety of our shipping.

I am, Sir,
Respectfully yours,

JOHN LAMBLY.

(Translation.)

QUEBEC, June 9th, 1851

J. C. TACHE, Esquire, M.P.P

SIR,

Agreeably to your request, I have the honor to inform you, that it is my opinion that with a good system of association, for the reasons which are alleged in the Petition, the Pilots would be greatly benefited by an Act of Incorporation.

As to those members of the body, who are averse to the measure, I do not think that any well organized system of association could possibly render them less laborious.

I have the honor to be,
Sir,
Your most obedient Servant,
(Signed) E. MICHON.

(Translation.)

QUEBEC, 9th June, 1851.

SIR,

I have the honor to acknowledge your letter, dated 3rd instant, informing me that Your Committee, empowered to inquire and collect evidence concerning the Petition of the Pilots of Quebec, praying for an Act of Incorporation, desire to learn my opinion on that subject. I must observe to you, with some regret, that the time which you have assigned for a mature consideration of the question is very short; my own affairs allowing me but little leisure to give so satisfactory an answer as I could have desired. I shall, however, endeavor to give you a few of my reasons for believing that the measure prayed for by the Pilots would be beneficial to commerce, while it lessened their own dangers and expenses. In the first place, I consider that the Pilots being incorporated, and having but one common interest, would never go beyond the pilot-ground (Bic); and that trade and navigation would gain by it; the service being more regularly performed, and a great number of vessels not being exposed every year, as now, to the danger of ascending the river, without Pilots; and if so, being wrecked on the coast, as happens but too frequently. If time permitted me, I might instance, in support of my assertion, a great number of accidents and casualties, which have happened to vessels through not having been able to procure a Pilot at Bic. Only a few years ago, a bark, belonging to Mr. Gilmour, (the Miramichi,) was driven in tempestuous weather on the floating-light, and damaged it to the extent of six hundred pounds and upwards, which Mr. Gilmour was condemned to pay, (it was, I believe, a *confrère* of mine, the notary Michaud who had taken upon himself to act as Pilot). About the same time, two other vessels were wrecked on Red Island, there being no Pilots at Bic, and more than 150 at Gaspé. The steam-frigate which came to Quebec this spring, was delayed nearly twenty-four hours off Kamouraska, in order to procure a Pilot; an offer was made to the captain of a brig to tow him to Quebec, if he would give up his Pilot to the frigate, but he refused. The weather was too rough for any cable to be depended on, to hold by; there were at that time over 200 Pilots at Gaspé.

Appendix
(N.N.)
11th July.

Appendix
(N.N.)

11th July.

Were the Pilots incorporated, it is my opinion moreover, that their duties would be performed with more regularity; captains and owners of ships would no longer, as now, have the trouble and inconvenience of seeking for a Pilot over all the wharves, and through all the streets of the Lower Town; and of losing sometimes twenty-four hours valuable time in finding one: they would go at once to the Pilot-Office, certain of experiencing no delay.

The dangers are beyond calculation to which Pilots are every year exposed in their voyages, thirty or forty leagues below Gaspé, in frail vessels which are hardly seaworthy; and if a special providence did not watch over them, accidents would occur even oftener than they now do. Not long since, two schooners, having on board thirty-five or forty Pilots were entirely lost with all on board, below Gaspé; and this present year, three Pilot schooners nearly had the same fate, one of them losing her anchors and chain cables. The captains of ships cannot understand why Pilots should expose themselves to such dangers, and are desirous of seeing them incorporated, expressing their surprise that the Trinity House and the Board of Trade, have not long since sought to effect it, by Legislative enactment.

So excessive are the expenses of the Pilots, that more than one half of them are unable to live by their calling, and incur debts yearly. To be convinced of this, it is only necessary to refer to the Trinity House, and we shall find that the number of those who yearly apply at the close of the navigation, for aid to subsist through the winter, is considerable.

The reasons alleged by the opposing Petitioners, appear to me by no means well-founded, as those Pilots who are now least active in the service, would, if acting under the scrutiny and watchful observation of a Board, and stimulated by fear of a penalty, acquit themselves much better of their duties. Under such a system indeed, the less diligent members would soon cease to belong to the profession.

And here I close my remarks, trusting that others, better informed and more able, will be found to give you ample information.

I have the honor to be,
Sir,
Your obedient humble Servant,
CHS. CINQ-MARS, N.P.

J. C. TACHE, Esquire, Chairman.

(Translation.)

QUEBEC, 9th June, 1851.

SIR,

I am solicited by several Pilots of Quebec, in consideration of my long experience, to give my opinion on the merits of the two Petitions of the Pilots, namely: that praying for an Act of Incorporation, and that opposing it. I state it then as my opinion, that it would be very desirable both for the advantage of Vessels and of the Pilots themselves, that they should be incorporated; they would then not need to ply at the mouth of the Gulf, but might remain stationery at Bic. Many vessels pass them when so low down, and many are delayed for want of a Pilot, to the great loss and damage of commerce. This has happened in some instances, during the present season; and vessels carrying valuable cargoes, have been exposed to risk during several days, for want of a Pilot.

I am, Sir,
Your most obedient Servant,

NICHOLAS ALLARD,
Captain and Shipper.

J. C. TACHE, Esquire, M.P.P.

(Translation.)

QUEBEC, 10th June, 1851.

J. C. TACHE, Esquire, M.P.P.,
Toronto.

SIR,

I have the honor to transmit to you for the information of a Committee, of which you are Chairman, and to whom has been referred the Petition of a certain number of the Pilots of Quebec, praying for an Act of Incorporation, my opinion on the subject, as required by a circular addressed to me, and bearing date the 3rd instant.

My humble opinion on the question is, that had the Pilots made this, their Petition, fifteen or twenty years ago, both commerce and the Pilots themselves would have been the better for it, for a plain reason: wrecks would have been less frequent, and the risks of the river would be more justly estimated in the Assurance Offices, at twenty-five or thirty shillings, instead of sixty shillings. The Pilots are too much under the control of the Captains of Ships. Captains have, to my knowledge, compelled Pilots to quit good berths near wharves, and have in consequence run aground, within a very short distance. It is also within my knowledge that Pilots, refusing to obey the Captain's requisition in such a case, have been discharged by him.

Pilots often risk ascending the river in dark and foggy weather, contrary to their regulations, with a view to please the Captains, and so to be employed to pilot their ships when outward bound.

It has happened also, that Captains have compelled Pilots to make sail in dark and foggy weather, and, as a matter of course, these Pilots are more liable to accidents, and to keep up the rates of insurance. Were the Pilots incorporated, and placed under the superintendence of a proper officer, whose duty it should be to receive and despatch them in turn, whether to move ships to their berths, or to take charge of them when outward bound, they would be always employed, and always sufficient for the duties required.

I have the honor to be,
Sir,
Your most obedient Servant,
(Signed,) FABIEN BOIS.

WE, the undersigned Ship Masters trading to the Port of Quebec, do hereby certify that in our opinion, were the Pilots for and below the Harbor of Quebec incorporated, as by most of them petitioned for, that it would not only be a convenience to us, but as well a benefit to the Pilots generally:—

JAMES YOUNG,
Ship Master.
ROBERT THOMPSON,
Brig "Amy Ann."
JOHN BELL,
"Queen of Tyre."
JOHN HODGE.
JOHN COOK.
JOHN SPENCE.
PETO. BRUNSTROM.
JOHN JOHNSON,
Barque "Mary."
THOS. NEWHAM FLINNE,
"Eliza Jane."
AUSTIN STRAND,
Ship-Master.

Appendix
(N.N.)

11th July.

Appendix
(N.N.)

11th July.

BRICE N. EVERSON,
Brig "Empress."

J. BROWN,
"Effort."

JOHN MANNING,
Barque "Wm. Henderson."

G. T. LAWRENCE,
Brig "Unity."

ROBERT BELEIM,
Master of the "Jane Oliver."

WILLIAM SANDERSON,
"Caledonia."

JOHN MARSHALL,
Barque "Five Sisters."

WILLIAM WILLIAMS,
Barque "Gilmour."

Quebec, June, 1851.

OFFICE OF THE INSPECTOR AND
SUPERINTENDENT OF POLICE,

Quebec, 9th June, 1851.

Sir,

I have the honor to acknowledge the receipt of your letter of the 3rd instant, requesting me to give an opinion on the subject of incorporating the Pilots of Quebec, and giving me an abstract of the reasons alleged for and against their Incorporation.

In reply, I have the honor to state, that I am of opinion it would be very inexpedient to incorporate the Pilots; if any amendments or additions to the law now governing that body are required, the necessary remedies can be applied by Legislative enactment.

The duties and responsibilities of Pilots are peculiarly of a nature requiring stringent rules for their guidance and government, and which could not properly be enforced by any corporate body of their own.

Unless some very good reasons could be urged, and great advantages shewn as likely to be derived from such a measure, I would be inclined to look upon it as unwise to adopt it; moreover, the grounds stated in your letter are quite insufficient.

However, to enter fully into the subject, and state the objections which might be urged against the incorporating of Pilots, would require much more time and consideration than my occupations, and the shortness of the delay given me by your letter, permit me.

I have the honor to be,
Sir,
Your most obedient Servant,

W. K. McCORD.

J. C. TACHE, Esquire,
&c., &c., &c.,
Toronto.

QUEBEC, 9th June, 1851.

Sir,

In answer to your letter dated the 3rd instant, in relation to the Petition of the Pilots of Quebec, praying for an Act of Incorporation, and the Petition of other Pilots opposed to said Incorporation.

I beg leave to state, for the information of the Committee to whom the Petitions were referred, that in

my humble opinion, the Pilots have more justice done them by the Trinity Board at Quebec, than they would have if they were incorporated. Under the present system, all abuses are tried by disinterested persons, gentlemen of high standing, and who cannot be prejudiced in favor of the one or other of the parties, whose cases are brought before their notice.

I have been engaged in the shipping business, and on behalf of Pilots, for the last thirty-eight years; and in all their cases that were brought before the Trinity Board, I have invariably observed that correct judgments have been rendered.

If no Trinity Board existed, or that the Trinity Board had no control over the acts of the Pilots, then it would be proper to have an Incorporation, but in my humble opinion, Pilots cannot be as unprejudiced, or from their education, as competent to give a correct judgment, as the Trinity Board.

In relation to that part of the reference made to me, stating "that the Pilots not being entirely beyond the control of Masters of vessels, are often exposed to sail in dark weather, in the midst of dangers, which the Masters are not aware of." I humbly conceive that the Pilots are in error; and I beg leave to state, that the moment a Pilot gets on board of a vessel to pilot her either up or down the river, he (the Pilot,) has the sole charge and direction of the vessel, and gives his orders to the master and crew whether to proceed, sail, or anchor, as the Pilot thinks most expedient. Any Pilot who would permit a master to act contrary to his opinion, by sailing in dark weather, in dangerous parts of the river, would be virtually giving up the power with which he is invested. A master taking such power from a Pilot, would never get an Insurance upon a ship under his command. In any case, if the master took the command from the Pilot, he (the master,) would suffer for his temerity, and could have no recourse against the Pilot for damages, in the event of the vessel getting on shore, and would have to pay him his pilotage. However, in all my practice, I never heard of a Master of a vessel taking the command from a Pilot.

I am decidedly of opinion that an Act of Incorporation would be of great detriment to the good, active, and intelligent Pilot, and would tend to diminish the energy of Pilots.

In conclusion, I beg leave to say that since I commenced business in the year 1812, a great improvement has taken place both in the character and efficiency of Pilots; they are now better informed, and understand the business much better than they did at that time. Very few cases at present occur of intemperance, and they are, (under the present system, and the surveillance of the Trinity Board) improving daily, and in a few years will not be inferior to the Pilots of any other country.

I have the honor to be,
Sir,
Your most obedient Servant,

ARCHIBALD CAMPBELL,
Agent for North and South Shields
Shipping Insurance Association.

J. C. TACHE, Esquire, M.P.P.,
Chairman of Committee on Petition of Pilots.

(Translation.)

QUEBEC, 9th June, 1851.

Sir,

I have but little to say in answer to your letter of the 3rd instant; my humble opinion of the Act of Incorporation, desired by certain Pilots of the Port of Quebec is briefly this:—

Appendix
(N.N.)

11th July.

Appendix
(N.N.)

11th July.

The present organization of the Pilots is not injurious to commerce, but their Incorporation would be greatly so; inasmuch as it must diminish, or even paralyze the energy of the best and most skilful men in the profession. The Incorporation of the Pilots would undoubtedly impede navigation. Let us take the case of a vessel difficult to handle, consigned to the charge of an unskilful and ignorant Pilot. Evil will come of it, or else the Pilot will avoid a risk which might be fatal to him, but which a skilful and experienced Pilot would brave successfully; then bad weather, and dark nights, will be so many obstacles in the way of navigation.

This Act of Incorporation would render Pilots less laborious, and give the indolent an opportunity of evading exertion; and it would furnish to the unskilful of the profession, the means of subsisting at the expense of the man of talent and industry.

I sincerely believe then, that the thing is impracticable, and would have the approbation neither of the merchant, nor of the navigator, who ought certainly to be consulted in an affair in which commerce and navigation are so deeply interested.

I have the honor to be,
Sir,
With respect,
Your most obedient Servant,

(Signed) J. B. A. CHARTIER.

To J. C. TACHE, Esquire, M.P.P., &c.,
Toronto.

(Translation.)

SIR,

In answer to yours of the 3rd instant, I have the honor to lay before the Committee, of which you are Chairman, my opinion respecting the facts alleged in the Petitions presented to the Legislature, for and against the Incorporation of the Pilots.

The grounds alleged by the Petitioners as favorable to their Incorporation, and which you have done me the favor to communicate to me, are, like what they are intended to sustain, vague, unintelligible, and unfounded.

If commerce is depressed by any cause, it certainly is not by the present organization of the Pilots. Commerce may occasionally have had reasonable cause to complain of the conduct of certain members of the profession, and that (be it said to the credit of that class of the community,) very rarely. But would the Act incorporating them remedy the evil? I think not, and I here take the liberty of stating my opinion on the subject.

The absence of organization of the body, to which the Petitioners for Incorporation belong, has never been a cause of vessels navigating the river without Pilots; and, in support of this assertion, I humbly recommend Your Committee to consult the returns of vessels arriving at the Port of Quebec, for the last five or ten years, and they will speedily be convinced that a very small number indeed of vessels, have entered that Port without Pilots. Of the 400 which have arrived in the present season, not one has so entered.

The third paragraph of your letter calls for a special notice, which will, I trust, become a subject of consideration with Your Committee; the assertion made by the Petitioners seeking to be Incorporated—that the Pilots not feeling themselves perfectly independent of the Masters of Ships, often risk making sail in dark weather, in the midst of danger, which the Masters are not aware of—is utterly unfounded. It is further asserted, that the Pilots are exposed to great dangers, and enormous expenses, which would be diminished by adopting a plan of

Appendix
(N.N.)

11th July.

association, under the influence, of which commerce would also be benefitted, by a more regular and more active performance of the duties of the service.

This assertion abounds with exaggeration; the Petitioners, as well as all Pilots, know that the Pilot in charge of a vessel, has the sole control thereof, and can carry it as and where he thinks proper, within the limits of the St. Lawrence, as they are indicated in his Branch.

The Pilot who should be unfortunate enough to lose his ship through yielding to the interference of a Captain, is well aware of the fate which awaits him. Before closing the statement of my opinion on this head, I would inquire whether all Pilots are not, in the sense intended by the Petitioners for Incorporation, under the control of Masters of Vessels. As to the results to commerce, they would, in my opinion, add nothing to the regularity and activity with which the service is now performed.

The opposition of certain Pilots to any Act of Incorporation, is based on a sense of justice to all parties; and this assertion is true, that a system of association would have the effect of diminishing the energy of the Pilots, and undoubtedly tend to render them less laborious.

In so numerous a body, some individuals must be found whose qualifications are inferior to those of others, and the *communism* which an Act of Incorporation would introduce, would undoubtedly be injurious to those whose talents, energy, and skill, recommend them to Captains and Owners of Ships. These last mentioned parties are certainly entitled to be consulted on the subject, and their opinions should have great weight with Your Committee.

I have the honor to be,
Sir,
Your obedient Servant,

(Signed,) THOMAS SIMARD.

J. C. TACHE, Esquire, M.P.P., &c.,
Toronto.

(Translation.)

QUEBEC, 9th June, 1851.

SIR,

I have the honor to acknowledge the receipt of your letter dated 3rd instant, informing me that the Committee to whom were referred the Petition of the Pilots of Quebec, praying for an Act of Incorporation; and another Petition from a certain number of Pilots of the same place, in opposition to such Incorporation, desire to be informed of my opinion on the subject in question.

The multiplicity of my affairs at the present season, has left me but little time these two days past, to devote to the consideration of a question, so important to commerce and to the Petitioners. I must add that, conscious of my incapacity, I have doubted whether I ought to venture an opinion. I have considered it right, however, to do it as the fulfilment of a duty. It is, moreover, difficult to give a decisive opinion on an Act of Incorporation, without full knowledge of its details; nevertheless, I subjoin such answer as I can frame out of the information at hand.

I doubt the correctness of the allegation, that commerce suffers, and many vessels navigate the Port of Quebec without Pilots, in consequence of the absence of any organization of that body. Pilots are always to be found in sufficient numbers in the Port to perform the duty, which is, in truth, often performed by the aid of small Steamboats. My apprehension is, that an attempt is to be made, to impose new burthens on the trade carried on by the river St. Lawrence. This should, in my opinion, be avoided by all means, particularly in sight of the fact, that already large quantities of European goods find their way

Appendix
(N.N.)

11th July.

hither every day, by another road, that is, through the United States.

I do not consider that commerce would, under a system of association, have the benefit of a more regular and active performance of the duties of Pilots; I believe the contrary, and that the energy and enterprise of our Pilots would be much diminished. If it be proposed, under such a system of association, to share equally among the associated individuals, the collective earnings of a season, that ambition which now exists under the present system, will be destroyed at a blow; an ambition which, while it advances the interest of the individual, is equally beneficial to commerce. Such a system would, in my opinion, be impracticable, and unjust to a great number of our best Pilots, by favoring those who are least laborious and least skilful.

As to the control exercised by Captains of Ships, which is a subject of complaint with the Petitioners, it is to be feared that they desire to be released from it, merely in order to avoid night duty in dark weather.

I have the honor to be, &c.,

(Signed,) GEO. H. SIMARD.

J. C. TACHE, Esquire, M.P.P., Toronto.

OFFICE OF THE COUNCIL OF THE
QUEBEC BOARD OF TRADE.

Quebec, 9th June, 1851.

SIR,

I have the honor to acknowledge the receipt of your letter of 3rd instant, which was laid before the Council of the Quebec Board of Trade, at the earliest moment possible, and I have been directed to state to you, that in the opinion of the Council, the arguments contained in your letter in favor of passing an Act to incorporate the Pilots for and below the Harbor of Quebec, are not founded on fact. The Council do not believe that many vessels proceed up the River St. Lawrence without Pilots; but if such be the case, they are convinced that a greater number would come without Pilots, were the Pilots incorporated, as the present competition would cease to exist. The Council would also respectfully call your attention to the fact, that at present the Pilots are under the direction of the Trinity House, and are under the superintendence of two of their own members, and are, moreover, entirely beyond the control of Masters of Vessels, and that it is entirely their own fault, if, as they pretend, "they sail in dark weather, in the midst of dangers, which the Masters are not aware of."

The Council are not aware of any "great danger, or enormous expense," to which the Pilots are at present exposed, that could in any way be lessened by an Act of Incorporation; the management of their own benevolent fund even being defrayed under the last Trinity House Act, out of the general fund collected for the maintenance of Lights and Buoys on the River St. Lawrence.

The Council of the Board of Trade, avail themselves of this opportunity of respectfully, but firmly urging upon the Committee of which you are Chairman, the impolicy of granting an Act of Incorporation to the Pilots, as it would have the effect of destroying competition, and placing the lazy and indolent Pilot upon the same footing as those possessing energy and perseverance.

I have the honor to be, &c.,

JAMES GILLESPIE, Secy.

P. S.—The foregoing remarks are based upon the supposition, that the powers and privileges now asked for the Pilots, are similar to those contained in a Bill introduced into the Honorable the House of Assembly, two Sessions ago, but which was not passed.

J. G., Secy.

To J. C. TACHE, Esquire,
Chairman, &c., Toronto.

QUEBEC, 10th June, 1851.

Appendix
(N.N.)

11th July.

SIR,

In answer to your communication as Chairman of a Committee of the Honorable Legislative Assembly of Canada, to whom have been referred Petitions from Pilots, for and below the Harbor of Quebec, for and against the Incorporation of the said Pilots; in which you request my opinion on the subject matter of the said Petitions, an abstract whereof is contained in your letter, I have the honor to state my opinion as follows:—

I cannot, from your communication, exactly understand the nature of the Incorporation prayed for; if it be to authorise the Pilots to manage their fund, and other concerns of a general nature, relating to Pilots, I should think it advantageous; it would, for one thing, relieve the Province of some expenditure, and facilitate the setting aside altogether of the Trinity House, a useless and most expensive body.

But if the Incorporation prayed for, is with a view of making a common fund of all the earnings of Pilots, and dividing it among the whole of them equally, I consider such a system would be productive of nothing but evil.

It is unfortunately but too true, that without strong incentives, men are disposed to become indolent and vicious; self-interest always exercises the greatest influence on our actions, and controlled by competition, has always produced the most beneficial results.

The sort of communism or mormonism prayed for, would effectually put an end to all motive for energy, industry, efficiency, and good conduct among Pilots; the lazy, the ignorant, and the vicious, would be equally well treated with the intelligent, active, and moral Pilot.

I shall not trouble you with any observations on the reasons alleged in favor of the Incorporation, they are really so futile as not to deserve notice.

The law regulating Pilots, already contains too many antiquated, arbitrary, and impolitic regulations, sinning against all sound principles of political economy and prudence, affecting the trade injuriously. Better make them disappear.

I have the honor to be,

Sir,

With great respect,

Your very obedient Servant,

ED. GLACKEMEYER.

J. C. TACHE, Esquire, M.P.P.,
Chairman of Committee on
Petitions of Pilots.

TRINITY HOUSE, QUEBEC,
7th June, 1851.

SIR,

I have the honor to inform you, that your letter of the 3rd instant, received this morning, was immediately laid before the Trinity Board; and I am directed to inform you, that the Board cannot offer an opinion on the proposed Incorporation of the Pilots, without having before them the Petitions for and against it, as they have no means of ascertaining the extent of the powers prayed for, to be vested in the Corporation. They will, therefore, thank you to forward them copies of both Petitions, at your earliest convenience.

I have the honor to be,

Sir,

Your most obedient Servant,

E. B. LINDSAY,
Cl. Tr. H. Q.

J. C. TACHE, Esquire, M.P.P.,
Chairman of the Committee on the
Petition of Pilots, for an Incorporation.
Legislative Assembly, Toronto.

REPORT

Of the Special Committee to which was referred the entry in the Journal of this House, of the 3rd June, 1850; relating to the Petition of William Rees, Esquire, late Medical Superintendent of the Provincial Lunatic Asylum at Toronto; praying compensation for his services in promoting and bringing into operation the said Asylum.

Your Committee beg leave most respectfully to Report, That they have given the most careful consideration to the matter referred to them. They find that the circumstances connected with the case of Dr. Rees are already before Your Honorable House, in connection with a previous application; and it is therefore unnecessary to do more than refer to them. It appears that on the establishment of a Provincial Lunatic Asylum at Toronto, in January 1841, Dr. Rees, who had been mainly instrumental in procuring its establishment, was appointed Medical Superintendent to the Institution, an office which he continued to hold until the month of October, 1845, and with a degree of success, as regards the treatment of the patients, contrasting favorably with some of the best conducted Asylums in Europe. This is satisfactorily shewn in the able Report of Dr. Spear, member of the Royal College of Physicians and Surgeons, London, to the Commissioners of the Toronto Asylum, in 1843, which is appended hereto, (No. 1.)

In the autumn of 1844, Dr. Rees was, on different occasions, attacked by two of the unfortunate beings under his charge, and received such severe injuries in the head and other parts of the body, as to compel a temporary retirement from the active duties of his situation. Various papers connected with this, are appended, (No. 2.)

In the Session of 1846, Dr. Rees (having, in the mean time, been removed from his office) made application to Your Honorable House, praying compensation for the injuries that he had received; his claim being strongly recommended by the Bishop of Toronto, the Mayor and Corporation, and various Heads of Departments, and other influential persons. His Petition was referred to a Select Committee, who made a Report most favorable to his claim; stating at the same time, however, that "as it is not shewn to them, that the injuries he has received may affect him for life, or disable him from pursuing his accustomed avocations, they cannot take upon themselves to recommend him for a pension; but they urge that a grant at least, not exceeding £100, should be made in his favor." This recommendation being adopted by the Government, the sum of £100 was paid to Dr. Rees accordingly.

Since that time, Dr. Rees has travelled to Bermuda, and other places, in hopes of re-establishing his health by sea voyages or otherwise, but unfortunately without success; and he now again brings his case before Your Honorable House, stating that his health is so seriously and permanently impaired, as to prevent the possibility of (producing in support of this statement, several medical certificates, which are appended, No. 3.) his resuming the practice of his profession, and praying that such a provision may be made for him as the Committee in 1846, were unable to recommend, in consequence of the extent and permanency of the injury being then matter of uncertainty. Your Committee have had before them several medical gentlemen, with a view of endeavoring to ascertain how far the injuries received by Dr. Rees may have incapacitated him from practising his profession. From the evidence of these gentlemen, (appended hereto,) it would appear that the present state of his health is not such as to admit of his resuming the practice of his profession with much prospect of success; and though Your

Committee feel it impossible to say how far the injuries he received in the Asylum, may have contributed to render him incapable of practising, yet they have no hesitation in believing his case to be one of a very painful character; and they most respectfully recommend him to the Government, for such provision as they may deem fit to award to him, under the peculiar circumstances of his case.

All which is respectfully submitted.

WFD. NELSON,
Chairman.

11th July, 1851.

MINUTES OF EVIDENCE.

Wednesday, 9th July, 1851.

Lucius O'Brien, M.D., called in, and examined: Has known Dr. Rees since 1832. He spoke of himself at that time as not being in perfect health, being subject to a liver complaint. Is aware of the fact of his having received injuries from being attacked by a lunatic some years ago, when he was Medical Superintendent of the Provincial Lunatic Asylum, at Toronto. Understood that the injuries he received were serious. Is fully of opinion that they have left a permanent effect, resulting, possibly, in some measure, from his former state of health. Believes his health to be in much worse condition now, than formerly. Considers that the functions of the brain have been impaired, in consequence of the injuries he received; his memory has been affected by it. Thinks him incapable of attending to his professional duties, to an extent sufficient to produce him a comfortable subsistence. His practice was never very large. Cannot say how far the loss of his practice has resulted from the effect of the injuries received; or from the acceptance of the office of Medical Superintendent of the Lunatic Asylum. Certainly had he simply resigned, or left his situation in the ordinary way, without receiving those injuries, he would have been in a very different position, as regards the resumption of his practice, than he was in under the circumstances. Thinks his health has suffered very materially from the effect of these injuries, and still continues very indifferent. Believes there is organic disease of the heart. Does not think Dr. Rees devoid of energy.

W. R. Beaumont, M.R.C.S.L., examined: Has known Dr. Rees since 1842. Was one of the Commissioners of the Temporary Lunatic Asylum at Toronto, when he was informed that Dr. Rees had received from a lunatic, a severe blow on the head, that was said to have stunned him; but did not attend him on that occasion. Was subsequently called in (some weeks later,) to attend him, respecting an enlargement of the glands, resulting from a blow in the groin, (for which he had been attended first, by the late Dr. Grasett.) Cannot say how far the injuries received, may have been the cause of his alleged impaired health. He was a very zealous officer of the Institution, and perhaps rather unpopular on account of his

Appendix
(O.O.)

11th July.

active practice among the patients. Thinks it probable that Dr. Rees' acceptance of the office, may have tended to injure his general practice. Has examined Dr. Rees within the last two years, but did not discover any positive proof of the existence of organic disease of the heart. He was dismissed from the Asylum, against the wish of the Commissioners. They had complained against him, on account of a letter that he had written concerning them, but when they learned the intention of the Government to dismiss him, they applied (though unsuccessfully) to have him retained. Feels it impossible to say how far the effect of the injuries he received, still remains.

Francis Badgley, M.D., laid before the Committee copy of an affidavit taken by him on the 8th May last, in relation to Dr. Rees' case, (see No. 3.) and stated further as follows:—

Considers the state of Dr. Rees health to be still such as to incapacitate him from resuming practice; but whether this state of health results mainly from the injuries he received in the Asylum, it is impossible to say, though it might be attributed to them. Under all circumstances, is of opinion that he is not fitted for general practice.

Appendix, No. 1.

DR. SPEARS' REPORT on the management of the TEMPORARY LUNATIC ASYLUM at TORONTO, under the Medical Superintendence of Dr. Rees.

March 17th, 1843.

SIR,

You will pardon the liberty I take in addressing you somewhat at large, on the subject of the medical treatment of the patients in the Lunatic Asylum of Toronto.

It seems to me, (with all deference,) that the method of inquiry into the medical treatment must chiefly turn on a comparison of the number per cent of cures and of deaths, in the Toronto and in other Lunatic Asylums; a mere question of numbers, to be made and appreciated by any one. A physician could not (in my humble opinion) make a report worth having after, and founded on a few visits to the patients in an Asylum, in all probability most of the patients would be (as at present in the Toronto Asylum) convalescent; and it is impossible, in the convalescent form of mania, to determine what the symptoms were when it was acute; he might find the remains of bleeding and blistering in patients perfectly tranquil, and be altogether at fault, were he asked to point out from their present state, the former requirements of treatment. I have been round the wards of the Toronto Asylum several times, and I then understood from Dr. Rees, that the Antiphlogistic (as it is termed) treatment is carried to its full extent (exceptions excepted). One recent case I saw when admitted, and the relief afforded by copious bleeding was manifest, immediate, and durable; in another case, I assisted with my friend Mr. Beaumont, at a post mortem, we found the vessels of the inner membranes of the brain, and also of its substance, highly injected, and much serum effused, appearances generally considered to be the result of active inflammation; we found also in the same brain, another and further result of inflammation, viz: a complete disorganization of its substance, to the extent of about an inch and a half superficial diameter, and about half an inch in depth. These appearances, which of course can only be appreciated after death, strongly corroborate the opinion of the physicians, who extol reiterated blood-letting, local or general, above all other remedies in cases of recent mania. I have read the particulars handed to me by Dr. Rees, of eleven other post mortems made on those who had been patients in the Asylum, and all of them (minute differences excepted) tallied with the case above detailed. If we refer to phy-

sicians of great experience and repute, we find that their testimony coincides with the foregoing.

Broussais in his work, *sur la Folie*, writes " *Ou a brouss, apres les morts survenues au milieu des transports de la fureur la substance mebrale fort injreter de sang, &c.*" We deduce, says Dr. Hawkins, (see medical statistics) from the statistical report of the deaths in the Lunatic Hospitals of Paris, during three years, the following:—

38 in 100	died from disease of the brain or membranes.
17 in 100	do do Thoracic Organs.
28 in 100	do do Abdominal Organs.
10 in 100	do do Cachexia, and
4 in 100	do do from Surgical diseases;

i.e., eighty-three per cent, in all probability indicating in some period of the disorder, the Antiphlogistic treatment.

Concerning the advantage in bleeding in mania, most physicians are agreed; Dr. Sydenham, I believe, was the first who noticed a sort of mania very uncommon, which proceeded from weakness, and which for the most part attacked patients who had for a long time suffered under autumnal intermittents; which, if treated, says he, in the ordinary way by bleeding, brought on incurable idiotcy or death, but which was easily cured by wine and tonics; but in general, mania is an inflammatory disorder, just as much so as pleurisy. You see it often under the form of pleurisy, or of delirium combined with fever; again it is seen, as Broussais well observes, with an inflammation of the stomach, for which he was accustomed to bleed till the symptoms changed, and to use his own language, "with the happiest effects;" again you find a very frequent metastasis of pneumonia to the brain, occasioning madness, and also very many examples of mania proceeding from the closure of varicose, and for a long period bleeding hemorrhoidal veins all requiring blood-letting, just as much so as any disorder whatsoever.

Dr. Reed, Professor of Medicine and Clinique, in the University of Pennsylvania, and Physician to the Lunatic Asylum there, whose work on insanity is held in great estimation in Europe, says: "blood-letting is indicated in mania, by the accidental cures that have followed the loss of large quantities of blood. Many madmen who have attempted to destroy themselves by cutting their throats, have been cured by the profuse hemorrhages which have succeeded. Of this, several instances have occurred within my knowledge; the bleeding in the first attack of madness should be copious, twenty to forty ounces; the effects, continues Dr. Reed, are wonderful, it sometimes cures in a few hours; this treatment to be continued, if the symptoms require. The quantity of blood drawn, should be greater than in any other organic disease. From among many cases of the successful issue of profuse bleeding in madness, I shall select but two: one Mr. ———, sixty-eight years of age, from whom I drew nearly 200 ounces of blood in less than two months; the other, Mr. ———, of New York, who lost by my order, 470 ounces of blood, by forty-seven bleedings, in less than one year; were it necessary, I could add several other cases communicated to me by my students." Mr. Haslam has recorded 200 cases in the Bethlehem Hospital, in all of which he bled. Esquirol strongly recommends bleeding in mania, where severe headache exists; Broussais not only recommends bleeding, but affirms that bleeding, especially by leeches applied during several days, have cut short incipient mania, and restored the patients to reason, as quickly as we are accustomed to see prommonia or gastromentis removed by blood-letting. Dr. Burrowes, (whose testimony on this subject before all other physicians, ought to have weight, seeing that his cures of recent cases of mania, amount to 91-32 per cent, nearly three per cent more of cures than any other known Asylum can boast of,) declares that he cannot recollect a single case of mania, of what sort soever, in which the abstraction of blood, either from the head or neighboring parts, has not been distinctly indicated; and he repeats it without hesitation, so long as excitement continues, even though it be requisite to give tonics at the same time; in fine, if the cure of disease, (where it can be obtained,) be the great end of all treatment, then in any

Appendix
(O.O.)

11th July

Appendix
(O.O.)

11th July.

given number of cases, that physician who cures the greatest number, must be allowed (*cæteris paribus*) to adopt the best method of treatment.

Dr. Burrowes, who always bleeds in cases of mania, cures 91-32 per cent of recent cases, and 35-18 of old cases; Dr. Rees, forty-nine per cent of all cases; but thirty-one of the 161 patients were, when admitted into the Toronto Asylum, incurable; deducting these, we have sixty per cent of cures. Further, many of these cases were not recent, and the chronic form of mania, is by no means so easily removed as the recent; now, if from the statement of Dr Burrowes, we take the mean between the cases, recent 91-32 per cent, and the old cases, 35-18 per cent, we have a little over sixty-three per cent of cures of all cases; which number is about fourteen per cent above the cures performed at the Lunatic Asylum.

The Connecticut Asylum, when under the able Dr. Tod, sent out cured, of recent cases, 88-66 per cent; of old cases, 14-14 per cent; which gives a mean of all cases cured, of 51-40 per cent, or 2-40 per cent only, above the cures at the Toronto Asylum. The returns from the principal Asylums in England and France, give the mean of cures in France, forty-two per cent; in England, thirty-two per cent.

The mortality in the Toronto Asylum, is 7-5 per cent of all cases; the mortality in the Connecticut, is 2-1 nearly per cent, of recent cases, and 7-2 per cent of chronic cases; the mean 4-4 per cent of all cases, or about three per cent less than the mortality in the Toronto Lunatic Asylum. Again, I have stated that recent cases of insanity are more easily cured than those which are chronic. Esquirol has published a table of 269 cases cured at the Salpetriere, from which it appears that 151 cases were cured within the first six months; in the next four months sixty-five were cured, or a fewer number in proportion of time, by fifty-two at least; after and between one year and two years, twenty-three cures; shewing when reduced, as near as can be to equal times, a decreasing progression in cures, in equal increments of time, from the first attack, of 50-32, four nearly answering to the 1st, 2nd, 3rd, six months. According to this table, the chances of recovery decrease between the 1st and 2nd six thirty-six per cent; and between the 2nd and 3rd six months, eighty-eight per cent. (This being premised,) according to Despartes, the medium time of cure under the anti-phlogistic treatment is fifty-five days; while according to Broussais, under the non-antiphlogistic treatment, the time of cure extends to 137 days; the antiphlogistic treatment being successful under two months; the non-antiphlogistic treatment being successful between four and five months. The difference between these two methods, as regards the number of cures, cannot, on account of the very insufficient data, be calculated; but the difference in the duration of the disorder is evident, or as five to two in favor of the antiphlogistic treatment.

Dr. Rees has been accused by some disingenuous man, of salivating his patients in cases of mania; Dr. Rees has assured me that he never salivated a patient in the Asylum, but what if he had? "too much," writes Dr. Rush, "cannot be said in favor of salivation in general madness; I once advised mercury in a case of madness in a female after parturition, who had conceived an aversion for her infant; on the day that she felt the mercury in her mouth, she asked for the infant, and pressed it to her bosom." * * * I have seen, says Dr. Rush, "two instances in one Asylum, in which a taciturnity of a year's continuance was removed by it, speech was excited in one of them, on the very day the mercury affected the mouth, and the use of reason followed a few days after." This is just what might be expected, for mercury diminishes arterial action, and equalizes the circulation in the body, for this reason it is given in pncarditis, in hydrocephalus acutus, in inflammation of larynx, trachea, liver, &c., &c.

In conclusion, I cannot help expressing a hope that this persecution may redound to the great benefit of Dr. Rees, who has by his exertions and his medical and moral treatment, raised the Toronto Lunatic Asylum, with

all its disadvantages, to nearly a level with the most favored of similar institutions in Europe.

I have the honor to be,
With the greatest respect,
Sir,
Your very obedient Servant,

(Signed,) ROBERT SPEAR, B.M.L.M.,
Cantab Member of the Royal College of
Physicians, London.

To the HONORABLE VICE CHANCELLOR,
Chief Commissioner of Toronto Lunatic Asylum.

FROM SPECIAL REPORT of DR. DUNLOP, to the Chairman of the Board of Commissioners for the management of the PROVINCIAL TEMPORARY LUNATIC ASYLUM, dated Toronto, 8th January, 1844:—

"Three years ago, at the request of several of the Trustees of the Lunatic Asylum at Toronto, I examined that Hospital, and reported upon its state, and the medical treatment of the patients."

"I have frequently visited since, and lastly, most minutely this day, and saw, and personally examined every patient in it; I have no hesitation in saying, that it is in a high state of efficiency. The medical treatment, so far as I am able to judge, is as good as can be; no coercion or harshness is allowed, and all the patients seem as happy as their unfortunate situation or circumstances will admit of."

No. 2.

EXTRACTS from Minutes of the Commissioners of the TEMPORARY LUNATIC ASYLUM AT TORONTO; and of the papers connected with the injuries sustained by DR. REES, in consequence of the attacks on him by certain lunatic patients in the Asylum.

TEMPORARY LUNATIC ASYLUM,
Saturday, January 24th, 1846.

A Special Meeting of the Commissioners called by the Chairman.

Present:—

The Vice-Chancellor, The Sheriff, The Rev. H. J. Grasett, Dr. Gwynne, Dr. Beaumont; Messrs. Ewart, Eastwood, Cawthra, and O'Beirne.
The Vice-Chancellor in the Chair.

It was moved by Dr. Gwynne and seconded by Dr. Beaumont, and Resolved, That a Committee, consisting of The Rev. H. J. Grasett, Dr. Gwynne, and Mr. Eastwood, be appointed by the Board for the purpose of examining into the circumstances under which the injuries said to be sustained by Dr. Rees in the discharge of his duties as Medical Superintendent of the Asylum, were inflicted, with a view to some future representation of his case to the Government.

Thursday, January 29th, 1846.

Commissioners met. Present:—

The Vice-Chancellor, The Rev. H. J. Grasett, Rev. Mr. Hay, Mr. Sheriff Jarvis; Messrs. Ewart, Eastwood, and O'Beirne, and Dr. Beaumont.

Appendix
(O.O.)

11th July.

Appendix
(O.O.)

11th July.

The Committee appointed by a Resolution of the Board of Commissioners of the Temporary Lunatic Asylum, at their meeting held on the 24th day of January, 1846, to investigate the circumstances under which certain injuries sustained by Dr. Rees were inflicted, met.

Present:—

The Rev. Mr. Grasett, Mr. Eastwood, and Dr. Gwynne.

The Committee beg leave to Report, That after a minute and careful examination of such of the officers and servants of the Institution as were from their positions, in the opinion of the Committee, likely to be cognizant of the circumstance under which the severe injuries sustained by Dr. Rees, and described in the medical certificates of Professor Beaumont and Dr. Grasett, were inflicted; they are unanimously of opinion, that these injuries were sustained by that gentleman, when in the discharge of his official duties, as Medical Superintendent of the Temporary Lunatic Asylum.

For the information of the Board, the Committee hereto append the names of the individuals examined by them, together with an abstract of the evidence given by each severally, in order that the Board may comprehend the grounds upon which the foregoing conclusion is arrived at.

The persons examined by the Committee, were the Steward, John Cronyn, Bernard Martin, Wm. Nicholson, and Mark Craig, Keepers. The Steward states that he was not present upon either of the occasions, when Dr. Rees was injured; but that about half a year ago, and immediately after the injury in the groin was inflicted, he was informed by several of the Keepers, that a patient, of the name of Fitch, had kicked the doctor severely in the groin; and he recollects perfectly, that at that time, Dr. Rees was confined to his house for several days, in consequence of the injury, and both at the time, and subsequently, complained much of the effects of that injury; and likewise shewed him several lumps in the groin, which were consequent on the blows received from the patient, Fitch. He thinks that John Cronyn, Martin, Craig, and Nicholson, were present at the time, and can give the Committee information upon the subject.

John Cronyn states that he was not present at the time, when Dr. Rees was kicked by the patient, Fitch; but he recollects that the doctor, upon coming down to the Surgery, after having paid his usual visit to the ward, complained much of its effects; he also recollects, that upon another occasion, the doctor complained much of a severe blow received by him on the head, from a patient of the name of Dempsey, at the time he was very violent. The keeper, Barney Martin, was present when Dempsey struck the doctor. These injuries were inflicted about six months ago.

Bernard Martin states that he was present when the patient Dempsey struck the doctor a severe blow on the head, which staggered him; and that he has since frequently heard the doctor complain of the effects of that injury. He did not see any of the lunatics kick the doctor, but he believes that Nicholson was present when he was kicked; the injury of the head was inflicted about five months ago. Recollects that the doctor was confined to his house for several days after the report was prevalent in the Asylum, that he was kicked by Fitch.

Dr. Beaumont states that about six or seven weeks ago, Dr. Rees complained to him of the effects of an injury on the head, consequent on a blow received from a lunatic.

Wm. Nicholson was present when Dempsey struck the doctor; the latter was staggered by the blow, and complained of being very much hurt, and subsequently at different times, complained of the effects of the injury. Was not present when he was kicked in the groin, but recollects seeing the part which was then injured; in a few days after it was known in the Institution, that Fitch had kicked

Appendix
(O.O.)

11th July.

him; that the doctor was confined to his house several days, and from time to time, up to the period of his relinquishing his duties, continued to complain of the effects of that kick. The keeper Craig, was present at the time.

Keeper Craig states that he was present when Dempsey struck the doctor a blow on the head, of which he complained much at the time, and subsequently; the blow appeared to be a severe one, and staggered him. Was also present when he was kicked by Fitch in the groin; the doctor was in consequence obliged to sit down, and complained much; he appeared very faint and pale, and was in consequence, confined for several days to his house. The kick in the groin was subsequent to the blow on the head; thinks that perhaps five or six weeks intervened between the two injuries; thinks that the last injury was about four or six weeks prior to his leaving the Asylum; has lately seen the place which was injured, and which still appears much discolored.

(Signed,) W. C. GWYNNE, Chairman.
H. J. GRASSETT,
J. EASTWOOD.

A true copy.

R. CRONYN.

I hereby certify that Dr. Rees' health is considerably impaired; I have been attending him for about a month past, on account of a fracture of one of the bones of the leg, (the fibula,) attended with partial dislocation of the ankle-joint, (the tibia thrown forward,) which will necessarily for a long time render the ankle-joint weak; Dr. Rees has also several enlarged and indurated glands in the groin, which shew no disposition to yield to medical treatment, but are now beginning slowly to suppurate, and may prove for a long time very troublesome, and render him incapable (until they disappear) of much bodily exertion. These glands, I understand, became enlarged about three months ago, immediately after, and in consequence of a kick on the groin, from a lunatic in the Asylum. Dr. Rees has also frequently complained to me of uneasiness and giddiness in the head, resulting from a blow received on the head, from a patient in the Lunatic Asylum, about five months ago, and of which uneasiness and giddiness he still complains as much. I am of opinion that this severe blow on the head may be, and is likely to be, a cause of Dr. Rees' impaired health and strength.

(Signed,) W. R. BEAUMONT,
Fellow of the Royal College of Surgeons,
England.

Toronto, January 4th, 1846.

I beg to certify, that about the 20th of September last, I was requested to visit professionally, Dr. Wm. Rees, Medical Superintendent of the Provincial Lunatic Asylum. One of the maniac patients had kicked him with great violence in the right inguinal region, causing excessive pain and faintness at the moment, followed sometime afterwards by chilliness and fever. The part which had been struck presented a discoloured appearance, and several of the inguinal glands became inflamed and enlarged, although from the observation of a strictly antiphlogistic treatment, with perfect rest, some amendment took place; the glands have continued more or less in a state of disease since the period of the infliction of the injury, and they have latterly assumed an appearance indicative of approaching suppuration. The exercise of walking cannot be performed without pain, nor is it desirable that bodily exertion should be used, until the present symptoms shall have undergone some amelioration. I beg to add, that during the period of Dr. Rees' confinement to bed, the medical duties of the Asylum were discharged by me, at his request.

(Signed,) G. R. GRASSETT,
Physician and Surgeon.

Toronto, December 30th, 1845.

Appendix
(O.O.)

11th July.

At a subsequent meeting of the Commissioners for Superintending the Temporary Lunatic Asylum at Toronto.

Present:—

The Vice-Chancellor in the Chair.

Mr. Sheriff Jarvis, John Ewart, Esquire, Rev. H. J. Grasett, J. O'Beirne, Esquire, Doctor Beaumont, J. Eastwood, Esquire, The Rev. Mr. Hay.

Messrs. Grasett and Eastwood reported that the statement of Dr. Rees, in his memorial to the Government, of injuries received from some of the patients, while in the discharge of his duty, was inquired into by the Committee, consisting of Dr. Gwynne, Mr. Eastwood, and Mr. Grasett.

Resolved, That after a full investigation of the facts alleged by Dr. Rees, in support of his memorial to His Excellency the Governor General, with a view of obtaining some permanent relief, in consideration of impaired health, from injuries received while in the discharge of his duties as Medical Superintendent of the Lunatic Asylum; we are unanimously of opinion, that the statement submitted to them in his intended memorial is well founded, and most respectfully recommend the same to the generous consideration of His Excellency.

ROBERT S. JAMESON,
Chairman.

MONTREAL, 6th May, 1846.

DEAR SIR,

Your letter of yesterday has just been handed to me, and I have but a few minutes, previous to leaving for Toronto, to answer it. In reply to your inquiries respecting Dr. Rees, I beg leave to state as follows:—

Many years ago being then, as now, Sheriff of the Home District, and finding in the Gaol of that District several insane persons, whose deplorable cases could not have that attention which they required, and having at that time a seat in the Upper Canada House of Assembly, I brought forward a measure for their relief.

Subsequently the Government authorized the old Gaol at Toronto, to be used as a Temporary Asylum, and appointed Dr. Rees to superintend the medical department. Under the difficulties of establishing an Institution for the relief of patients of this description, Dr. Rees labored unceasingly, and from the returns to the Legislature, and the reports of several Grand Juries, and medical practitioners, most successfully.

In apportioning the scale of remuneration to be paid to this officer, the Commissioners intended to be guided by the Statute, and recommend that the Medical Superintendent should have £300 per annum, and so informed him; but as the temporary building afforded no accommodation for a residence for the Medical Superintendent, which the Statute contemplated in the new Asylum, he requested to have the amount of his salary settled by the Government; and to our regret it was fixed as low as £200 per annum.

In consequence of having thrown open the advantages of the Asylum, to persons from whom a sum equal to the expense of supporting them was demanded, and thereby throwing upon the Medical Superintendent a duty not contemplated, as his services were supposed to be engaged for pauper patients only, a scale of fees, small in amount individually, but of importance to the Superintendent in the aggregate, was allowed; and the sums so charged, were for a short time collected and paid to the Medical Superintendent, but the difficulties arising in collecting such charges, compelled the Commissioners to abandon the charge for medical aid,—and the Superintendent was informed that an effort would be made to remunerate him for the loss of those fees.

Appendix
(O.O.)

11th July.

In the management of the Asylum, the Commissioners felt that the responsibility was too great for one person to bear, and they frequently recommended the appointment of a consulting physician, to assist in the medical department of the Asylum. Had this recommendation been granted, I have little doubt but that Dr. Rees would now be in the discharge of the duties from which he has been lately relieved. Misunderstandings arose between the Superintendent and the Commissioners, which to the regret of the latter, ended in his removal, and they unanimously joined in a memorial for some remuneration to Dr. Rees, for the loss of his situation, and for injuries which he had received from contusions and blows from the patients.

In conclusion, I beg to state that Dr. Rees' labors have been unceasing; that his success, (judging from the returns made to the Legislature, from the reports of medical men who have visited the Asylum, and from the satisfaction expressed by several Members of the Upper Canada Legislature, who have had an opportunity of witnessing the benefits resulting from the Institution,) has been, under all the circumstances, great.

I remain, dear Sir,
In great haste,
Truly yours,

W. B. JARVIS.

GEO. DUGGAN, Esquire, M.P.

No. 3.

CERTIFICATES CONNECTED WITH THE PRESENT CONDITION OF DR. REES.

Certificate of DR. O'BRIEN (to the Executive Government.)

I hereby certify, that I have carefully examined Dr. Rees, and that I find evident indications of hypertrophy of the heart, and of hepatic derangement. I am aware also of the existence of cerebral affection, in so far as the functions of the brain, particularly memory, have suffered.

To the best of my judgment, a great deal of Dr. Rees' present ill-health may be traced to the period when he received such severe injuries from the violence of a lunatic in the Asylum, then under his charge; and this idea I conceive to be strongly supported by reference to the report made by Dr. Gwynne, on that particular time.

LUCIUS O'BRIEN, M.D.

Toronto, March 20th, 1851.

Certificate of Dr. HERRICK.

I hereby certify that I have examined Dr. Rees, who complains that he has, for a long time, suffered under the effects of a violent blow on the head and other injuries, said to have occurred while in the discharge of his functions as late Medical Superintendent of the Toronto Lunatic Asylum, and depriving him since, of ability to resume his profession.

After a full and careful investigation of the state of Dr. Rees' health, but more particularly with reference to the distinctive functions of his brain, heart, and lungs; I have no hesitation in declaring that Dr. Rees' health is likely to be affected during the remainder of his life.

G. HERRICK, B.A. & B.

Toronto, April 15, 1851.

Appendix
(O.O.)

11th July.

Certificate of Dr. DELMAGE, Staff Surgeon,
(to the Executive Government.)

TORONTO, March 21st, 1851.

DEAR SIR,

I have perused with attention the papers mentioned in your note of yesterday, concluding from their contents, and the conversation which I have had with you on the present state of your health, I hesitate not in declaring it as my opinion, that the nature of the injuries which you have received, while in the discharge of your public duties, as Superintendent of the Provincial Lunatic Asylum of this place, were most severe, and the results now most serious, in all probability likely to be permanent. I therefore consider you are justly and fitly entitled to a sufficient or permanent remuneration in consequence; and, were an officer of our army to have suffered such, under similar circumstances, I feel quite confident a life-pension would be granted to him.

Believe me, Dear Sir,
Very truly yours.

C. C. J. DELMAGE, M.D.
Staff Surgeon.

To W. REES, Esquire, M.D.
King Street.

Certificate of Dr. BADGLEY, (to the Executive
Government.)

TORONTO, March 5th, 1851.

SIR,

In accordance with your request, that I would furnish you in writing, with my opinion as to your "present state of health, and your fitness for resuming your general medical practice." I beg to state, in answer to your first interrogatory, that after the minute examination to which I subjected you on a recent occasion, I consider your health at this moment to be such, that no Life Assurance Company would undertake a risk upon your life, and for the following reason, that in consequence of the injuries sustained by you, in the course of your duties at the Lunatic Asylum, in 1845, by the hands of the man Dempsey, your brain has suffered injury to the extent of permanently disordering two of the most important functions of that organ, namely, memory and judgment, and that your heart, liver, and kidneys, have also participated in the effect of the same injury; the first, functionally, the other two, organically.

With regard to the second question, I would submit to you, the generally entertained prejudice which exists in all countries against employing or consulting in ordinary medical practice a physician (let his professional acquirements be ever so great) whose attention has been specially, or for a series of years, directed to the treatment and management of the insane.

Under these combined circumstances then, I conceive it to be altogether impossible for you to return to the medical profession, with a view to its furnishing you the means of support.

I have the honor to be,
Sir,
Your obedient Servant,

FRANCIS BADGLEY, M.D.

DR. W. REES.

(In Chancery.)

Between JOHN HOWCUTT,
Plaintiff;

and

WILLIAM REES,
Defendant.

Francis Badgley, of the City of Toronto, Doctor of Medicine, maketh oath and saith: that he has for some time past, professionally attended the above named Defendant, and that Deponent examined the said Defendant, on the afternoon of the sixth day of May instant, when Deponent found the said Defendant's case decidedly worse, as regards Defendant's disease of enlargement of the heart, and unable to undergo any mental exertion of mind or body; that since, the Defendant's illness has assumed a more threatening aspect, so that Deponent has found himself professionally called upon to prescribe to the Defendant, rest of body and mind; and this Deponent further saith, that at this, the time of swearing this the Deponent's affidavit, the said Defendant is totally unable to attend to any business, requiring mental exertion, and especially unable to appear in this Honorable Court, for the purpose of undergoing an examination, at least for several days.

(Signed,) FRANCIS BADGLEY.

Sworn before me, at my Chambers, in the City of Toronto, this 8th day of May, A.D., 1851.

(Signed,) JOHN HECTOR,
A Master Ex. in Chancery,
County of York.

(In Chancery.)

Between JOHN HOWCUTT,
Plaintiff;

and

WILLIAM REES,
Defendant.

Lucius O'Brien, of the City of Toronto, Doctor of Medicine, maketh oath and saith: that he has assisted the above named Defendant professionally, on this eighth day of May, instant, and immediately before swearing this the Defendant's affidavit, that this said Defendant is laboring under an aggravation of the affection of the heart, which said affection produces considerable debility, and great irritability of the nervous system; that Defendant, under present circumstances, is incapable of appearing in Court, without exposing the said Defendant to severe injury.

(Signed,) LUCIUS O'BRIEN.

Sworn before me, at my Chambers, at the City of Toronto, this eighth day of May, A.D., 1851.

(Signed,) JOHN HECTOR,
A Master Ex. in Chancery,
County of York.

Appendix
(O.O.)

11th July.

REPORT

Of the Select Committee to which was referred the Bill to reduce and regulate the Fees of Registrars in Upper Canada.

YOUR COMMITTEE have, in obedience to the Order of Your Honorable House, examined the provisions of the Bill referred to them, and have agreed to recommend that all after the words, "that is to say," in the fourteenth line of the first page to the end of the Bill, be expunged; and have agreed to an amendment in lieu thereof, which they beg herewith to report for the consideration of Your Honorable House, as well as the evidence taken by Your Committee, with reference to the said amendment.

The whole nevertheless humbly submitted.

JAMES SMITH,
Chairman.

11th July, 1851.

MINUTES OF EVIDENCE.

FRIDAY, 4th July, 1851.

Members present:—Mr. Smith of Durham, Mr. Wilson, Mr. Richards.

Mr. SMITH of Durham, called to the Chair.

John Ridout, Esquire, examined:—

Q. You are Deputy Registrar for the County of York?

A. I am.

Q. Will you produce to the Committee, a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' deeds for taxes, Common Deeds, and Searches?

A. The whole number of Registries, 3093.

Gross emoluments, £1603 13s. 11d., currency, composed of:—

242 Certificates of Discharge of Mortgage, at 5s.	£60 10 0
221 Judgments, at 2s. 6d.	27 12 6
18 Satisfaction of Judgments, at 2s. 6d.	2 5 0
28 Sheriffs' deeds for Taxes, at 2s. 6d.	3 10 0
2584 Common Deeds, memorials of 550 words, at 9s. 6d.	1227 8 0
Searches, say 1129 or average at 5s.	282 8 5
<hr/> 3093	<hr/> £1603 13 11

Q. What number of persons have been employed in the ordinary discharge of the duties of said office, for the four years last past respectively, and what salaries have been paid to them respectively, for such periods?

A. I can only give the same for the year 1850, as follows:—

Registrar,	£514 0 0
Deputy,	507 0 0
1st Clerk, Chas. Unwin,	218 0 0
2nd do. S. G. Ridout,	131 0 0
3rd do. Jas. C. Small,	112 0 0
Office servant,	25 0 0
Contingencies,	25 0 0

Two extra Clerks occasionally.

Q. What number of certificates is it customary to charge in the ordinary case of registering a deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. For affidavit and swearing, 2s. 6d.
For certificate on the deed, 2s. 6d.

These are the only certificates charged for.

Q. Do you keep a regular account of the fees paid for registries, &c., and is your statement taken from your books, and correct according to such books?

A. Yes; the statement is as correct as could be made by me in the time I have had to prepare it, and I believe it to be correct.

Q. What is the average charge for registering ordinary deeds?

A. 9s. 6d.; whether proved in the office or not. The average folios of memorials is about 550 words.

Q. What is the usual course pursued by you in recording memorials embracing lands in different Towns or Townships in the same County? do you require separate memorials, and do you enter the memorial at length in each book, and how do you charge in such cases?

A. In such case no more than the one memorial is required; the memorial is written at length in each book, and in charging, 2s. 6d. is charged for the first 100 words, 1s. for each other, for such further entry, omitting to charge for the description not relating to such book, and nothing more for affidavits or certificates.

George T. Ward, Esquire, examined:—

Q. You are Registrar for the County of Durham?

A. I am.

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

	£	s.	d.	
569 Deeds, at 8s. 9d.....	248	18	9	But two Deeds for taxes registered last year.
190 Mortgages, at 10s....	95	0	0	This includes assignments of Mortgages.
14 Wills, at 10s.....	7	0	0	
30 Judgments, at 2s. 6d.	3	15	0	
3 Discharges of Judgments, at 2s. 6d...	0	7	6	
70 Discharges of Mortgages	15	0	0	Discharges do.
Searches and Certificates	30	0	0	50, at 5s.; and 20, at 2s. 6d.
	£	400	1 3	There is a large sum lost every year in Searches. — Persons writing from a distance very seldom enclose the fees.

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. One Deputy, the first year and three quarters, at a Salary of..... £45 0 0
Do. the second year and a quarter, do. 60 0 0

From the date of my commission, 10th day of April, 1847, until the 8th day of March, 1848, I performed all the labor myself, until I became ill from the confinement to the office; the above statement comes up to the spring of this year; I am sometimes obliged to employ a little assistance, besides myself and Deputy.

Q. For what number of certificates is it customary to charge in the ordinary case of registering a deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. One Certificate on the back of the Deed, 2s. 6d., affidavit, 2s. 6d.; but since the last Registry Law passed, the most of the affidavits are taken before Commissioners in the Court of Queen's Bench; then the charges I make are as follows:—Certificate on Deed, 2s. 6d. the first hundred words in memorial, 2s. 6d.; this charge is not more than it should be, when it is taken into consideration that there is a Certificate required in the margin of the Registry Book, and also in the margin of the memorial, besides indexing on the lot, and also in the Registry Book.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I do keep a book in which every thing is entered that is done in my office, and the charges for the work; and this statement, and the one sent to His Excellency the Governor General is taken therefrom, after deducting the amount not collected for searches, &c., which I consider lost; but the amount is small for last year, as in a number of instances we retained the searches until the amount was enclosed.

Q. What is the average charge for Registering ordinary Deeds?

A. The charge for ordinary Deeds, short forms, where the affidavit is taken out of the office, is 6s. 3d., include the affidavit, and it will be 8s. 9d.; but as I said before, the affidavits are generally taken out of the office.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. I do not require separate Memorials, neither do I understand the statute that such is my duty; but I would much rather have them separate, as it saves a great deal of writing, and also expence to the parties as far as the registering is concerned. I do enter the Memorial

in full in each book, otherwise my certificate on the back of the deed would be false. I only charge one certificate—the one on the back of the deed, which embraces the Registry in each book; then I charge according to the statute, 2s. 6d. for the first hundred words, and 1s. for every hundred afterwards in each book (as the marginal certificates and indexing are required for each book). In making my return to Governor General, I neglected to include the office rent, which is £12 10s. 0d. The above statements are correct, upon which I am willing to be examined under oath.

The Hon. George S. Boulton, Registrar for the County of Northumberland, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. Whole number of Registries of Instruments, comprising Deeds, Mortgages, Wills, Certificates of Judgment, Certificates of Discharge of Mortgage, &c., 654.

Gross emolument therefrom, £288 8 0

Thus distributed:—

Amount for Registry of 536 Common Deeds, Deeds in fee, Mortgages, Assignments of do., Releases, Quit Claims, Wills, &c.....	£198	2	8
Amount for Registering 13 Sheriffs' Deeds, under writ of <i>fi-fa</i> , and <i>venditioni exponas</i> ,.....	6	10	0
Registry of 4 Sheriffs' Deeds for taxes,	0	10	0
Amount for Certificates of Registry endorsed upon each Instrument,	68	12	6
Amount for Registry of 55 Judgments,	5	13	6
Do. do. 36 Discharges, Mortgage, and Judgments, ..	9	0	0
	£288	8	0

Add:—

Amount received for Searches, and Certificates thereon,.....	27	11	6
Fee for oath of allegiance. Wm. Alexander,	0	1	8
do. for filing three Certificates of Land marks, at 1s. 3d.....	0	3	9
Fees for license to marry,.....	0	10	0
Total emolument,...	£316	15	2

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. One Deputy at a Salary of £50 per annum.

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. The charge is only for one Certificate, viz: for that of Registry endorsed upon the Deed or Instrument.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

Appendix
(P.P.)

11th July

A. Yes; the statement is correct as taken from the books.

Q. What is the average charge for Registering ordinary Deeds?

A. As reckoned by the Registries for 1850, the average is eight shillings and nine pence each, including the Certificate of Registry.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. The usual course is to register the Memorial in each Township book as denoted by the lands therein mentioned, but only in so far as it relates to such Township, including marginal references to indicate what other lands are therein contained and where registered. In such cases the charge is less by the number of words not transcribed into the respective books. Separate Memorials if produced, are entered as in ordinary cases.

G. Benjamin, Esquire, Registrar for the County of Hastings, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. Gross amount of emoluments for 1850, £305 0 0

536 Deeds, at the average of 10s.....	£268	0	0	
74 Judgments, and Satisfaction, prices 2s. 6d.	9	5	0	
Searches,.....	27	15	0	
				£305 0 0
Deputy,	50	0	0	
Incidental expenses.....	15	0	0	
				65 0 0
				£240 0 0

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. Constantly one Deputy, at £50 a year. Sometimes two Deputies, at £50 a year each; and in 1846 to 1847, one of the Deputies received £100.

Q. For what number of certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. One Certificate.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I only keep an account of such registries as I charge. My statement is taken from my record books, and the average would be something under 10s. I keep an account of searches.

Q. What is the average charge for Registering ordinary Deeds?

A. 10s. with dower,—8s. 9d. without: much depends upon the description given of the lands conveyed.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. I do not require separate Memorials. I only enter such portions in the book as appertains to the Township, but all other portions of the Memorial are transcribed in full in each book; consequently I only charge 2s. 6d. once for the first hundred words. This arises from my not requiring more than one Memorial. My certificate contains a Township number as well as a general number. The same certificate I put on the Memorial, I copy in the margin of the Registration, but make no charge for these as certificates, but calculate the number of words entered in the book. I do not calculate the words, or charge for them that are contained in the certificate on the Memorial.

George Lount, Esquire, Registrar of the County of Simcoe, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. Whole number of Registries in the office during the year 1850, 753.

Gross amount of emoluments, for the year 1850, £391 19 9

Sources from which derived:—

Received for Registry of Deeds, Mortgages, Discharges of Mortgages, and Wills, exclusive of Certificates of Registry endorsed thereon, and exclusive of Affidavits of Proof,.....	£233	6	4½
Received for affidavits of Proof, sworn before Registrar, ...	45	2	6
Do. for Certificates of Registration endorsed on Deeds	89	15	0
Do. for Registry of Judgments,.....	3	15	0
Do. do. Discharge of Judgments,.....	0	12	6
Do. do. Sheriffs' Deeds for taxes,.....	0	0	0
Do. for Searches, including Certificate therewith,...	19	8	4½

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. But one person has been employed besides myself at any time during the period of four years, and I have not paid any salary, as the only person employed is my son. Except in some particular cases, such as sickness, or necessary absence of myself from the office for a short period, when another person would be employed, whose pay was five shillings per day, and board.

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

Appendix
(P.P.)

11th July.

Appendix
(P.P.)

11th July.

A. Two; the affidavit of proof and Certificate endorsed on the Deed.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I do keep a regular account of the fees paid me for Registry, and my statement is taken from that book, and is correct according to such book.

Q. What is the average charge for Registering ordinary Deeds?

A. Ten shillings, including the affidavit of Proof and Certificate, endorsed on the Deed.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. I do not require separate Memorials for each Town or Township. The Memorial is entered at full length in each book. My charge for Registry in such cases are for first Registry, 2s. 6d. for first 100 words, and 1s. for each sundry 100 words in the Memorial; 2s. 6d. for the Certificate endorsed on the Deed; and 2s. 6d. for affidavit of proof, if proof is taken before me or my Deputy; and for the entries of the Memorial in the other book or books, 1s. for every 100 words contained in such Memorial, for every further entry of such Memorial.

H. Burwell, Esquire, Registrar of the County of Middlesex, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. Certificates of Judgment, 121,.....	£15	2	6
Satisfaction of Judgment, one; (for which I did not charge,).....	0	0	0
Certificates of Naturalization, 17,.....	2	2	6
Ministers' Certificates, (under 10 & 11, Vic., Chap. 18,) five,.....	1	5	0
Memorials of all kinds, including Common Deeds, Mortgages, Certificates in discharge of Mortgages, Sheriffs' Deeds for taxes, & Searches, 1664,	£628	0	0
	£646	10	0

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. One; paid him from 18th March, to 31st December, 1847,.....	£40	1	5
For the year 1848,.....	85	5	10
Do. 1849,.....	86	11	6
Do. 1850,.....	94	19	7

I have besides allowed him to do all the conveyancing.

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. One only; namely the Certificate on the Deed. I have never made any charge for the Certificate or memorandum on the memorial, or for the same in the margin of the Register book, each of which is of the same length as the Certificate on the Deed; nor have I ever charged for affidavits.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I keep a cash book only, whersin I set down the monies as I receive them, and as the fees are not always paid at the time the Deeds are deposited with me, very frequently not until long after the end of the year, my statement is not taken from the cash book. I have averaged the 1664 Memorials in answer to the first question, at seven shillings and six pence each, which average I conscientiously believe will cover the amount I have received for Searches. For the last few years the shorter form of Memorials have been almost always used. Among the Memorials, I have included the Certificates in discharge of Mortgages, as they are syled as such; and Sheriffs' Deeds for taxes, which amount only to two shillings and six pence each; and the sum I have received for Searches is small.

Q. What is the average charge for Registering ordinary Deeds?

A. From seven shillings, to seven shillings and six pence.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. I do not require separate Memorials. I enter the same Memorials in the books for the several Towns or Townships. For instance, suppose a Deed contains lands in Yarmouth, Southwold, and the Town of London; I first enter the Memorial in the Yarmouth book, leaving out the descriptions of the lands in Southwold and the Town of London, and the same way in the other two books. In charging, I deduct the number of words left out in each entry, and charge for only one Certificate.

Remarks:—In the return I made to the Secretary of the Province, dated 16th June, 1851, I have estimated the expenses of the office, such as fuel, stationery, &c., at twenty-five pounds, which has been omitted in this. I beg leave further to remark, that I have been obliged to employ a second person to assist me in the duties of the office, and have paid him since the 10th of April last, £34 3s. 9d. In the year 1850, and previous years, I did a great portion of the work myself, frequently working after office hours, which will account for the smallness of the amount I have paid to my assistant. I am sorry that it is out of my power to give a more particular account of the Searches, but as I was not aware that it was required by statute, I have neglected the means of enabling me to do so.

MEMORANDUM for the Select Committee of the Legislative Assembly, to which was referred the Bill to reduce and regulate the Fees of Registrars in Upper Canada:—

As Mr. Smith's Bill, should it become law, will reduce the fees of Registrars about one half, and not reduce the labor in the least, I beg leave respectfully to submit to the consideration of Your Honorable Committee, a few remarks on the said Bill. Registrars are obliged to do many things for which they receive no fee whatever; for instance, writing the certificate or memorandum on Memorials; writing the same in the margin of Register book; each of these is of the same length as the Certificate on the Deed. There is no allowance for indexing, either in the index of names, or in the index of lots; and indexing lots where the descriptions are imperfect or confused, which is very frequently the case, is most intricate and difficult work. There is nothing allowed for taking affidavits or counting Memorials, and this last is quite a tedious process. In this county the Searches do not, under the present fees, nearly pay for the labor of making up the indexes. There is actually more labor in the Register offices, than in all the other County offices put together; and Registrars have moreover, a great deal of re-

Appendix
(P.P.)

11th July

Appendix
(P.P.)

11th July.

sponsibility: their work, particularly indexing lots, requiring great accuracy and exactness.

There is another subject which I beg leave to say a few words upon. By the 9th Vic. chap. 34, sec. 32, (the present Registry Act,) where any part of a County is set off, it is made the duty of the Registrar of the old part, to furnish the Registrar of the new, with a statement of the registration of titles of the part so set off, and there are no fees allowed for this service. In this county, where more than one half has been cut off by the Territorial Divisions Bill, the labor of furnishing this statement will be immense. It will probably take three or four years very hard work to make it out. I suggested to the Hon. Mr. Hincks about a year ago, in a memorandum that I handed to him, when the former Territorial Bill was before the Legislature, that it would be very hard and unjust to pass the Bill without a clause granting some remuneration for this service; but as there is a great disinclination to create new fees, I have since thought that it would be preferable for the Registrar of the old part, to hand over to the Registrar of the new, the Memorials relating to the lands in the part cut off. I am not aware that any other County will be affected by the Territorial Bill to the same extent as Middlesex, yet some of them will, no doubt, be affected to a considerable degree. I therefore respectfully submit to Your Honorable Committee, that a clause may be introduced into Mr. Smith's Bill, authorizing Registrars of old Counties to hand over to the Registrars of new Counties, the Memorials relating to lands in the parts cut off, instead of furnishing the statement as required by 9th Vic. chap. 34, sec. 32. The cases where Memorials contain lands in more than one Township are comparatively few, and in such cases only, the Registrars of the old Counties might furnish the statement.

H. BURWELL,
Registrar of Middlesex.

To the Chairman of the Special Committee,
on "the Bill to reduce and regulate the
Fees of Registers in Upper Canada."

London, 9th July, 1851.

John Powell, Esquire, Registrar for the Counties of Lincoln and Welland, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. Certificates, 37, at 5s.; 2s. 6d. for entry, and 2s. 6d. per cent., on Mortgage when required,.....	£9	5	0
Judgments, 35,	4	7	6
Satisfactions, one,.....	0	2	6
Sheriffs' Deeds for taxes, none,.....	0	0	0
Common Deeds and Mortgages, 931, average 7s. 6d.....	349	5	0
Searches,.....	15	0	0
	£378	0	0

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. During the years 1847-8, I had no Deputy; since that time my son has been my Deputy, employed from 9 A. M., to 10, and from 3 to 5, P. M. I give him the Searches, and a further sum to make up a salary of £25 per annum.

Appendix
(P.P.)

11th July.

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. One.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. Of all excepting the Searches, which were not strictly kept until 1851; but the amount as near as possible, has been added to the return made to the Blue Book department.

Q. What is the average charge for Registering ordinary Deeds?

A. Seven shillings and sixpence.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. I do not require separate Memorials; and charge for every Registry, as the Memorial is registered at length in each Township.

NOTE:—There will appear a difference in amount between the fees stated in this return, and in the one furnished by command of His Excellency the Governor General, which arises from my not having included in that return, the Searches charged in the accounts of persons with whom I keep accounts in the office. The amount of Searches has been regularly kept for the last six months, and I have taken this account as the basis of my return for 1850.

H. W. Peterson, Esquire, Registrar for the County of Waterloo, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. Source of emolument:—

Certificates, 87,.....	£10	17	6
Judgments, 15,.....	1	17	6
Satisfaction of Judgments, (none,).....	0	0	0
Sheriffs' Deeds for taxes, (none,).....	0	0	0
Common Deeds, (including Mortgages, Releases of Mortgages, and Wills,) 816, 387	0	0	6
Searches, 403,	30	4	6

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last past respectively, and what salaries have been paid to them respectively during those periods?

A. One Deputy constantly, and an Assistant Clerk occasionally, each at the rate of £75 per annum, during the last four years.

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. For one.

Appendix
(P.P.)
11th July

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I do keep a regular account of the fees paid for Registries, &c., and my statement is taken from my books, and is correct according to such books.

Q. What is the average charge for Registering ordinary Deeds?

A. About ten shillings currency.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. In such a case I do not require separate Memorials; but record the one Memorial at length in each book for the Township in which such lands are situate, and charge for each Registry, at the rate of 2s. 6d. for the first hundred words; 1s. for every subsequent hundred words; and 2s. 6d. for the Certificate on the Deed.

Charles Rubidge, Esquire, Registrar for the County of Peterborough, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. Whole number of Registries, 578.
Gross amount of emoluments,..... £318 10 10

Certificates, and recording 552			
Common Deeds,.....	£270	8	4
Sheriffs' Deeds, 26,.....	5	4	0
Judgments recorded, 47,.....	5	17	6
Satisfaction of Judgments, 3, including Discharges or Satisfaction of Mortgages, 65, (of which the affidavit was taken before Registrar, or his Deputy to 17,).....	10	5	0
Searches made by parties, 277,	13	17	0
Searches made by letter, 43, and to which answers were sent, with abstracts of Titles, and Certificates,.....	12	6	6

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. One person in 1847,.....	£55	0	0
Do. 1848, ...	70	0	0
Do. 1849, ...	75	0	0
Do. 1850, ...	85	0	0

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. Two Certificates.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

Appendix
(P.P.)
11th July.

A. I keep a regular account of fees for Registries, &c., and my statement is taken from my Day Book, and is correct according to such book, except that I have not received the amount of fees as stated, by seven or eight pounds Halifax Currency.

Q. What is the average charge for Registering ordinary Deeds?

A. Eight shillings.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. When Memorials contain lands in different Towns or Townships, the one Memorial is all that is required, but an entry is made in the Registry Book of each Town or Township, of so much of the Memorial as relates to the land in such Town or Township; and if the affidavit is taken by a Commissioner of the Queen's Bench, one Certificate only is charged, and the number of words as usual.

I certify that the above is as correct a statement as I can give.

James Durand, Esquire, Registrar for the County of Frontenac, examined:

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. I beg to state, for the information of the Committee of the Legislative Assembly, that in answer to a circular letter from the Provincial Secretary, that on the 14th ult., I forwarded a statement, in detail, of the number of conveyances, &c., registered by me during the half year, previously returned to the Blue Book office, say from the first of July 1850, up to the first of January 1851, together with the total amount received, including Searches and Judgments, &c.

And now, in obedience to the order of the Special Committee of the Legislative Assembly, I beg further to state for their information, that during the half year above alluded to, the time I entered upon the duties of my office as Registrar, that I recorded two hundred and forty-two conveyances, or instruments in writing, comprising the following, viz:—

10 Sheriffs' Deeds for lands sold under execution; 10 Sheriffs' Deeds or Certificates for lands sold for taxes; 6 Wills; 20 Releases of Mortgages, (5s. each, including Certificate on Mortgage); 70 Mortgages, and Assignments of Mortgages; 126 Deeds of Conveyances of different kinds, including Deeds of Trusts, &c.; and the fees on the whole number of documents amounted to...	£100	2	0
And I received, during the same period, for Searches and copies of documents and Certificates, &c.....	22	13	0
And for 20 Certificates of Judgments, at 2s. 6d.....	2	10	0

Making the total amount for six months, £125 5 0

One hundred and twenty-five pounds five shillings, for the six months ending on the 31st of December, 1850. No Satisfaction of Judgments entered.

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the

Appendix
(P.P.)

11th July.

four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. I beg to say that I have performed nearly the whole duty myself, with the assistance at times of my son, to compare with the papers and records, after office hours; but I find the assistance of a Deputy at times indispensable, for the following reasons: first, to compare papers and records; second, in order that some one may be found always in the office during the regular office hours, and in case of the necessary absence of the Registrar, from ill-health or other unavoidable causes, such as being called to produce documents, and give evidence before Courts of Justice, and Masters in Chancery, &c.

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. I beg to say that I only charge for the Certificate endorsed on the back of the Deed or Conveyance, delivered out of the office, 2s. 6d., which generally contains from sixty to eighty words. I charge nothing for the endorsing and filing of the Memorial, nor for that on the margin of the Register Book, or for indexing the same on every lot and concession the Deeds may contain; and I keep a separate index for each Township and City, with the number of each lot and concession. I make no charge for taking the affidavit of proof of any document before me as Registrar.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I keep a regular book, where I enter every Conveyance or Instrument, in the order they are received, (a copy of which I beg to enclose a sheet). I keep also a book where I enter all the Searches, &c., made; and the statement I have furnished is taken from those books. All Certificates of Judgments are endorsed, copied in a judgment book, filed, and numbered.

Q. What is the average charge for Registering ordinary Deeds?

A. I think the average fees of Common Deeds of Conveyance and Mortgages, is from 8s. to 9s. each, but there are some few Mortgages, Wills, and Deeds of Trusts very lengthy, which of course are charged according to the number of 100 words they contain. I may here observe, that I make a practice of counting the number of words in each document, and I charge the fees accordingly, which is the only true way to be correct, and the length of the Instrument is the only correct way to govern the rate of fees in my opinion, and the present rates are not more than remunerative.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. I always copy the Memorials in full, and where Memorials include lands in different Townships in the County, I register it in the City or Township first named, and in the books of each of the others, if desired by the parties interested; in which case I only charge for one Certificate, for the Conveyance, in which I mention the several Townships recorded in, giving the number of each Memorial in each book entered, and in such a case, do not require more than one Memorial, and I form blank Memorials, and fill and endorse them, to keep up the regular numbers in the packages, with a reference on each, where to find the original; and enter the Memorial at length, and charge 2s. 6d. less than the first, for each subsequent entry.

I trust Your Honorable Committee will excuse me, as one of the Registrars applied to for information, to ob-

serve, without being thought presumptuous, what I consider to be a very objectionable clause in the new Bill proposed, without presuming to give any opinion on the Bill generally, viz: in clause No. III., "it provides, that it shall be lawful for any party upon payment of the sum of 1s. 3d. to make extracts from any entry or entries in the books of any Registrar, or from any document in his office."

Now the idea of making important records so public and common, as to allow any body, and every body, to have access to these books and documents, in such an office, to make extracts, and take copies, &c. What Registrar, I must ask, could, or would be held accountable for books or documents, to be made thus public for common use, free to every one paying the paltry fee of 1s. 3d., to blot, dirty, tear, and to alter and privately disfigure, if so inclined, without being traced to any one person in particular? Under such a system, I venture to assert, that the Registry Books would not be fit for public records long, which ought to be carefully preserved, as important public records, in which the people of the country are so much interested; or why go to the trouble and expense of registration? and which has always been my pride to keep clean, and free as possible from blots or injury.

Francis S. Walsh, Esquire, Registrar of the County of Norfolk, examined:—

Q. Will you give to the Committee, a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' deeds for taxes, Common Deeds, and Searches?

A. 514, being the whole number of Registries for the year 1850. Gross amount of emoluments for the said year, when the whole shall have been received..... £277 18 6½

Sources from which the said emoluments were derived:—

Amount from Certificates or Copies given out of the Office,	£4 7 4½
23 Judgments recorded during the year, at 2s. 6d. each,	2 17 6
12 Satisfactions of Judgments recorded during the said year,	1 10 0
No Sheriffs' Deeds for taxes recorded during this year,	0 0 0
Amounts from Common Deeds, Mortgages, and Discharges of the same,...	255 6 8½
Amount from Searches during the said year,	13 4 5½
Amounts for granting Certificates, and Administering Oath of Allegiance to enable Ministers to perform marriages, during the said year,	0 12 6
	£277 18 6½

Q. What number of persons have been employed in the ordinary discharge of the duties of your office, for the four years last past respectively, and what salaries have been paid to them respectively, during those periods?

A. The Deputy Registrar is the only person, besides the Registrar, who has been employed in the discharge of the duties of this office for the four years last passed, and perhaps is the only efficient individual who would devote the time and perform the labor required for this purpose: the duties of the office requiring from him (besides the work performed by the Registrar,) nearly thirteen hours of labor each day, and for which he has been allowed one-

Appendix
(P.P.)

11th July.

Appendix
(P.P.)

11th July.

half of the amount of the fees received, after deducting from the gross amount the incidental expenses of the office as they have occurred, viz. :—

For the year 1847, the gross amount of the fees of this office appears to have been,..... £175 5 6½

The incidental expenses of the office for this year were not separately noted, but amounted to more than in ordinary years : a sett of large full bound books for Township Register Calendars, and a book for the Registration of Judgments were provided, in addition to the ordinary expenses of the office, from the fees of that year.

For 1848, the gross amount of fees of this office appears to have been,..... £204 3 2½

For 1849, do do do, 204 18 11

In each of the two last mentioned years, the expense of the office and rents for same is estimated at, 11 10 0

And for 1850, as stated in answer to first query. The one-half of these amounts (deducting as aforesaid) has constituted the salary or wages of the Deputy Registrar for the said last passed four years.

Q. For what number of Certificates is it customary to charge in the ordinary case of registering a deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. This affidavit may be sworn before the Deputy, but cannot legally (it is presumed) be sworn before the Clerk.

It has never been customary in this office to charge for more than one certificate in the case of registering a deed, nor do we charge but for one, which is the certificate of registry endorsed on the deed, referred to and required in and by the 8th sec. of the Provincial Statute 9 Vic., cap. 34.

The following, which occur in ordinary cases, are not charged for, viz. :—

The affidavit of proof (mentioned in the above query.) required by the 7th Clause of the said Act.—The certificate of such affidavit or proof having been made upon oath, required by said 7th Clause of said Act.—The entry or record in the margin of the memorial ; and the duplicate original of the same in the margin of the register book : registered by the said 8th Clause, and constituted Certificates by the 16th Clause of said Act.

And (when the deed has been executed without the limits of Upper Canada) the certificate required to be endorsed on the deed by the proviso to the 10th Clause of the said Act. Perhaps the right to charge for this certificate has not been annulled by any Judicial proceeding, but it is so rarely required, that it is not worth raising a question in relation to it.

Q. Do you keep a regular account of the fees paid for registries, &c., and is your statement taken from your books, and correct according to such books?

A. The first Registrar, the predecessor of the present Registrar of this County, adopted the plan of keeping minute or memorandum books, in which the fees in each case were set down, in consequence of the system of giving credit, which prevailed throughout the country, and which required such memoranda to refer to in order to know who were indebted for registering, and the system of keeping a minute of the fees has been followed in this office to the present time, and it has been from this data that the annual office returns have been compiled—they were intended to be, and are believed to have been correct according to the account so kept of the fees.

Q. What is the average charge for registering ordinary deeds?

A. The average charge for registering an ordinary deed, which is the common deed with covenants, and the land

Appendix
(P.P.)

11th July.

is described by metes and bounds, is about ten shillings ; and where the deed is made in pursuance of the Act to facilitate the conveyance of real property, is about eight shillings and nine pence ; but some of both kinds are less than the above estimates, whilst others, particularly mortgages, exceed those estimates or averages.

Q. What is the usual course pursued by you in recording memorials embracing lands in different Towns or Townships in the same County? do you require separate memorials, and do you enter the memorial at length in each book, and how do you charge in such cases?

A. Our usual course in recording memorials embracing land in different Towns or Townships, is to enter the memorial or memorials at full length, (any other course would be inadmissible and entirely at variance with the principles of registration). We always allow the parties to produce one or more memorials at their election, but in no case do we charge the 2s. 6d. for the hundred words, except for the first hundred words in one memorial, always considering the additional memorials, or the additional entries of the same memorial, as a continuation of the memorial, and to be charged for only at the rate of 1s. for every hundred words therein. It is desirable that a separate memorial be produced for registry in the book of each Town or Township in which there is land comprised in the deed, will, or probate produced, as it enables the Registrar to keep his Township fyles complete, and to turn up the memorial at once if wanted ; but parties generally return but one memorial in such cases, though the expense of entry is generally more than would be incurred by producing an additional memorial, thus :—

Take the case of a will: the memorial to be registered in the book of the Township where the homestead premises are situated, may contain 600 words ; there is a lot or parcel in another Municipality, per chance, devised, and for this last a separate memorial is produced, containing say 250 words ; the registering these two memorials would be :—

For first 100 words in first Memorial, ...	£0 2 6
“ 500 “ additional at 1s.....	0 5 0
“ 250 “ do in second memorial,	0 2 6
“ One certificate of registry,.....	0 2 6
	<hr/>
	£0 12 6

And if but one memorial had been produced, would be :—

For first 100 words in Memorial,.....	£0 2 6
“ 500 do additional,	0 5 0
“ 600 do do in additional entry,	0 6 0
“ One certificate,	0 2 6
	<hr/>
	£0 16 0

Difference, 3s. 6d.

James Morris, Esquire, Registrar for the County of Renfrew, examined :—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850 ; the gross amount of emoluments, shewing the amount from each source, viz. :—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. 6 Certificates,	£ 0 15 0
2 Judgments, Court of Queen's Bench,	
&c.,	0 5 0
No Satisfactions of Judgments,	0 0 0
No Sheriffs' Deeds for Taxes,	0 0 0

Carried forward,..... £ 1 0 0

Appendix
(P.P.)

11th July.

	Brought forward,.....	£ 1 0 0
128 Common Deeds, viz. :—Bargain and Sale, and Mortgage,.....		59 14 6
3 Last Wills and Testaments,.....		1 5 9
17 Searches,.....		2 3 0
1 Release of Mortgage,.....		0 2 6
	£64 5 9	

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. Since the commencement of this office, March, 1845, I appointed my son, James Morris, Jr., as Deputy Registrar, and who has done the duties of this office occasionally. In the event of employing a stranger (a competent person) I should, at least, have to pay him at the rate of Thirty pounds per annum, eligible to be called on at all times.

Q. For what number of certificates is it customary to charge in the ordinary case of registering a deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. When the affidavit of proof of memorial is sworn before the Registrar, two certificates are charged.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I keep a small cash-book, recording memorial, number and amount of fees, but the forementioned account was checked over from the registry books.

Q. What is the average charge for Registering ordinary Deeds?

A. The average of fees for each deed, from the aforementioned account, appears to be 9s. 1½d.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. No separate Memorials are required, one Memorial being sufficient; in that Memorial, the lands that belong to each Town or Township is recorded on the books belonging to the Town or Township respectively, the fees charged as in other cases, say 2s. 6d. for the first hundred words, and 1s. for every other hundred words registering. One certificate, charged 2s. 6d., if proved before a Commissioner of the Court of Queen's Bench; if affidavit be taken by the Registrar, another certificate is charged, say 2s. 6d.

James Ashin, Esquire, Registrar for the County of Essex, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz. :—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. The whole number of Registries in this office during the year 1850, was three hundred and thirty-eight.

The gross amount of emoluments received during the year 1850, was £149 12s. 6d.—This sum is exclusive of searches, the fees for which amounted last year to about £5 15s., there being no regular account kept of the same—derived from sources and fees as follows:—

Appendix
(P.P.)

11th July.

From enregistration of Certificates,.....	£ 0 0 0
“ “ “ Certificates of Judgments,.....	1 10 0
“ “ “ Satisfaction of do,...	0 10 0
“ “ “ Sheriffs' Deeds for Taxes,.....	0 0 0
“ “ “ Common Deeds, including Mortgages,.....	140 3 9
“ “ “ Wills,.....	5 11 3
“ “ “ Discharge of Mortgages,.....	1 17 6
	£149 12 6
From Searches, about,...	5 15 0

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. During each of the four years last past respectively, there has been constantly employed, as an assistant necessary for the proper ordinary discharge of the duties of this office, one Deputy or Clerk.

The salary that has been allowed to the said Deputy or Clerk during the said period of four years, has been uniformly, during each year, an allowance of one-half of the gross emoluments of the office.

Q. For what number of Certificates is it customary to charge in the ordinary case of registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. It is customary in this office to charge for only one Certificate in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. With the exception of not keeping an account for searches made, a regular account of the fees taken in each day, and for what enregistration taken in; is kept in a private day-book. The statement now furnished is taken from the memoranda, entered in this day-book named, and is correct according to it.

Q. What is the average charge for Registering ordinary Deeds?

A. The average charge for Registering ordinary Deeds here, is eight shillings and nine pence currency for each Deed.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. In the case of recording Memorials embracing lands in different Towns or Townships in the same County, it is the usage in this office to require only one Memorial. That Memorial is recorded at length in each book. As regards the charges made in such case, it is the usage in this office to charge but for one Certificate, and then for each separate enregistration of the Memorial, according to usual rate of two shillings and sixpence for the first hundred words; and one shilling for every subsequent hundred.

John Gall, Esquire, Registrar for the County of Huron, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year

Appendix
(P.P.)

11th July.

1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. Certificates of Judgments, 18, £4 10s. Od.; Satisfaction of Judgments, 1, 2s. 6d.: total 19,	£ 2 7 6
Sheriffs' Deeds for taxes, (none); Common Deeds, 247; Mortgages, 34: total 281.....	151 10 0
Searches, 95; Releases of Mortgage, 18; Wills, 4,.....	31 6 11
Total,.....	£185 4 5

For the year 1851:—

Certificates of Judgments,	8
Common Deeds, 320; Mortgages, 12: total,	332
Searches,	49
Releases,	7
Emoluments to the present time, 1851,...	£189 10 0

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. No person but myself.

Q. For what number of certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. I charge for one Certificate on the Deed, for a Certificate for administering the affidavit.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I keep a day-book in which I enter a statement of the Deeds, Mortgages, Searches, Releases of Mortgage, and Certificates of Judgment received, and the fees charged on the same.

Q. What is the average charge for Registering ordinary Deeds?

A. Ten shillings.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. In the case of those parties doing conveyancing business in the immediate vicinity of the Town, I have requested, and they have agreed to it, that in all cases in which the Deed covers lands in two or more Townships, to make separate Memorials. In the case of Deeds received from a distance, I have not felt myself at liberty to refuse to register the Deeds, or delay the registry in these cases. I have copied the Memorial into the volumes kept for the Townships in which the lands were situated, filing a blank with the Memorials of the Township for which no Memorial was furnished, stating the particulars on the back, so that ready reference may be had to the Memorial, and charge within 2s. 6d., (the cost of a Certificate,) of what would be my charge for Registering two Deeds.

Andrew Waddell, Esquire, Deputy Registrar for the Counties of Kent and Lambton, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year

Appendix
(P.P.)

11th July.

1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. 768—The whole number of Registries for year 1850.	
738 Certificates, at 2s. 6d.,.....	£ 92 5 0
28 Judgments, at 2s. 6d.,.....	3 10 0
2 Satisfaction of Judgments, at 2s. 6d.,	0 5 0
Sheriffs' Deeds for taxes, (none)	0 0 0
738 Common Deeds, (including Mortgages, Wills, &c.)	266 4 4½
Amount for Searches (including Certificates),	44 12 3

Gross amount of emoluments, ... £406 16 7½

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. The date of present Registrar's Commission, 13th January, 1849. No books in office to answer queries for previous years.

1849—Registrar, Deputy, and one Clerk employed.

Paid Deputy,	£100 0 0
" Clerk,	75 0 0

1849,..... £175 0 0

1850—Registrar, Deputy, and one Clerk employed.

Paid Deputy,	£100 0 0
" Clerk,	85 0 0

1850..... £185 0 0

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. One Certificate.

Nett amount of the emoluments of the Registrar for the year 1850,

£221 16 7½

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. A regular account of all fees for Registering is kept, and this statement taken from such books.

Q. What is the average charge for Registering ordinary Deeds?

A. Average charge about 8s. 4d., including 2s. 6d. for Certificate.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. The usual course pursued when only one Memorial received, is to enter the same in full in each Township book, and charge in accordance.

Honorable Alexander Fraser, Esquire, Registrar for the County of Glengary, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the

Appendix
(P.P.)

11th July.

amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. Amount of Records during the year 1850:—

	Memorials.
Township Charlottenburgh,	50
Do. Kenyon,.....	40
Do. Lancaster,.....	34
Do. Lochiel,.....	48
	177
Less—7 Discharges of Mortgages, ...	7
	170
170—average 7s. 6d. each,	£63 15 0
7 Discharges of Mortgages, 5s.,	1 15 0
9 Certificates of Judgments, 2s. 6d.,	1 2 6
	£66 12 6

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. One person, who has discharged the duty of Deputy, who receives one-half of the emoluments of the office.

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. Ten shillings; but otherwise, seven shillings and sixpence.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. Yes.

Q. What is the average charge for Registering ordinary Deeds?

A. Seven shillings and sixpence.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. I keep a separate book for each Township, and if different lots happen to be embraced in the same Memorial, which seldom if ever happen, a reference to the same is noted.

John McLean, Esquire, Registrar for the County of Stormont, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. I beg to refer to the annexed statement:—

RETURN of the REGISTRAR for the COUNTY of STORMONT, for the year 1850.

	Common Deeds.	Mortgages.	Sheriff's Deeds for Taxes.	Assignment of Mortgages.	Release of Mortgages.	Wills.	Amount.		
							£	s.	d.
Town of Cornwall	18	12	.....	1	2	.....	17	7	6
Township of Cornwall	37	8	.....	2	1	2	25	10	0
Osnabruock	51	7	1	.....	7	.....	31	15	0
Roxborough	21	3	7	1	.....	.....	13	12	6
Finch	12	2	10	.....	.....	2	9	10	0
	139	32	18	4	10	4	£97	15	0
	10s.	12s. 6d.	2s. 6d.	7s. 6d.	5s.	10s.	25	0	0
							4	5	0
							3	2	6
							£130	2	6

Amount for recording Deeds, &c. Searches.
Certificates from Records, &c.
Certificates of Judgments recorded.
Total amount.

JOHN McLEAN,
Registrar, County of Stormont.

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. The duty of the office has been performed by the incumbent solely during the above year.

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. Two Certificates.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. It has not been usual to keep any account of fees in this office, but I believe the annexed statement to be as correct as it can be made, and certify thereto accordingly.

Q. What is the average charge for Registering ordinary Deeds?

A. They are generally charged at the sum of ten shillings when the affidavit is drawn and taken by the Registrar.

Appendix
(P.P.)

11th July.

Appendix
(P.P.)
11th July.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. But one Memorial, which is entered in each book, and two general Certificates, which, with each entry of Memorial, is charged.

John Patton, Esquire, Registrar for the County of Grenville, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. The whole number of Registries in my office, in 1850, were 308.

The gross amount of the emoluments of my office, in 1850, was..... £136 11 5

Viz:—For 34 Certificates (of Mortgage money paid).....	£4	9	1
5 Judgments	0	12	6
1 Satisfaction of Judgment... Sheriffs' Deeds for taxes, (none)	0	2	6
268 Common Deeds, with Mortgages and Wills	121	15	8
Searches and Certificates in relation thereto	9	6	8
Fees under the Marriage Act	0	5	0
	£136	11	5

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. I have employed no persons regularly in the ordinary discharge of the duties of my office during any part of the last four years, and have therefore paid no salaries during that time.

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. Two Certificates are charged for by me, when the affidavit of proof of memorial, &c., is sworn before me, or my Deputy; viz., the certificate of proof, which requires the drawing of the affidavit, and the certificate on the deed, of its having been registered.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I keep a regular account of the fees paid for Registries, &c. The statement thereof, hereinbefore given, is taken from my books, and is correct according to such books.

Q. What is the average charge for Registering ordinary Deeds?

A. The total number of Deeds, Mortgages, and Wills registered by me, in 1850, being, as hereinbefore stated, 268, and the fees thereon having amounted to £121 15s. 8d., the average charge on each such instrument was a fraction over nine shillings and one penny.

Appendix
(P.P.)
11th July.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. I do not require more than one memorial in such cases; but I enter the memorial in the book for each Town and Township in which the lands, mentioned in such memorial and within the County of Grenville, are situate; and I make one, and only one, certificate of registry on the deed—in which certificate of registry I refer to each book in which the memorial has been entered, with the number given it in such book, with the page or pages thereof.

The fees I demand in such cases are as follows:—For the entry in one book, the same as if it were an instrument referring to land in one Township only; and for the entry in each and every book after the first, the same fee less 2s. 6d., when not proved before me; or less 5s., when proved before me: that is to say, suppose the charge for entry in one book, when not proved before me, to be 7s. 6d., and it should be necessary to make entry of the memorial in two other books—i.e., three books in all—then my charge would be, 7s. 6d., 5s., and 5s., or 17s. 6d. in the whole; or suppose the charge for entry in one book, when the proof has been made before me, to be 10s., and it should be necessary to enter in three books in all, then my charge would be 10s., 5s., and 5s., or 20s. in the whole.

John P. Roblin, Esquire, Registrar for the County of Prince Edward, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. Common Deeds, Mortgages and Wills, 364, averaging, as near as I can tell, 8s. 6d. each £154 0 0

Certificates of Judgments, 12, 2s. 6d. each	1	10	0
One Satisfaction of Judgment.....	0	2	6
About 20 Discharges of Mortgages, 2s. 6d.....	2	10	0
Searches I can not tell precisely, but say not more than..... £4 or	5	0	0
No Sheriffs' Deeds for taxes	0	0	0
	£163	2	6

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. I keep one Clerk, at a salary of Seventy-five pounds per annum, whom I authorize to act as Deputy in my absence.

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. No charge is made for any Certificate except that on the deed, and the amount of which is included in the charge of 8s. 6d. as above stated, as the registry of deeds, exclusive of the certificate, does not average more than 6s.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

Appendix
(P.P.)

11th July.

Appendix
(P.P.)

11th July.

A. I do not keep a regular account of all fees, but the number of Deeds, Mortgages, Wills, Certificates of Judgments, and Discharges of Mortgages is taken from my books, and is correct.

Q. What is the average charge for Registering ordinary Deeds?

A. The average for Deed and Certificate, about 8s. 6d.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. I require but one Memorial—but enter and number it in each Township book at full length—but charge fees only for registering in each, not charging anything for any certificate, save one on the deed, which mentions the several books in which it is entered.

James Bell, Esquire, Registrar for the County of Lanark, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. The whole number of Memorials registered in this office, from the date of my appointment (2nd March, 1850), to the end of the year, is Two hundred and sixty-five. The gross amount of emoluments, during the same period, is, £159 4s. 0d. currency, and is derived from the following sources respectively, viz:—

Certificates and copies of former registries	£2	3	6
Registration of Judgments (9 in number)...	1	2	6
Do Satisfaction, pieces, (four in number).....	0	10	0
Do Sheriffs' Deeds for taxes (10 in number)	1	5	0
Do Common Deeds, Wills, Mortgages, and Discharges of Mortgages,	145	8	9
Searches.....	7	6	9
Filing Surveyor's Certificates (according to 12th Victoria, chapter 35.)	0	7	6
Registration of Instrument of Incorporation of Plank Road Company	1	0	0
	£159	4	0

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. Two persons have been employed in the ordinary discharge of the duties of this office since my appointment. It is necessary in all cases to have a Deputy, duly qualified to act, in case of the sickness, or unavoidable absence of the Registrar; and as the duty is done in this office, it requires two persons, as we read and compare each deed and memorial, and again each memorial and entry of it in the books. The Deputy Registrar is paid a salary of £60 per year.

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. When the affidavit of proof of a memorial is sworn before the Registrar, or his Deputy, it is customary to charge for two Certificates, whether it is for a single lot of land, or for several lots.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I keep a regular account of fees paid for Registrations, &c., but have not hitherto always particularized whether for Common Deeds, Sheriffs' Deeds, Mortgages, Wills, &c. My statement as to the amount of fees is taken from a book of accounts kept for the purpose, and is correct according to such book. As to the different kinds of Deeds, &c., it is made up from the registry books, and is also correct.

Q. What is the average charge for Registering ordinary Deeds?

A. The average charge for Registering ordinary Deeds, when proved before the Registrar, or his Deputy, (including certificate of such proof) is about Ten shillings and sixpence; and when accompanied with a certificate of proof by a Commissioner, &c., about Eight shillings.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. In recording Deeds embracing lands in different Towns or Townships in the same County, the usual course pursued by me is to require only one Memorial, which I enter at length in each book. In such cases, I only give and charge for one certificate of registration and for entering in the several books, One shilling per folio of 100 words, after the first folio in the first book: the same as if all the entries had been in one.

Alexander McDonell, Esquire, Registrar for the County of Dundas, examined:—

Q. Will you give to the Committee, a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. Judgments, Number 10	£1	5	0
Satisfaction of Judgments, (none)	0	0	0
Sheriffs' Deeds, Number 5	0	12	6
Common Deeds, Number 169	59	10	0
Searches, probably	4	0	0
	£65	7	6

Q. What number of persons have been employed in the ordinary discharge of the duties of your office, for the four years last passed respectively, and what salaries have been paid to them respectively, during those periods?

A. One person employed during the greater part of the time mentioned above, at a cost during that period of £60.

Q. For what number of Certificates is it customary to charge in the ordinary case of registering a deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

Appendix
(P.P.)
11th July.

Appendix
(P.P.)
11th July.

A. In such case no more than one Certificate charged, whether the execution of the Deed be sworn to in the office or not.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. Statement taken from the books, as far as regards documents registered; have no means of ascertaining the extent of amount received for Searches, but the sum stated will cover the amount received.

Q. What is the average charge for Registering ordinary Deeds?

A. Seven shillings and sixpence.

Q. What is the usual course pursued by you in recording memorials embracing lands in different Towns or Townships in the same County? do you require separate memorials, and do you enter the memorial at length in each book, and how do you charge in such cases?

A. I do not require separate memorials; the memorial entered at length in the book kept for the Township in which the land may be situated, and charge for each entry and one certificate.

George T. Burke, Esquire, Registrar for the County of Carleton, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

1. Certified copies of Records, say 20, at 6s. 3d.	£6	5	0
Filing and entering Certificates of Judgment, 22, at 2s. 6d.	2	15	0
Satisfaction of Judgments, (none)	0	0	0
Sheriffs' Deeds for taxes, (none)	0	0	0
Common Deeds of Sale, Mortgages, and Assignments, 366, at say 9s... ..	164	14	0
Wills, 12, at say 10s.....	6	0	0
Searches, say 350, at 1s. 3d.....	21	17	6
Release of Mortgage, 36, at 5s.....	9	0	0
	£210	11	6

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. The business of the office has been done by myself, assisted by my brother, a member of my family. As the business has much increased for the last few years, it has been met by giving our whole time to it. The office is open during the summer months from seven o'clock, forenoon, until six, afternoon; and in winter from eight o'clock, a. m., until sunset.

Q. For what number of certificates is it customary to charge in the ordinary case of registering a deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. There is only one charge made for recording a deed and certifying it.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I have kept no account of receipts. This statement is made from the entries in the books, with the exception of copies of records, searches, and such like. The rates are stated at an average.

Q. What is the average charge for Registering ordinary Deeds?

A. The charge for Registering a Deed is from 7s. 6d. to 11s. 3d.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. I enter the Memorial in full in one Township book, and extracts from it in each other Township book. Only one charge is made, unless in some very rare cases, such as Wills, or the like, where the case may require a more extensive entry.

Thomas Racey, Esquire, Registrar for the County of Halton, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. The whole number of Records or Registries, for the year 1850, appear to be Nine hundred and fifty-nine.

The gross amount of emoluments I compute to be, Three hundred and eighty-four pounds twelve shillings and sixpence, currency.

The amount from each source cannot be accurately given, as no regular account of fees has been kept. The fees, on an average of all descriptions of documents, may be estimated at Seven shillings and sixpence each.

The amount of Searches, the fees actually received, I have computed at the sum of Twenty-five pounds.

The number of ordinary Deeds registered, for the year 1850, appear to be Eight hundred and fifty-four.

The number of Judgments, for the same year, appear to be Eleven.

The number of Satisfactions registered, for the same year, appear to be Five.

The number of Releases of Mortgages, for the same year, appear to be Seventy-nine.

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. Two persons, that is, the Registrar and the Deputy Registrar, have been employed in the ordinary discharge

Appendix (P.P.)

11th July.

of the duties of this office, for the four years last passed respectively. The salary paid to the Deputy has been Sixty-five pounds currency per year.

Q. For what number of Certificates is it customary to charge in the ordinary case of registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. It has been customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, one Certificate, the same being considered as endorsed on the Deed.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I keep no regular account of fees paid for Registries, &c. I keep a cash-book, in which the amount received of each individual is entered; but most of the business of the office is done on credit, particularly with professional men. The statement now sent is taken from my receiving book, in which every deed received in the office is entered and numbered, and I believe the statement is correct according to it.

Q. What is the average charge for Registering ordinary Deeds?

A. I think the average charge for Registering ordinary Deeds may be considered Seven shillings and sixpence, and Eight and nine-pence currency.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. The course pursued by me in recording Memorials embracing lands in different Towns or Townships in the same County, is, that a Memorial should be produced for each Town or Township, (that is, for the Town if a separate register book is kept for such Town,) and I enter each Memorial at length in each book, and charge as if for one Memorial: in the usual way, that is to say, if the two Memorials contained eight hundred words, I would charge for the first hundred Two shillings and sixpence, and the residue at One shilling per hundred, which, with the certificate on the deed, would make Twelve shillings currency.

I may take the liberty to remark, that I have to find my own office with a fire-proof vault; also, all stationery, except the Township books.

Alexander Stewart, Esquire, Registrar for the County of Wentworth, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

A. 90 Judgments	}	£19 7 6
17 Satisfaction of Judgments ...		
107, at 2s. 6d.		
Searches and Certificates of Title		40 10 0
Carried up.....		£53 17 6

Appendix (P.P.)

11th July.

Brought up.....	£53 17 6
79 Discharges of Mortgages, at 2s. 6d.,	} 490 11 9
1107 Memorials of Deeds, Wills, and Leases,.....	
Total 1186, at 8s. 3½d.....	
3 Clergymen's Certificates.....	0 15 0
	<u>£495 4 3</u>

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. One constantly, and two occasionally, besides myself, average salary to each, £79. Fuel and stationery, £15.

Q. For what number of certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. One Certificate, at Two shillings and sixpence.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I do not keep a regular account of Searches and Certificates of Titles, but I have a book where all Deeds are entered when given into the office, showing the fees charged for each deed.

Q. What is the average charge for Registering ordinary Deeds?

A. The charges for Registering, including Certificate on Deed is 7s. for 300 words, 7s. 6d. for 350, 8s. for 400 words, 8s. 6d. for 450 words, and so on.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. I generally get a separate Memorial for each Township, but when a separate Memorial is not given in, I enter the Memorial at length in each Town and Township where the property is situated, the Registry Act requiring that a separate book shall be kept for that purpose. I charge the usual fees, and only one Certificate.

G. D. Reed, Esquire, Registrar for the Counties of Prescott and Russell, examined:—

Q. Will you give to the Committee a statement of the whole number of Registries in your office during the year 1850; the gross amount of emoluments, shewing the amount from each source, viz:—Certificates, Judgments, Satisfaction of Judgments, Sheriffs' Deeds for taxes, Common Deeds, and Searches?

Appendix
(P.P.)
11th July.

A. 16 Certificates, 40s.; Searches, £2			
7s. 3d.....	£4	7	3
Satisfaction of Judgments, (none)	0	0	0
5 Sheriffs' Deeds for taxes, at 2s. 6d.	0	12	6
83 Deeds, 17 Mortgages, 5 Wills ...	56	14	1½
10 Discharges of Mortgages	1	5	0
4 Judgments, at 2s. 6d.....	0	10	0
	£63	8	10½

Q. What number of persons have been employed in the ordinary discharge of the duties of your office for the four years last passed respectively, and what salaries have been paid to them respectively during those periods?

A. (None.)

Q. For what number of Certificates is it customary to charge in the ordinary case of Registering a Deed for a single lot of land, when the affidavit of proof of memorial is sworn before the Registrar, or his Deputy, or Clerk?

A. One Certificate on Deed. Drawing affidavit on Memorial, 2s. 6d.

Q. Do you keep a regular account of the fees paid for Registries, &c., and is your statement taken from your books, and correct according to such books?

A. I keep an account of all monies received. My statement is correct to the best of my knowledge.

Q. What is the average charge for Registering ordinary Deeds?

A. About 10s. to 12s. 6d., when the description of the lot is entered and affidavit drawn. Some Deeds will cost 12s. 6d. to 15s., 17s. 6d.

Q. What is the usual course pursued by you in recording Memorials embracing lands in different Towns or Townships in the same County? do you require separate Memorials, and do you enter the Memorial at length in each book, and how do you charge in such cases?

A. Where only one Memorial is made, the same is recorded in the different books to which the lots refer. I do not enter the Memorial in full, I mark in the margin of each book, vide the number of Memorial, vide book No. —. There should be a separate Memorial for each Township. Entering Memorial twice, I charge as the laws state, for two Memorials, according to the length, 2s. 6d. for first hundred words, 1s. for each hundred following.

Appendix
(P.P.)
11th July.

REPORT

OF

COMMISSIONERS OF INQUIRY

INTO

MONTREAL PROVIDENT AND SAVINGS BANK.

21ST JUNE, 1851.

PRINTED BY ORDER OF THE LEGISLATIVE ASSEMBLY.



TORONTO:

PRINTED BY LOVELL AND GIBSON, FRONT STREET.

1851.

R E T U R N

TO AN ADDRESS of the House of Assembly to His Excellency, the Governor General, dated 10th July, 1851, for "Any Report which may have been made to His Excellency by the Commissioners appointed to inquire into the affairs and management of the Montreal Provident and Savings Bank, together with such Evidence as shall have been submitted to them in the course of their investigations, and produced in support of the said Report."

By Command,

J. LESLIE,
Secretary.

Secretary's Office,
Toronto, 11th July, 1851.

To His Excellency JAMES, EARL OF ELGIN AND KINCARDINE, *Knight of the Most Ancient and Most Noble Order of the Thistle, Governor General of British North America, and Captain General and Governor-in-Chief, in and over the Provinces of Canada, Nova Scotia, New Brunswick, and the Island of Prince Edward, and Vice-Admiral of the same, &c., &c., &c.*

MAY IT PLEASE YOUR EXCELLENCY,—

THE undersigned were appointed by Your Excellency, under the provisions of Act 13 and 14 Vict., cap. 98, "Commissioners to inquire into the affairs and management of the Montreal Provident and Savings Bank, and into the causes which led to the failure of the said Institution, and its inability to meet the just claims of those who have deposited money in it."

Immediately on our appointment, we proceeded to the performance of the important duties confided to our care. As a first step, we issued the following advertisement, and published it in all the newspapers of this City:

"The undersigned being appointed by His Excellency, the Governor General, Commissioners under the authority of an Act passed in the last Session of the Parliament of this Province, and intituled, 'An Act to provide for the appointment of Commissioners to inquire into the affairs and management of the Montreal Provident and Savings Bank, for the purpose of making full inquiries into the affairs of the Institution, so known as the Montreal Provident and Savings Bank, and into the causes which led to the failure of said Institution, and its inability to meet the just claims of those who have deposited money in it,' do hereby give notice to all concerned, that they, the said Commissioners, will hold their sittings at their office in the Government House, in this City of Montreal, on each day, (Sundays and other lawful holidays excepted,) between the hours of ten o'clock, A. M., and three, P. M., on each day, commencing Monday, the 7th October, to receive such information as may be tendered, touching the matter of the inquiry, with which they are entrusted.

(Signed,)

"WM. BRISTOW,

"WM. SNAITH,

"CHS. E. BELLE.

"Montreal, 4th October, 1850."

At our invitation, the President of the Savings Bank, John Redpath, Esq., favoured us with an interview at our rooms, and entered into various verbal explanations connected with the past management of the Bank. He, at the same time, in the most frank manner, offered to us unrestricted access to all the books and papers of the Bank, and every information which we might require in the course of our investigation. We cannot omit this opportunity of acknowledging the liberal spirit in which this offer of the President has been invariably acted on, by every one connected with the Bank; and the assistance at all times freely rendered in the elucidation of any accounts or statements, which it might have been difficult for the Commissioners to unravel without such aid.

The most proper mode of conducting the inquiry formed the subject of our anxious consideration; and it was finally determined that we should hold daily sittings for the reception of such testimony as should be tendered by any parties to the investigation; and that the testimony should, in all cases, be formally given under oath, and be taken down in writing in the Evidence Book, which at the close of the inquiry should be transmitted to the Government. All persons interested in the inquiry, it was also determined, should be at liberty to be present, and be permitted to inspect the books in which the evidence so taken should be recorded. The course thus decided on by the Commissioners was duly notified to the President and Directors of the Savings Bank, and to a Committee appointed at a meeting of the Depositors for the purpose of watching the proceedings. It is believed that this mode of proceeding met general approbation.

After a preliminary examination of the books of the Bank, sufficient to give a general insight into its management, we commenced to receive the evidence submitted to us, with such other evidence as we found it advisable in the course of our examination to procure.

We commenced receiving testimony on the 24th October last, the witnesses being principally persons

Appendix
(Q. Q.)

15th July.

whom the Agents of the Depositors requested us to summon before us. A gentleman appointed at a meeting of Depositors was at most times present during the examination; but no one on behalf of the Trustees of the Bank thought proper to attend under the invitation which we gave to them. On the 22d November, however, the President of the Bank addressed to us the following letter:

" MONTREAL, 22d Nov., 1850.

" GENTLEMEN,—As one of the Trustees of the " Montreal Provident and Savings Bank, upon whom has devolved a considerable share of the duty of winding up its affairs, I beg to request that, before closing your inquiry, Mr. Freeland, the late Actuary, who was appointed immediately after the suspension of the Bank and the discharge of Mr. Eadie, be examined on all matters relative to its management since the suspension and during his term of office; and also, if necessary, Mr. Cox, the Clerk who was employed during a considerable portion of that time.

" Believing, as I do, that everything has been done since the suspension that could be done to protect the interests of the Depositors, and wind up the Bank with the least possible loss; and that this is quite susceptible of proof, both by Mr. Freeland and by Mr. Court, the present Actuary, as well as by the books; and having given about two years and a half of undivided attention to an onerous and thankless office, which nothing but a feeling of moral obligation could have induced me to undertake, or to continue to discharge, I think it is only an act of justice to myself and to the other Trustees, and such of the Directors as have taken any share in the management of the Bank since its suspension, that this examination should be made by you before you close the inquiry.

" I have the honour to be,

" Gentlemen,

" Your obedient servant,

(Signed,)

" J. REDPATH.

" To the Commissioners of Inquiry into the management of the Montreal Provident and Savings Bank.

" P. S.—Mr. Freeland is now living at a great distance from Montreal, and it would therefore be desirable if you could let him know (as he is here at present) about what time you would require his evidence. Of course it will be only after having taken all other evidence, in order to give an opportunity of clearing up, if necessary, any imputations that may have been made.

" J. R."

To this letter the following reply was made:

" OFFICE OF COMMISSIONERS OF INQUIRY,

" MONTREAL PROVIDENT AND SAVINGS BANK,

" MONTREAL, 23d Nov., 1850."

" SIR,—I have the honour to acknowledge your letter of yesterday, addressed to the Commissioners of Inquiry into the management of the Montreal Provident and Savings Bank, requesting that, before the closing of the inquiry, Mr. Freeland, the late Actuary of the Savings Bank, and, if necessary, Mr. Cox, one of the Clerks, should be examined before the Commissioners on all matters relative to its management since its suspension.

" In reply, I beg to state that those gentlemen, and any others whom you or any of the Directors may wish, shall, of course, be examined by the Commissioners prior to the making up their report.

Appendix
(Q. Q.)

15th July.

" The Commissioners are aware that Mr. Freeland is in Montreal, and has been for a short time; and would probably have availed themselves of the opportunity to obtain information from him on some of the matters of their inquiry, had they not understood that his time was occupied in giving evidence in the Court of Queen's Bench on matters connected with the Savings Bank; and that as soon as he should have performed that duty, he was anxious to return, so as to avail himself of the open navigation. They agree, however, with you, that a later stage of the inquiry will be a more convenient time at which to receive the testimony of Mr. Freeland. On this matter the Commissioners wish, however, so far as is compatible with the nature of their duties, to consult the convenience of the Directors of the Savings Bank.

" I have, &c.,

(Signed,)

" W. BRISTOW,

" C. Com.

" John Redpath, Esquire,

" President Montreal Provident

" and Savings Bank."

When the inquiry appeared to be approaching its termination, we addressed the following letter to the President of the Savings Bank:

" OFFICE OF COMMISSIONERS OF INQUIRY INTO

" MONTREAL PROVIDENT AND SAVINGS BANK,

" MONTREAL, 5th February, 1851.

" SIR,—I have the honour to inform you, that the Commissioners of Inquiry have arrived at that stage of the investigation, when it will be convenient to receive the testimony of Messrs. Freeland and Cox, whom you expressed a wish on the 22d November last, to have examined before the Commissioners, previous to any report being made up, touching the management of the Savings Bank.

" If you wish the Commissioners to communicate with either or both of the above gentlemen, please inform me, and I will address them, requesting their attendance before the Commission as early as possible. If, on the other hand, you prefer summoning them on behalf of the Bank, please let me know when they may be expected, and the Commissioners will make arrangements so as to receive their testimony with the least possible delay, in order that their stay in Montreal may not be protracted longer than is absolutely necessary.

" I am desired at the same time to convey to you the wish of the Commissioners, to be apprized at your convenience of the names of any other individuals, whom the Trustees of the Bank may feel desirous to produce as witnesses.

" I have the honour to be, &c.,

(Signed,)

" W. BRISTOW,

" Chairman.

" John Redpath, Esq.,

" President Montreal Provident

" and Savings Bank."

To which we received the following reply:

" SIR,—I have the honour to acknowledge the receipt of your letter of yesterday's date, addressed to me as President of the Savings Bank, informing me that it is now convenient for the Commissioners to receive the evidence of Messrs. Charles Freeland and Cox, and conveying the wish of the Commissioners to be apprized of the names of any other individuals, whom the Trustees of the Bank may be desirous of producing as witnesses.

Appendix
(Q. Q.)

15th July.

" In reply, I beg to state, that the wish expressed in November last, was meant to import nothing more than a suggestion, by me personally, to the Commissioners that Messrs. Freeland and Cox were persons whose evidence would be of importance, and necessary to the investigation in progress; but I have no authority as President to say, that this Institution, or its Trustees, require or deem it necessary to adduce witnesses on its behalf, or to take any part in the inquiry, beyond affording every facility which they may be capable of offering, to the prosecution of the matter in hand. The commissioners will, of course, bring up what witnesses they deem necessary to enable them to attain the object of their inquiry, and in so far as I am concerned, I shall be happy to aid them in every way in my power.

" If you wish me to write to Mr. Freeland or Mr. Cox, I shall do so, but I cannot see that the Bank is in a position to render it either necessary, or fitting, to offer witnesses on its behalf.

" I have the honor to be, Sir,

" Your obedient servant,

(Signed)

" J. REDPATH,

" President.

" Montreal, 6th February, 1851.

" William Bristow, Esq.,

" Chairman of Com. of Inquiry."

Messrs. *Freeland* and *Cox* were examined before us, and their testimony will be found in the Evidence Book of the Commission. Frequent reference will be made to it in the course of our remarks.

The examination of witnesses occupied us, with few intermissions, from the 24th October 1850 to the 11th March 1851. The evidence is very voluminous, but unavoidably so, it being necessary that it should be explanatory of all the matters embodied in the Report. Much documentary evidence it was deemed expedient, for this reason, to transcribe from the Books of the Bank into the pages of our Evidence Book, where it will be found.

Upon the whole information thus before us, and which we now transmit, we respectfully lay before your Excellency the following

REPORT.

The purposes for which the Montreal Provident and Savings Bank was originally founded, and the principles on which it was intended to be guided, will be gathered from the proceedings of the Public Meeting at which its establishment was determined on. The Meeting was held at the office of the Montreal Insurance Company on the 7th August 1841, when the following Resolution was adopted:—

" Resolved, That from the increased and increasing trade and population of this City and neighbourhood, the community requires and could support an Institution, wherein the industrious tradesman, mechanic, and others, might deposit their savings for safe keeping and laying out at interest, to be open to the public at all reasonable hours; and that therefore a Bank be forthwith established in this City for these purposes, and be entitled *The Montreal Provident and Savings Bank.*"

A Committee, consisting of the following Gentle-

men, was appointed to frame Rules and Regulations for the government of the said Institution:—

" William Lunn, Esquire,
" James Ferrier, "
" J. T. Brondgeest, "
" Robert Armour, "
" Wm. Cormack, "
" Wm. Dow, "
" Wm. Murray, "
" John Redpath, "
" David Torrance, "
" John Mathewson, "
" John Dougall, "
" Thomas Kay, "
" James Smith, "

On 16th August, 1841, a Draft of the Rules and Regulations was submitted, and, with some amendments, adopted. The following is the clause respecting the limitation of deposits, approved of by the Meeting:—

" The amount of deposits not to exceed £200, in any one year, unless in special circumstances, of which the Director in attendance at the Bank, or the Cashier, to be judge, and not to exceed £500, to the credit of any one depositor at any time."

It having been noticed in the papers, that a Bill had been introduced into the Legislative Assembly by B. Holmes, Esquire, Member of Parliament for the City of Montreal, the Chairman of the Meeting, John Redpath, Esquire, was requested to furnish him with a copy of the Rules and to ascertain "whether any Legislative enactment was likely to pass this Session, which would interfere with this Institution; and if so, what would be the nature of such Legislative measure; so as to avoid clashing with any such enactment, and, if possible, to obtain the sanction of the Legislature to this, or a similar Bank."

In answer to Mr. Redpath's letter written in obedience to the instructions of the Meeting, Mr. Holmes transmitted a copy of the Bill and, "it was found to have no enactment at variance with the Regulations as drawn up and approved of, excepting in one or two points, which Mr. Holmes very readily agreed to alter. Accordingly Section XI was altered to correspond with the sum named in the Regulations, as the limits beyond which deposits should not be received."

A further Meeting was held on the 8th September, 1841, when it was determined to appoint "a Superintending Committee," or Board of Managing Directors, "with the powers conferred by the said Rules and Regulations, and to continue in office until the annual meeting in February, 1843."

The following gentlemen formed such Committee:

" Messrs. William Lunn,
" James Ferrier,
" J. T. Brondgeest,
" Robert Armour,
" John Dougall,
" Thomas Kay,
" William Murray,
" John Redpath,
" David Torrance,
" John Mathewson,
" Stanley Bagg,
" Wm. Cormack,
" Wm. Dow.

It was also resolved:—

" That as from the advanced season of the year, it is desirable, while the working classes are all in full employment, that this Institution be put in operation

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

as early as possible, the Board of Managing Directors be recommended to proceed with the requisite arrangements with as little delay as may be convenient."

On the 9th September, the Committee assembled and elected the following officers of the Institution, viz. :—

Mr. William Lunn, President.
" John Redpath, } Vice-Presidents.
" J. T. Brondgeest, }

From circumstances unnecessary here to be detailed, the Bank did not actually go into operation until 1st October, 1841, on which day the first deposits were received. Mr. Eadie had been appointed actuary on the 10th September 1841, at a salary of £200 per annum, giving security to the extent of £500, for the faithful discharge of the duties of his office.

Act 4 and 5 Vic. cap. 31, intituled "An Act to encourage the establishment of and regulate Savings Banks in this Province," had become law on the 18th September, 1841.

On the 7th October, 1841, the Rules and Regulations of the Montreal Provident and Savings Bank were deposited, in accordance with the provisions of that Act, in the office of the Clerk of the Peace. A certified copy obtained from that office accompanies this Report, forming Appendix A. Those Rules, it will be observed, in strict conformity with the Act of Parliament, limit the amount of deposit to be received from any one depositor at any one time, except under special circumstances, to £200 (Two hundred pounds,) and prohibit, under any circumstances whatever, the reception to the credit of any one depositor, of a sum over £500 (Five hundred pounds.) The only exception to this rule is made in behalf of Religious and Charitable Associations, depositing their funds with the Savings Bank.

The whole of the proceedings of the Directors of the Savings Bank, at the commencement of their administration, manifested the original intention to have been, to make the Bank a place of safe deposit for the savings of the industrious mechanics, tradesmen, or persons in humble circumstances; not a rival or competitor with the chartered Institutions of the Province in the business of banking. The co-operation of the Clergy and of other influential classes of the community was invoked, expressly on this ground; and in the arrangements made with the Montreal Bank, with which the Savings Bank opened a deposit account, it formed an essential element. The following extract from an answer of the Cashier of the Montreal Bank, B. Holmes, Esquire, dated 25th September 1841, to the proposition of the Actuary of the Savings Bank, will explain the principle on which the two Institutions acted in their mutual arrangement :—

"In reply to your letter of the 21st instant, I have to state that, as your Institution is founded upon charitable principles and the encouragement of the poorer classes, the Bank of Montreal will deviate in its favour from the usual course in respect to interest account, and receive your deposits upon interest at the rate of 4 per cent per annum, with the understanding that three months' notice of any change be given on either side."

During the first two years in which the Savings Bank was in operation, the rule, limiting the amount of deposits, passed in accordance with the Savings Banks Act, was not, that we are aware, infringed. At a meeting of the Board, held on 4th October, 1843, the attention of the Directors was called to the subject in consequence of a letter from B.

Holmes, Esquire, M. P. P., to Mr. Redpath, "stating that a despatch had been received by the Governor General, from Lord Stanley, Colonial Secretary, expressing dissatisfaction with the Act of the Provincial Legislature, under which this Institution was established," &c., &c.

The minute goes on to state "after some conversation relative thereto, the Actuary was requested to have a copy of the Rules and Regulations of the Bank made out, and a detailed statement of the number of Depositors, and the amount of their respective deposits, classifying them, as in the annual Report, and to call a special meeting of the Board to take these matters into consideration."

At a special meeting, held on the 11th October, 1843;

"The subject of Lord Stanley's despatch was resumed, and, after much conversation regarding it, the Actuary was directed to write a letter to Mr. Holmes, for the President to sign, embodying the views of the Directors, embracing the opinion, that the amount now admitted as a deposit should be reduced from £500, as at present, to £250.

"That where the aggregate of the deposits does not exceed £100, the interest of 4 per cent, at present allowed shall be continued, but that wherever the aggregate exceeds that amount, the rate to be allowed upon such to be reduced to 3 per cent.

"That such security shall be taken from the Actuary and his assistant, and such a system of checks established as shall secure the fidelity of the management, but that in this, as in other matters, they will be guided by the wishes of the Legislature, &c. The alterations not to affect present Depositors, as explained by Mr. Redpath, but may be repealed. To explain to Mr. Holmes how the sums lodged, as now authorised, have compelled investments to be made in Bank Stock, and to state strongly to Mr. Holmes the effects which any great or sudden change would produce, and to give such general information to him as would enable him to discuss the subject when brought before the House," &c., &c.

In accordance with these resolutions, the President of the Savings' Bank, W. Lunn, Esq., addressed, on 14th October, 1843, a letter to B. Holmes, Esq., M. P. P., in which, after describing the then prosperous condition of the Bank, he deprecates any organic change by which its progress might be impeded, or its interests and usefulness impaired. Such changes, he says "would be viewed with great jealousy and displeasure by those who are now its warm friends and supporters. It has long been the feeling of most of the Directors, that by admitting such large sums in deposit, as the Act authorises, and the Bank has been in the practice of receiving, opportunity is afforded for parties to make use of the Bank, for whom or their purposes, this, and similar Institutions were never intended. Yet as these large deposits have been mainly instrumental in enabling the Directors, from its very commencement, to defray all the expenses of its establishment, and management, and to have a surplus fund at an early period, they also feel that any great, and especially any sudden, diminution of their amount would operate very injuriously." After some further remarks on the management of the Bank, he makes the following proposition :—"But in order to obviate the objection, which has been taken to the magnitude of the deposits which the present regulation permits, and to disturb as little as possible matters as they now exist, the Directors propose that the following regulations should be adopted, to come into operation on the 1st January next.

Appendix
(Q. Q.)

15th July.

See Appen-
dix B.

Appendix C.

Appendix
(Q. Q.)

15th July.

" 1. That the maximum to be received from any depositor should be £250, instead of £500, as at present.

" 2. That upon all deposits the aggregate of which shall not exceed £100, the interest of 4 per cent. at present allowed, shall be continued, but that when the aggregate exceeds that amount, 3 per cent. only to be allowed.

" In conclusion, the Board have exacted such securities from the Actuary and Assistant Actuary, and have put in practice such a system of checks upon the business of the office, as in their opinion will ensure the fidelity of the management: they, however, are anxious in this, as in all other respects, to adopt, as far as possible, all and every suggestion or Rule, which the Legislature in its wisdom, may think fit to enact."

At a monthly meeting of the Directors of the Savings Bank, held on 3rd November 1843, the following proceedings appear, according to the Minute Book, to have been adopted: "The previous Minute and Mr. Lunn's letter to Mr. Holmes were read over. Mr. Redpath stated that in a letter from Mr. Holmes, he had been informed that no proceedings in regard to the Savings Bank Bill would be adopted this session; provided that the maximum of the Deposits were considerably reduced: whereupon it was Resolved:

"That from and after this date, not more than £200, should be received to the credit of any depositor."

In consequence of this understanding with the Directors, no steps were taken in the Legislature to amend the Savings Bank Act (4 and 5 Vic., Cap. 33.) and it remains intact until the present day.

On the other hand, the evidence shews that the Directors of the Savings Bank did not fulfil their compact with Mr. Holmes. No amendment of the Rules and Regulations of the Bank appears to have been deposited in due form with the Clerk of the Peace, according to the Provisions of the Act,—so that, if really made, such alteration was a dead letter. Neither does any notification appear to have been given in any way to the public, or to depositors, of this further limitation of the sums receivable on deposit. Nor, in the Report and statement presented at the annual meeting of 5th February following, is the slightest reference made to this fundamental change in the rules of the Bank. A Table of the larger depositors was furnished as usual, by which it appeared there were eighty-six depositors of sums ranging from £200 to £500.

The following is an extract from the evidence of W. Lunn, Esq., the then President of the Bank, on this subject:

"I have no knowledge of any other letter having been addressed to Mr. Holmes on the subject, except that of the 14th of October 1843, to which I have referred. I do not think that these alterations of the Rules and Regulations of the Savings Bank were advertised. I do not recollect that they were publicly notified in any way. I believe they were not transcribed and deposited with the Clerk of the Peace to be filed in his office. They were acted upon, but I do not recollect how long. I think they were deviated from, previous to their being rescinded by the resolutions of the 23rd January 1847, which allowed into est at the rate of five per cent. on sums not exceeding three hundred pounds. It is to my knowledge that large sums were refused to be received in deposit, after the

"passing of the resolution of the 3rd of November, 1843.

"Question—Can you state that any sums, above £200, and less than £500, were ever refused to be received in deposit, by the Montreal Provident and Savings Bank, since the 3rd of November, 1843; the day on which the limitation of deposits to sums under £200, was made by the Board of Directors?

"Answer—To the best of my belief there were, but it is so long since, that I cannot state the particular occasions on which they were refused."

Mr. Ex-Vice President Redpath's evidence is as follows:—

"By the original Rules and Regulations of the Savings Bank, a copy of which was deposited in the office of the Clerk of the Peace, according to the provisions of Act 4 and 5 Vic., Cap. 32, it was provided in the 8th Rule that the amount of deposit from any one depositor at any one time shall not exceed five hundred pounds. On the 3rd of November, 1843, the Board of the Directors, at a meeting, at which I was present, passed a resolution that from and after that date, not more than two hundred pounds should be received to the credit of any depositor. I believe this rule was never deposited with the Clerk of the Peace."

"Question—Was that last Rule to which you have alluded, ever rescinded?

"Answer—I am not aware that that rule was ever formally rescinded, although it might appear afterwards, by inference, not to have been acted upon. I believe the resolution referred to was suggested by myself, in consequence of the prevailing tendency of the Actuary to receive larger deposits than the law allows, having had frequent occasion to complain on that head; and I continued to make it a constant source of complaint, that the Actuary did not keep within bounds."

The only instance in evidence before the Commission of the reception of sums over £200 being actually refused, is in the following letter:—

"PROVIDENT AND SAVINGS BANK,

"MONTREAL, 17th April, 1844."

"Edward Malloch, Esq.,

"Sir,—I am in possession of your favour of the 12th instant, inclosing cheques for £1000, which will become due on the 23rd. By a recent regulation of the Directors, we have restricted the amount receivable from any one individual to £200, excepting for charitable or religious purposes. While therefore I shall credit you with the whole, I can allow you interest at 4 per cent. only upon the restricted amount.

"I remain, Sir,

"Your obedient servant,

(Signed,) "JOHN EADIE.

"The money will be at your disposal upon demand.

"J. E."

Mr. Eadie mentions also the following instance of the withdrawal of a deposit:

"At a Meeting of the Finance Committee of the Savings Bank, held on the sixteenth of January, 1845, the following action was taken with reference to a deposit of eight hundred pounds."

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)
15th July.

"Mr. Redpath stated, that he had observed in the "Deposit Cash Book a sum of eight hundred pounds lodged by C. J. Hill, taken as a special deposit at 3 per cent., and as he considered this to be beyond the legitimate business of the Bank, he moved that the Actuary be instructed to write to Mr. Hill to withdraw the same, which after some discussion he was ordered."

"To the best of my recollection the sum was withdrawn, according to the terms of this resolution."

In the Annual Report of the Directors for the year 1844, the following remarks occur:—

"In an Institution of this kind, it is impossible altogether to prevent the facilities which it presents for obtaining interests on deposits, from being embraced for temporary purposes by parties for whose convenience neither the originators of it, nor the Legislature ever contemplated its being applied; and the Board have considered it their duty to restrict the amount of such deposits, to a sum considerably under what the Legislature authorises Savings Banks to admit. This has to some extent diminished the aggregate, but its tendency is to produce a description of Depositors, partaking more of the character contemplated by the Act."

In the annual statement accompanying the above Report, there appear, however, to have been at the time one hundred and thirty one depositors of sums over £200, and several of them were depositors of sums over £500, the utmost limit receivable under the Act. Mr. Eadie says, and a reference to the Books confirms his statement, that not only at the time of rendering the annual statement of 1844, but of rendering each subsequent statement, there were numerous depositors of sums over £500, and he states that the Directors were fully cognizant of the fact.

Whatever restriction on the amount to be received on deposit, might be considered to have existed under the Resolution of 3rd November, 1843, appears to have been regarded as abrogated early in 1847. On the 23rd January of that year, a special meeting was called "to consider the propriety of increasing the rate of interest. It had been ascertained that the Savings Bank recently started, had given it to be understood, that upon deposits being made to it, of considerable amount, say £300 or £400, they would allow some addition, probably $\frac{1}{2}$ per cent., providing the deposits were allowed to remain at the least 3 or 4 months. In consequence of this circumstance, the Actuary had made a calculation and estimate of the probable result of the business of the Bank for the current year, which would be submitted to them, by which it would appear that the business of the Bank would enable them to increase the rate, provided the Board considered it expedient so to do."

On the 26th January, 1847, the following Notice was published:

"Provident and Savings Bank. Notice is hereby given, that on and after the first day of January current, the rate of interest upon all moneys deposited in this bank, the amount whereof shall not exceed three hundred pounds currency, shall be five per cent. per annum, until further orders from the Board of Directors.

(Signed,)

"JOHN EADIE,
"Actuary.

"Great St. James street,
"Montreal, Jan. 26th, 1847."

A sharp competition having sprung up between the two Savings Banks, the subject was again brought

Appendix
(Q. Q.)
15th July.

up before the Montreal Provident and Savings Bank on 18th February, 1847, when the following proceedings of the Board are recorded:

"The Actuary also stated, that immediately after these intimations had been made, the new Bank had issued a notice that they would, at and from the same dates, give five per cent. interest upon all deposits. That this had caused numerous inquiries to be made by parties having larger deposits at their credit in this institution, than the limited amount upon which the increased rate was to be paid, and intimation was, in some instances given, that the deposits, or, at least, the differences would be withdrawn, if the interest were not made the same as the other had offered.

"The Actuary, after consulting the members of the Finance Committee, intimated verbally that the rate upon all deposits would be made the same, viz., five per cent., and that he had since altered the printed notice to that effect."

Although in the precise words of the foregoing Resolution, no restriction is placed on the amount to be received on deposit, it is manifest that it was not the intention to extend the sum beyond £500, because such an extension would have been contrary to statute, as well as contrary to the Rules and Regulations deposited with the Clerk of the Peace; moreover, immediately subsequent to the meeting at which this increase of interest "on all deposits" was determined on, a new form of Bank Book for depositors was adopted, in the first page of which some of the Rules of the Bank were inserted. The first of these Rules in the new Deposit Books was as follows:

"Deposits of not less than one shilling, nor more than £500, shall be received from the parties themselves, or from the tutors, trustees, &c., of such parties whose names, residences, occupations, &c., shall be inserted in the Deposit Ledger of the Bank, as the title of the said depositors' account, and a Pass-book shall be at the same time furnished to the depositor, in which the deposit shall be entered, and which shall be a receipt for such deposit. All future deposits shall in like manner be entered in the Books of the Bank, and in the said Pass-book, at the time the same shall be made, and the Actuary or other officer shall, in all cases, put his initials to the entry thus made in the said Pass-book."

In the Annual Report for the year 1846, presented 19th April, 1847, the following remarks appear; they sufficiently prove that it was never supposed that the restrictions imposed by the statute were abrogated by the Resolution in question:

"In the Report presented at last Annual Meeting, the advance then recently made in the rate of interest was slightly alluded to; the increase was applicable to deposits under fifty pounds. The Directors deem it not out of place to enter a little more into detail here upon this branch of the subject.

"When this Bank was instituted in October, 1841, there was only one Savings Bank existing in the city, whose transactions were on a very small scale, and the rate of interest allowed by it, did in no case exceed three per cent., and this even was confined to very limited amounts. The gentlemen who organized the Montreal Provident and Savings Bank, commenced by allowing four per cent. interest upon all deposits; and as they considered themselves merely trustees for the depositors, they intimated in the prospectus, and the Rules and Regulations of the Bank, prefixed to each of their deposit pass-books, that this rate was adopted, 'until the Directors were enabled to increase it.'

Appendix
(Q. Q.)

15th July.

" The business of the Bank increased so rapidly, and so much beyond their anticipations, that the Directors soon found that the investment of the capital resulting therefrom, involved a serious responsibility. However circumspect they might be in the selection of investments and securities, it was obvious that any unforeseen depression permanently affecting any description of stock, might cause a loss of considerable amount to the Bank; and unless there was a fund created to meet that deficiency, no means existed of levying for it upon the Depositors.

" Accordingly, early in 1843, they entered a regulation in their Minute book, declaring that until a Guarantee Fund of at least £5000, to meet such contingency, were accumulated, it was inexpedient to increase the rate of interest, or to make any appropriation to any charitable purpose.

" The deposits still continued to increase; the profit upon the interest accumulated in proportion; and at the end of 1845, a fund of about £4000, having been obtained, and that being, as they considered, sufficient to authorise it, the Directors intimated that from and after the 1st January, 1846, the rate would be increased to five per cent. upon all sums not exceeding fifty pounds.

" During the year just passed, the business of the Bank, as has already been said, increased as regularly, and to as great an extent as formerly, and at the end of the year, the reserved fund being found to exceed the amount originally contemplated, with a reasonable probability of its progressing for the future, so as to accomplish the end proposed, the Board came to the resolution to allow five per cent. upon all deposits not exceeding £300, from and after the 1st January of the current year; and from certain circumstances which it is not essential to do more than allude to here, they soon afterwards extended that rate to all sums which the Bank can take."

On the subject of these large deposits, the following evidence was received by the Commissioners:

Mr. Ex-president *Lunn* says:

" I am aware of the terms of the 8th Rule, limiting the amount of deposits to be received from any one depositor, and at any one time. That Rule has not been strictly observed. It was frequently brought before the Directors at their various meetings, and Mr. Eadie was strictly enjoined not to exceed the amount specified in the Regulations, namely £200, as it only gave the Directors additional trouble to invest moneys for parties who could invest it themselves. Mr. Eadie still persisted occasionally in violating the Rule. Some of those parties were, to my knowledge, requested to withdraw sums that they had deposited larger in amount than the Rules permitted. I recollect Mr. Elder in particular being requested to withdraw a sum that he had deposited. I have no knowledge of any of the Directors having authorized a violation of this Rule. I never violated it myself, or authorised any other person to do so. I am aware that this Rule was, during the last year of my presidency, habitually violated, and with my knowledge.

" On reference to the minutes of the meetings of the Directors of the Savings Bank, I find that it was resolved on the 26th January, 1847, to raise the rate of interest from and after the first day of January current, on all moneys deposited in the Bank, not exceeding three hundred pounds currency, to five per cent. per annum, and that on the 18th February, 1847, it was further determined to allow five per cent. interest upon all deposits, without any limitation of amount. I was present at

" the meetings when these Resolutions were adopted, and concurred in those proceedings. Since that time I believe there has been no limitation as to the amount of deposits received."

Mr. Director *Murray* says:

" I believe it to have been the sincere desire of the Directors, so far as it has come to my knowledge, to carry out the law, and conduct the business in accordance with the Rules of the Bank. But some few irregularities have been discovered, such as receiving larger amounts at times than the Rules allowed of; and for which the Actuary has been censured in my presence by Mr. Redpath and others. There were also one or two persons who kept accounts with the Bank of a higher class than that contemplated by the Savings Bank Directors as depositors, and the Directors found fault with such accounts having been kept there when discovered. I am not aware of any other deviation from the Rules."

Mr. *Coz*, late Paying Teller, says:

" Question—Are you aware of the Rules of the Savings Bank relative to the limitations on the sum to be received at the Bank from any single individual?

" Answer—I am. The sum to be received from any single individual was not to exceed £500, according to the original Rules, as deposited with the Clerk of the Peace, with the exception of sums to be received on behalf of charitable institutions. I am aware also that there was a still more stringent restriction imposed in 1843, limiting the amount to £200, but that was virtually abrogated. It was only acted on for a very short time.

" Question—Did you occasionally receive sums over £500 in deposit from individuals?

" Answer—I did; but on every occasion was instructed so to do by the Actuary, as I always referred the matter to him.

" Question—Did you occasionally, when a larger sum of money than £500 was offered to you by a single individual, receive such deposit, crediting it to two or more parties?

" Answer—Yes. One or two individuals had six or seven accounts, opening an account for each member of his family, because the total amount far exceeded £500. The Actuary has instructed me on one or more occasions to make this division.

" Question—Did you ever receive from any of the Directors of the Bank a larger sum than £500 in deposit?

" Answer—Yes. George Elder, jun., Esq., who was a Director for a short time, had a much larger sum than that at his credit, but the amount was only left in the Bank for a very short time. With this exception, I do not remember any other Director or having done so.

" Question—Was this receiving of deposits over £500, so frequent as to be in your opinion a practice, or was it only an occasional deviation from an established rule?

" Answer—It was not the general Rule, but the exception to it, because it was generally discontinued.

" Question—Did you frequently refuse to receive sums of money over £500, after the 1st January, 1847?

" Answer—I cannot charge my memory as to dates, but I have refused on many occasions. I

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" have not any particular party in my memory, but
" the Bank did, on one or more occasions, refuse to
" do so."

Several Depositors appeared before the Commission, and stated in evidence, that they had deposited sums over the maximum amount. From their evidence the following are extracts:

Mr. James Doran :

" On the twenty-ninth of November, eighteen
" hundred and forty-seven, I went to the Montreal
" Provident and Savings Bank, for the purpose of
" making a deposit there of six hundred pounds.
" Mr. Eadie, the Actuary, informed me that it was
" contrary to the rules to take more than five hun-
" dred pounds from one individual, but that he would
" receive five hundred pounds from me, and that I
" might deposit the remaining hundred pounds in the
" name of some other person. I did so, in the name
" of my son Sigismund James Doran."

Mr. Archibald McFarlane :

" I opened my account with the Savings Bank on
" the eleventh of April, eighteen hundred and forty-
" eight. The first deposit I made on that day was
" £502 10s. I made various deposits afterwards,
" up to the ninth of June, eighteen hundred and for-
" ty-eight, amounting in all to about two thousand
" five hundred pounds. I gave a cheque on one
" day, namely, on the eighteenth of May, for one
" thousand pounds."

Mr. Andrew McFarlane :

" I never kept a regular account with the Mon-
" treal Provident and Savings Bank, but I occasion-
" ally deposited sums of money there, for which I
" had no particular use, and because I could draw
" there a larger interest than I could elsewhere.
" The Savings Bank offered five per cent, and the
" British North American Bank only gave me four
" per cent. The following are the particulars of the
" sums I deposited in the Savings Bank, viz :

" In 1848, March 10th, cash.....	£800
" Do. " 15th, "	250
" Do. " 17th, "	150
" Do. " 28th, "	500
" Do. April 8th, "	300
	£2000

" It was with Mr. Eadie, the Actuary's consent that
" I made these deposits; he furnished me with a
" book containing an abstract of the Rules and Re-
" gulations, and signed 'John Eadie, Actuary,' and
" dated from their office, No. 9, corner of St. Fran-
" çois Xavier and Great St. James street."

" Mr. Elder, one of the then Directors, spoke to
" me previous to the withdrawal of my funds, and
" said he thought I was wrong in depositing so large
" an amount of money in the Savings Bank; and
" said, if I continued to deposit such sums, that he
" would be under the necessity of calling a full meet-
" ing of the Board of Directors, to prevent Mr. Eadie
" from receiving such sums as the Charter would not
" allow, and it would ultimately injure the Bank, as
" these sums would be drawn from them, when
" they would not probably be prepared to pay, with-
" out inconvenience; as it was quite impossible for
" them to invest large sums of money, liable to be
" drawn out at a short notice, in securities which
" would pay as high a rate of interest as they were
" allowing. I have no knowledge from any person
" connected with the Bank, that the conduct of Mr.
" Eadie had given dissatisfaction to the Directors
" prior to the suspension. Mr. Elder, in the conver-

Appendix
(Q. Q.)

15th July.

" sation to which I have above alluded, said that the
" Bank was rendering itself liable to a heavy penalty
" in receiving such large sums of money in deposit,
" it being altogether contrary to their Charter."

Mr. J. Belle, N. P. :

" I have not my Bank pass book with me, but I
" have a memorandum on a Notarial instrument
" which I have with me, detailing my transactions
" with the Bank, since the 31st of December, 1847.
" The following is a copy :

" Debt due J. Belle, Notary Public, for deposits by
" him made in the Montreal Provident and Savings
" Bank, as per pass book, by No. 7,400, as per account
" in folio 6,379.

" Balance on the 31st December, 1847,	£276	10	4
" 1848, February 1st, by cash,.....	75	0	0
" Do. " 2nd, by cash,.....	42	10	0
" Do. March 9th, by cash,.....	56	0	7
" Do. " 9th, by cash,.....	412	0	0

£862 0 11

" Do. May 4th, to cash,..... 62 0 0

" Balance.....£800 0 11

" Do. June 26th, by cash,..... 100 0 0

£900 0 11

On two or three occasions, some objection seems to have been taken by individual Directors to the large sums received in deposit, and some attempts were made to reduce them. Mr. Elder, one of the Directors, was forced on one occasion to withdraw a large deposit made by him; and at a meeting of Directors, held on 7th September, 1847, the following resolution was adopted :

" After some conversation on the rapidly increas-
" ing amount of deposits, and the wish of the Direct-
" ors generally that all the means in our power should
" be employed to keep it within bounds, it was

" Resolved,—That the Actuary shall make up pe-
" riodically, once a month, a statement of all deposits,
" amounting to £500, that the Finance Committee
" may decide upon the expediency of reducing the
" said balances."

Mr. Eadie gives the following evidence relating to this resolution :

" The resolutions of the 7th September, 1847, em-
" bodied in my evidence given before this Commis-
" sion yesterday, were never acted on. I continued
" to take sums that were offered to the Bank in de-
" posit, without any limitation as to amount. After
" that time the sums withdrawn were larger than
" those deposited, and continued so until the failure
" of the Bank."

There cannot, we think, be the smallest doubt that the law limiting the reception of deposits has been habitually violated in the most flagrant manner; and it seems impossible to believe, that it can have been done without the full cognizance of those Directors who had charge of the Bank. The most cursory examination of the daily transactions of the Bank would shew the practice; we cannot therefore see how ignorance can be pleaded. One significant circumstance cannot be omitted, namely, that in no one of the statements exhibited at the annual meetings, is there the slightest allusion to the fact of any deposits of over five hundred pounds forming part of the liabilities of the Bank. A reference to these statements, all of which will be found in the Appendix D, will shew that the largest sums stated to be received in deposit, range between £400 and £500. It appears perfectly clear that both from the Depositors in the Bank, and from the public generally, the viola-

Appendix
(Q. Q.)

15th July.

Appendix E.

tion of the law was studiously concealed. The extent of the infraction may be gathered from the circumstance, that at the time of the failure of the Bank in July, 1848, there were no less than thirty-five Depositors of sums over £500, the aggregate of whose claims amounted to £27,448 12s. 10d.

In a later stage of the Report, we shall have occasion to show the effect which these large deposits produced on the interests of the smaller Depositors, after the suspension of the Bank.

As already mentioned, the guiding principle on which the Bank was professed to be founded was, the encouragement of habits of frugality and economy amongst the humbler classes, by providing for them a place of deposit where their savings could be lodged in the perfect confidence that they would be safe, and at their own disposal whensoever they might require them. The rate of interest was altogether secondary to the paramount consideration—absolute security. In this spirit, the Act of Parliament is evidently framed, and in this spirit the Directors of the Bank professed to act, especially during the first two or three years of their administration. The wisest precautions were adopted through Rules and Regulations, formally promulgated; and Directors were appointed, in whom, both from their standing in society and high personal character, the public placed almost unbounded reliance. Their Annual Reports were of the most satisfactory character; the Bank became each year more prosperous and profitable; deposits increased in amount; Depositors increased in numbers; the statements annually presented, bore the impress of the most rigid exactness; and every condition of the law appeared to be most strictly complied with. No wonder then, that with so flattering a tale, votes of thanks were passed to Directors and Officers of the Bank by acclamation; that the Clergy, Magistrates and other Magnates, joined in celebrating their praises; and that the public at large, and the humbler classes, felt entire confidence in the Bank. Yet, under this superficial aspect of prosperity, there were, from a very early period, lurking in the system, abuses of a serious magnitude, which never met the public eye at annual meetings. These abuses and their effect on the ultimate catastrophe of the Bank, it will be our duty to develop.

Appendix A.

On reference to the Rules and Regulations of the Savings Bank, it will be seen, that they promised an ample security against any mal-appropriation of the funds. The 11th Rule provides: "In order that the accounts of receipts and payment may be kept perfectly distinct and separate, and to enable the Broad of managing Directors, or the Director in attendance for the day, more easily to inspect and audit the same, and to ascertain that the money received has been lodged for safe keeping; all moneys received during each day shall remain untouched, and shall be lodged in the Bank in which such moneys are authorised to be kept, either on the same day, or when that is impracticable, as soon as the said Bank shall be next opened for ordinary business, and the amount so lodged must correspond with the amount received and entered in the Cash Book; and the Director for the day shall satisfy himself that such has been done, and in testimony thereof shall put his initials thereto."

How far this Rule has been adhered to may be judged by the following evidence:

Mr. Ex-Vice President *Redpath* says:

"Question—Did you ever, as Director for the day of the Savings Bank, fulfil the duties imposed on such Director for the day, under the provisions of the eleventh rule of the Rules and Regulations established for the management of the Savings Bank

"at its opening, and deposited with the Clerk of the Peace.

"Answer—So far as my recollection goes, I never acted as Director for the day.

"Question—Do you recollect whether any Directors of the day were ever appointed, in accordance with the Provisions of the Eleventh Rule?

"Answer—I do not recollect.

"Question—Did you ever audit the accounts of the day in accordance with the Provisions of the Eleventh Rule?

"Answer—I do not recollect ever to have done so. The President was always considered to be the Executive Officer of the Bank, the same as in chartered Banks."

Mr. Ex-President *Lunn* says:—

"I was in the habit for the first few years, say perhaps for two or three years, at the end of each month, of checking the balances in the Bank, where the Savings Bank's money was deposited, and seeing that those balances corresponded with the balances as stated in the Savings Bank Books, and at the same time I used to count the cash on hand in the Savings Bank, which was always confined to a small amount, chiefly in small change: on my examinations I always found the cash correct. I cannot speak from my own personal knowledge of any formal audit of the cash since my last audits, to which I have referred, but a Standing Finance Committee was appointed, of which I was one, and the accounts were examined at the termination of each year, prior to the Annual Meeting, when the general statement of the affairs of the Bank was exhibited and published."

Mr. *Eadie* says:—

"The Rule, of which this is part, was adhered to for two or three years, but subsequently it was departed from, and has never since been acted upon on any occasion.

"Question—Since the time that that Rule has ceased to be acted on, has the receiving Teller been in the habit of retaining in his hands daily a portion of the deposits of the Savings Bank?

"Answer—Generally, no; the daily deposits were made as directed by the Rule, but occasional and important deviations were made from the practice."

The deposit Cash Books of the Savings Bank being then produced; Mr. *Eadie*, from a personal inspection of them, gave the following testimony:—

"The Rule referred to in my evidence yesterday, which enjoins that the moneys received each day shall remain untouched and be lodged in the Bank, has never been obeyed, except for the first month after the Savings Bank was opened, viz., the month of October, 1841. For three or four months after October, 1842, the daily deposits at the Savings Bank occasionally corresponded with the sums lodged at the Bank, with which it kept its account; but, subsequent to that time, I cannot find a single occasion on which the lodgment at the Bank, where the Savings Bank kept its account, corresponded with the receipts at the Savings Bank for the same day. The daily deposits in the deposit Cash Book were certified to by the initials of one of the Directors in the deposit Cash Book, according to the 11th Rule of the Savings Bank, from the 1st October, 1841, to the 30th September, 1843, after which time it entirely ceased.

"Question—Was this verification of the deposit

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" in the Savings Bank made each day by one of the
" Directors, in accordance with Rule No. 11 of the
" Savings Bank, say from the 1st October, 1841, to
" 30th September, 1843?

" Answer—At the commencement of the transac-
" tions the Bank, it was, but only for a very short time,
" perhaps a week or two; after that time, Mr. Lunn
" would mark with his initials the deposits of perhaps
" ten or twenty days at a time.

" Question—Since from your account there must,
" from the 1st October, 1841, to 30th September, 1843,
" be generally on each day a balance in the hands of
" the Receiving Teller, can you state whether the
" amount of that balance was verified by the Di-
" rector of the day at the time he put his initials to
" the deposit Cash Book?

" Answer—I am not aware of its having been done
" in any one instance.

" Question—Was there any Book of the Bank in
" which the balances retained by the Receiving
" Teller in his hands each day was recorded?

" Answer—I think not.

" Until about the 30th September, 1844, the de-
" posits in the Savings Bank were made to correspond
" with the lodgments in the Bank (with which the
" Savings Bank kept its accounts), at the end of each
" month; the Receiving Teller regulating his account
" monthly, instead of daily, according to rule 11; but
" after the 30th September, the lodgments in the
" Bank, with which the Savings Bank kept its ac-
" count, no longer corresponded with the monthly
" amount of deposits in the Savings Bank. The
" Receiving Teller kept in his cash-box any funds
" that he might have in his hands. I have verified
" the amount of cash in his hands often, but I cannot
" say that any of the Directors ever did. Up to
" September, 1845, the Receiving Teller could
" scarcely retain large balances in his hands, without
" its being easily ascertainable from the books, and
" at the end of each month, any deficit must have
" been made good; and subsequently to that time
" the general cash book would exhibit, at the end of
" each month, the amount received and deposited by
" him during the month, but it would not shew the
" balance he had in his hands. I have already stated
" that there was no book kept in the Savings Bank
" showing the balances in the Receiving Teller's
" hands. Under Rule 11, it was not contemplated
" that he should have any balance in his hands what-
" ever at the end of any one day; had the Rule been
" enforced, he could have had no balance."

In May, 1845, further regulations for the guidance
of the officers of the Bank were adopted by the
Board. These Rules were not deposited with the
Clerk of the Peace, probably being considered as
auxiliary to, rather than abrogative, of the former
Rules. They provided still that the Receiving Teller
" shall make up the entire and exact amount received
" by him during the day, and shall deposit same with
" the Bank, keeping the account of the Institution." The
Actuary is instructed to see that this is regularly
done, but the duty of the Director of the day is not
stated to be superseded by the change.

Mr. Cox, the Receiving Teller, deposes:—

" Generally I deposited in the Bank, with which
" the Savings Bank kept its account, the exact
" amount I received each day; but there were a few
" exceptions, on which occasions I was instructed
" otherwise by the Actuary.

" Mr. Eadie occasionally but not frequently applied
" to me for sums of money from my cash; he did
" several times in the latter part of 1847, and up to

Appendix
(Q. Q.)

15th July

" the time of the interview between myself and
" Messrs. Redpath and Ferrier in 1848 he did not
" give me a receipt in any form; I think he now and
" then gave me a *Bon*. He did sometimes, when he
" got money from me, give me cheques of other
" parties, dated subsequently, which were held over
" until they matured. I know several of these
" cheques were Mr. W. S. Macfarlane's; I cannot
" charge my memory with the names of any other
" persons, whose cheques Mr. Eadie gave me; I
" think on one occasion he gave me a cheque of
" Messrs. Bryson and Ferrier's; I do not remember
" that he ever did so more than once."

Mr. Eadie says:—

" In 1846 and 1847, the transactions to which I
" have already referred in my evidence, relating to
" my Loans to various parties, occurred; and then
" and subsequently large balances appeared to remain
" in his (the Receiving Teller's) hands. These
" balances consisted of cheques or *bons*, which I was
" in the habit of giving the Receiving Teller, for sums
" that I got from him for these loans. Towards the
" end of 1847, the Receiving Teller must generally
" have had in his hands upwards of Two thousand
" Pounds, upon *bons* or cheques given by me, and
" this must have continued for some months. He
" might also have large sums lodged in the Savings
" Bank late in the day; and there was nothing in the
" books of the Bank to prevent his having consider-
" able sums of money that he might have not
" deposited."

At the time of the discovery of the deficiency in
the funds of the Bank, to which we shall have occasion
more fully to advert in a subsequent portion of this
Report, Mr. Eadie is stated to have been indebted to
the Receiving Teller for money so lent to him, to the
amount of about £605. This sum was accordingly
placed to Mr. Eadie's debit. There can be no ques-
tion whatever, that, had a proper *surveillance* been
exercised, in order to see that the receipts of the
Bank were daily deposited, and had the " Director for
the day" performed his duty, no such deficiency could
have arisen; consequently that any loss to the De-
positors from this cause, is entirely attributable to
neglect of duty by those parties who had the control
and direction of the Bank.

The original Rules and Regulations, with equal
wisdom and care, provided for the mode in which
alone moneys should be liable to be drawn from the
Savings Bank, as the following extracts show:—

" For the purpose of answering the demands, which
" may be made upon this Institution, the Board of
" Directors shall, from time to time, set aside such a
" sum, by a cheque upon the said Bank, in the man-
" ner hereinafter described, as may be required, and
" this money shall be kept in the said Bank, in an
" account, to the order of the Actuary or other
" officer of this Institution, whose duty it is to pay
" such demands."

" The Board of Managing Directors shall open a
" current account with whichever of the chartered
" Banks of this City shall give the most advantage-
" ous terms, into which shall be paid all the moneys
" received, as described in the preceding article;
" and when money is required to be drawn there-
" from, either for investment in securities or other-
" wise, such draft or cheque shall be signed by three
" of the Board of Managing Directors, and counter-
" signed by the Actuary or other officer."

Mr. Eadie says:—

" It was intended that the Actuary, or other officer
" in favour of whom a credit should be thus kept
" open from time to time in the Bank, in which

Appendix
(Q. Q.)

15th July.

"the Savings Bank should keep its account, should give his own cheques for payments he should have to make on account of the Bank. At the time these Rules were enacted, I was the only officer of the Bank, and this mode of keeping the account continued until the month of May, 1845, when new Regulations were adopted."

The following is the Regulation then adopted for the government of the Paying Teller:—

"The Paying Teller's duties consist in paying all proper demands on the Montreal Provident and Savings Bank out of funds furnished him in the following manner:—One of the Managing Directors being one of the Finance Committee for the time being, shall sign such a number of cheques of one hundred pounds each, payable to order as may be required to meet the demands likely to be made on the Bank, such cheques not to be payable at the Bank, with which the Savings Bank account is kept, unless countersigned, first, by the Actuary; and secondly, by the Paying Teller himself. Not more than one hundred pounds shall be kept on hand by the Paying Teller, in cash, and the cheques in his hands shall not be countersigned by the Actuary, nor by the Paying Teller, until required. The Director, upon signing any cheque or cheques, shall ascertain that the Paying Teller gives due credit for same in his Cash-book. With such funds so provided, he shall pay all deposits withdrawn, with interest on same, or such portion thereof as may be required, taking care that the amount thereof does not exceed the amount to the credit of the Depositor in the Depositor's Ledger, and that he gets a proper and sufficient receipt for same in due form, as he will be held liable for intermissions in this respect. He will also pay all salaries, expenses, loans, purchases, or other payments sanctioned by the Finance Committee, with cheques specially filled up to the order of the party entitled to receive same, countersigned by the Actuary and himself, and entered both to the debit and credit of his cash-book; he will take proper receipts for same under the direction and with the advice of the Actuary."

The relative operation of the system originally established, and that adopted in May, 1845, is thus described by Mr. *Eadie*:—

"Under the old system, that is, from the opening of the Bank until May 1845, the practice adopted in payments by the Bank was as follows: A separate account was kept in the name of the Actuary of the Savings Bank, at the Bank where the Savings Bank's moneys were deposited;—sums were drawn as needed out of the general account of the Savings Bank, and placed to the credit of the Actuary, in the form and manner prescribed in the 11th and 12th Rules. Under these Rules the general balance of the Savings Bank, at the Bank where its moneys were deposited, would not be altered by the daily operations of the Savings Bank, in the way of payments, it would only be diminished by cheques specially given to transfer certain specific sums to the Actuary's account. Under the Rules of the Savings Bank established at its formation, no payments whatever could be made out of the general account with the Bank where its moneys were deposited, except to the Actuary's account. The practice in payments by the Savings Bank, never, from the first, corresponded with its Rules. All the large payments for loans and investments, were drawn direct from the general account, small payments were made from the Actuary's account, sometimes the Actuary drew cheques on his own account, for such sums as he might require for his current disburse-

Appendix
(Q. Q.)

15th July.

ments, and at other times he paid those disbursements by direct cheques on the Bank. Under the original Rules and Regulations, had they been acted upon, the Actuary would never have had any funds belonging to the Bank in his possession for the purpose of paying out; but under the practice, as I have stated it, he had. The Actuary's account was regularly entered in the general cash book of the Savings Bank, and that book was balanced every month; such balance shewed the amount the Actuary had or ought to have in his possession, of funds belonging to the Bank at those times. Had the Rules and Regulations of the Savings Bank been observed, there would have been no balance of cash in the hands of the Actuary at the end of each month; the debtor and creditor side of the cash book would have exactly balanced each other. The balances, at the end of the month in the time between 1841 and May 1845, were often very considerable, varying from twenty pounds to one thousand pounds. During that time there was no book belonging to the Bank, which shewed the daily balances in the Actuary's hands.

"The effect of the Rules of May 1845, which I have given in my evidence before this Commission, was to withdraw from the Actuary the duty of making any payments whatever on account of the Savings Bank, and to take from him the custody of any funds. A paying Teller was then appointed, named Henry Sharrocks, on whom this duty devolved."

Had either the original or the amended Rules been steadily adhered to, it would have scarcely been possible for any serious deficiency of the funds of the Bank to have occurred; but unfortunately a line of conduct was pursued in flagrant violation of all rule. The fatal effects which have flown from this violation, it will be our duty to disclose; to do so it will be necessary to go very fully into the details of the management of the Bank. Our examination will be principally confined to the latter period of its history, because during that portion of time the most serious losses were sustained.

Mr. *Eadie's* testimony on this subject is explicit and full. We insert herein copious extracts. He says:—

"That part of the Rule which prescribes that cheques of one hundred pounds each, shall be drawn and signed by one of the managing Directors, to be furnished as required to the paying Teller, under certain precautions, was never acted on very strictly. Frequently the paying Teller received cheques to a larger amount than a hundred pounds at a time for the current demands of the Bank. The practice of filling up cheques in this manner, only lasted some seven or eight months. After that time, cheques were left signed in blank, without any particular sum specified.

"That part of the rule which specifies salaries being paid in a specified form and manner, was never observed until the 1st July, 1848, when there is an instance of its being acted on.

"That part of the Rule which prescribes the mode of payments for expenses, loans, purchases, and other payments sanctioned by the Finance Committee, was sometimes adhered to, but more frequently violated. The only sanction given on any occasion by the Finance Committee, was that of their ratifying occasionally in the Minute Book the agreement with the parties to whom loans were made. The loans recorded in the Minute Book are numerous, but a great many of the loans were never recorded in the Minute Book. Very

Appendix
(Q. Q.)
15th July.

Appendix
(Q. Q.)
15th July.

" shortly after May 1845, the practice prevailed of signing cheques, without filling in the amounts, and I had generally a number of these blank cheques on hand to fill up as I required.

" That part of the Rule which prescribes that not more than one hundred pounds shall be kept on hand by the paying Teller, was habitually violated. In 1845 the balance in his hands at the close of the day, as appears in his cash book, kept in accordance with the Rule, was, I believe, on thirteen occasions, under one hundred pounds; on all other days it was over one hundred pounds, ranging from that sum to over six hundred pounds. In 1846, the daily balance was never less than £200, only nine times under £300, and during the other days ranged from £300 to £1150. In the year 1847, up to 31st May, the daily balance was never less than £750, except on three occasions; never less than £1000, except on nine occasions; and on the other days, it ranged between a thousand pounds and eighteen hundred and eighty pounds. On the 31st May, 1847, Mr. Sharrocks, the paying Teller, said to me he thought it would be better to debit the different parties who owed the Bank the principal part of this balance, which I directed him to do, and the following entry appears in the paying Teller's cash book under that date:—

Cr.

	£	s.	d.
" 1847.			
" May 31st, By charges (pr. Macfarlane and Burns),.....	1	15	0
" " By A. H. David,.....	35	0	0
" " By charges for me,.....	4	17	9
" " By H. Sharrocks,.....	14	11	8
" " By James Cox,.....	14	11	8
" " By Drafts,.....	960	15	6
" " By W. Murray, (for cheque, 13th December, 1845),..	25	0	0
" " By Wm. Lunn, for discount on City Bonds,.....	2	0	0
" " By W. S. Macfarlane,....	370	0	0
" " By Mathewson and Sinclair, 120	0	0	0
" " By Thos. Kay, £60	0	0	0
" " By for Mr. Eadie,..	40	0	0
	100	0	0
" " By Eadie and Footner,....	375	0	0
" " By John Eadie, for sundry,	657	11	10
" " By Balance,.....	146	1	9
	£2830	10	2

" These entries will be found in the general cash book of that date, charged to the respective parties; that charged to W. S. MacFarlane is placed to my debit."

" When, as I have already stated, the Paying Teller regulated his cash, the daily balances continued for some time much smaller than before. In the month of June, 1847, they were on four occasions under £100, and on ten occasions under £200; on the other days of that month, they ranged from that sum to upwards of £550 daily. After the 1st July, 1847, to the end of that year, they were on five occasions smaller than £500; on other days they ranged from that sum to £1140; the balance on the 31st December, 1847, being £895 2s. 0d. From the 1st January to 30th April, 1848, the daily balance was on two occasions less than £500; on other days it ranged between £500 and £1820.

" On the 1st May 1848, the balance was reduced to £612 1s. 9d., on the 2nd to £461 18s. 8d., and

" on the 3rd to £131 9s. 6d. It continued from that time to the time of my leaving, to range from £100 to about £400. The annual meeting in 1848 took place on the 4th May. I cannot say in what manner the balance in the paying Teller's hands was reduced to so small a sum, as it was at that time and subsequent."

" It was the practice in the Bank to have the cheques in general signed by the Director in blank, perhaps twenty to thirty of a time, and they were subsequently signed by me as Actuary, and by the Teller, when they were required for the various purposes of the Bank. It did not of necessity follow therefore, that the Director who signed the cheque knew the purpose to which it was applied.

" Ques.—You had then actually the power placed in your hands, of paying away the funds of the Bank in such way as you might think proper, and without any restriction whatever. Is that not the case?

" Ans.—I might have used the cheques to the full extent of the funds or the credit of the Bank, as the Directors seldom or never examined for what sums the cheques were drawn, or for what purpose they were applied."

On all these points the testimony of Mr. Eadie is corroborated by the books, and by the evidence of the Directors.

Mr. Redpath, ex-Vice President, gives the following evidence:—

" Ques.—Have you any recollection of certain regulations being adopted in May 1845, regarding the officers of the Montreal Provident and Savings Bank, which Regulations are detailed at length in the proceedings of a meeting of the Directors, held on the sixth of May 1845.

" Ans.—I have recollection of those Rules being adopted, but have no distinct recollection of their contents.

" Ques.—Please refer to them in the Minute Book now before you, and say, do they or do they not prescribe the form and manner in which payment shall be made by the Bank to creditors.

" Ans.—They do.

" Ques.—Are you aware whether these Rules have ever been abrogated, or whether they are still in force?

" Ans.—I am not aware that they have ever been abrogated, and I think it a matter of impossibility to act up to them.

" Ques.—Did you give your sanction to those Rules which you state to have been impossible to act up to?

" Ans.—I have no doubt that I did at the time.

" Ques.—Did the original Rules and Regulations of the Savings Bank, as deposited with the Clerk of the Peace, provide that all cheques for moneys paid by the Savings Bank shall be signed by three of the Board of Managing Directors, and countersigned by the Actuary or other officer?

" Ans.—I believe they did, and I consider that it was the duty of the Actuary to see that it was so done.

" Ques.—Was there any Rule of the Savings Bank at any time, which justified the signature by Directors of cheques in blank, that is, not specifying the amount, or if for above one hundred pounds, not specifying the parties to whom such cheques should be made payable?

Appendix
(Q. Q.)

15th July.

" Ans.—I do not know that any such Rule ever existed."

Mr. Vice-President *Ferrier* says:—

" Ques.—Were you in the habit frequently of signing cheques for the Savings Bank on the Bank in which its funds were deposited ?

" Ans.—Yes.

" Ques. Were the cheques you so signed at all times filled up both as to the amounts and as to the parties to whom payable ?

" Ans.—No: The cheque was usually filled up so far as regards figures in the pound line, but the body of the cheque left blank, so as to be filled up by the Actuary when required."

" Ques.—When such cheques were for a larger amount than £100, were you in the habit of having the names of the payees inserted, or do you mean to say that in such cheques also, the body of the cheques was left blank as you mentioned in your last answer ?

" Ans.—My impression is that the cheques were in general for £100 or £200; and that when they were for larger sums, the names of the payees were inserted previous to my signing them.

" Ques.—Do you think you ever signed cheques for so large a sum as £500, without knowing to what purpose it was intended to apply such cheques, or without taking the precaution of having the payee's name inserted in the body of the cheque ?

" Ans.—I think it is possible that I have signed cheques for £500, or upwards, without having had the payee's name inserted, but always had a satisfactory explanation from Mr. Eadie, as to the purpose for which such cheque was wanted, having then entire confidence in Mr. Eadie's word.

" Ques.—Do you think you ever signed a cheque for over £1000, without having the payee's name inserted, or without obtaining full information of the purpose for which such a sum was required ?

" Ans.—A certified copy of a cheque amounting to £1200 being presented to me by one of the Commissioners, it appears to me that I may have signed that cheque for £1200, which is dated 30th August, 1845, without the payee's name being filled in. I have no recollection of that particular cheque, but think Mr. Eadie must have given me some explanation of some purpose for which it was required, but whether the true purpose was stated by him, I cannot say.

" Ques.—Were cheques for so large a sum as £1200, in 1845, of frequent occurrence ?

" Ans.—I do not know.

" Ques.—Were all cheques signed by you as Director of the Savings Bank, filled up so far as regards the figures in the pound line, previous to your signing them ?

" Ans.—I cannot say.

" Ques.—Then is it not possible that the cheque for £1200, to which you have already adverted, may have been signed by you entirely in blank, that is, without either the name of the payee, or the amount being specified ?

" Ans.—I cannot say."

Mr. Director *Murray* says:—

" Ques.—Were you in the habit of signing cheques for the Savings Bank, without knowing the purpose to which the moneys, for which such cheques were drawn, were to be applied ?

Appendix
(Q. Q.)

15th July.

" Ans.—I have signed cheques to meet the current demands on the Bank by depositors, and also for special loans. I could not be aware to what depositors the money was to be paid.

" Ques.—Previous to your signing cheques of the Savings Bank, were those cheques at all times filled up as respects the amount and the parties in whose favour they were drawn ?

" Ans.—I never, to the best of my recollection, signed a cheque as Director of the Savings Bank, without having the amount filled in previous to my signature being appended.

" Ques.—Are you aware of its having been the practice in the Savings Bank, for one or other of the Directors to sign a number of cheques blank, both as to the amount and as to the parties to whom payable ?

" Ans.—I do not think it was the practice to sign cheques blank as to the amount, but it may have been as to the parties to whom they were to be paid. These cheques that were filled up as to the amount, but not as to the parties, were intended to meet the daily demands of depositors. All other cheques, I should suppose, were filled up with the names of the parties to whom they were payable. At the same time the Actuary may have paid special loans with the cash on hand, or with cheques drawn by the Bank for depositors.

" Ques.—What was the ordinary amount of the sums for which cheques were drawn for the daily demand of depositors.

" Ans.—I think they would range from £100 to £500.

" Ques.—If called on by the Actuary to sign a cheque for sums ranging over £500, were you in the habit of having the name of the party to whom they were to be paid, filled in ?

" Ans.—At certain times the sum required to meet the demands of depositors, may have ranged over £500. It is probable that cheques may have been signed for the use of depositors to the extent of £1000, and in such case I should not require the names filled in."

It thus appears clear that the Actuary had at his uncontrolled command, all the available funds of the Savings Bank. If he required money for any purpose whatever, he had only to apply to either the Receiving or Paying Teller, and the funds in their hands were at his disposal. He could and did borrow from them thousands of pounds at a time; retained the money so long as he pleased, and returned it when he pleased,—or, never returned it at all. If all the funds in the Savings Bank were not sufficient for his wants, he had in his possession blank cheques, signed by a Director, ready to be filled up by himself with any amount he chose, to the extent of the credit of the Savings Bank, at the Bank in which it kept its account: he had Directors at hand sufficiently compliant to sign these cheques at his requisition to any amount, without asking troublesome questions respecting the purposes for which the money was wanted. Nay more;—if all this was not sufficient, he had Bank Stock or other securities, which he could pledge at the General Bank for any further amount he might desire. Contrast this absolute and unchecked power, wielded by the Actuary, with the stringent rules under which the Bank professed to be governed, and there can be no hesitation in coming to the conclusion, that the promises held out to the public by these regulations were completely set at naught, and disregarded by the Directors; and that the securities which the depositors supposed they had against malversation, had no real existence.

Appendix
(Q. Q.)

18th July.

That this is no over-wrought picture of the mismanagement of the Montreal Provident and Savings Bank, the evidence before us has too clearly shewn. The Actuary, Mr. Eadie, at the time of the suspension of the Savings Bank, was represented to be a defaulter to a considerable amount, and the loss anticipated from this defalcation was then estimated at £3000. The first intimation which the books convey of any irregularities of Mr. Eadie having been discovered by the Directors, is to be found in the Minute Book of the Board of Directors, under date 24th July, 1848, the day on which it was determined to suspend payment at the Bank. The Minute runs as follows :

"The President informed the Board that upon a further investigation of the accounts of the Actuary, Mr. Eadie, it would seem he had used the funds of the Bank for his own private purposes, and for the accomodation of his friends, to an extent that may cause a loss of perhaps £3000, after realising the value of property mortgaged by him and them as security to the Bank, and also besides the amount of personal security given by Mr. Eadie, for the correct discharge of his duties."

The gentlemen present at the meeting of the Directors, when these proceedings are noted, were Messrs. Morris, Redpath, Murray, Badgley, Torrance, Lunn, Ramsay."

It will be observed, that the Minute refers to "a further investigation" having been made, thereby implying that some action had previously been taken by the Board on the subject, and that the defalcation of Mr. Eadie was no new discovery. The time when the discovery was really first made, is involved in mystery; the evidence on the subject being contradictory.

Mr. President *Morris* says :

"When I first took office (6th May, 1848), and for some time after, I was not aware that there was any defalcation of the funds of the Bank, on the part of the then Actuary, Mr. Eadie. I think I received the first information of a deficiency through the Honourable Mr. Ferrier. Early in July, 1848, Mr. Ferrier accosted me in the street, and stated that Mr. Eadie had been guilty of using the funds of the Bank without authority. I understood this misapplication had long existed. Mr. Ferrier, I think, mentioned that his son-in-law, Mr. W. S. Macfarlane, was some way involved in the misapplication of the funds. I understood some days after, from some of the Directors, when the subject was discussed at the Board, that an investigation into Mr. Eadie's accounts had taken place, and that Mr. Eadie had offered to give up all the property he owned towards covering the deficiency. All the investigations were made by two or three of the Directors—I think Mr. Ferrier, Mr. Redpath, and Mr. Murray, who reported to me, as President, their proceedings, when we met at the Board. By reference to the Minute Book, I perceive that at a meeting of the Directors, held on the 14th July, 1848, at which I was present, the dismissal of Mr. Eadie was determined on; which resolution was accordingly carried out. I recollect Mr. Eadie being present on the occasion: he admitted the defalcation. He did not state the precise amount; it had not then been fully ascertained. It was about the time of the suspension of the Savings Bank that the dismissal of Mr. Eadie occurred."

Mr. Ex-Vice President *Ferrier* says :

"Ques.—When were you first aware of Mr. Eadie having applied the funds of the Bank for his own individual purposes, or in loans to individuals?"

Appendix
(Q. Q.)

15th July.

"Ans.—Some short time before the suspension, I mean between the date on which Mr. Morris was appointed President, which, I observe by the Minute Book, was on the 6th of May, 1848, and the time when the run on the Bank commenced.

"Ques.—Were you not aware toward the close of 1847, or early in 1848, that Mr. Eadie had made considerable loans to Messrs. Bryson and Ferriers?"

"Ans.—I was not aware that he had made considerable loans; I was aware that he had made loans, from my son stating it to me, but I cannot say the precise date when my son gave the information.

"Ques.—Did your son state to you the amount of the loans?"

"Ans.—No.

"Ques.—Did your son, at the time that he stated that he had had loans from Mr. Eadie, inform you of the amount, or any thing like the amount to which he was indebted at the time, to Mr. Eadie.

"Ans.—He did not.

"Ques.—Did your son inform you on or about the 17th December 1847, that he had repaid sundry loans, amounting to £350 or thereabouts, to Mr. Eadie?"

"Ans.—No.

"Ques.—Were you aware, or had you reason to believe that Mr. Eadie had made loans, to which you allude, to your son, out of the funds of the Savings Bank?"

"Ans.—I did not think that Mr. Eadie would do so.

"Ques.—Had you any reason to believe that Mr. Eadie had private funds of his own, available for loans to individuals?"

"Ans.—I believed that Mr. Eadie had private funds of his own.

"Ques.—When you heard of these loans by Mr. Eadie, did you inquire into the state of his account with the Savings Bank.

"Ans.—I did not.

"Ques.—Did you at the time, or shortly after you were made aware, that Mr. Eadie had made loans to your son, communicate the fact to the Directors of the Savings Bank, or to any of them?"

"Ans.—No, because I did not consider that the Savings Bank had any thing to do with it. I did not think it necessary to communicate to the Directors.

"Ques.—On what occasion did you first learn that Mr. Eadie had absolutely used the funds of the Bank, either for his individual purposes or on loans without authority, and to whom had such loans been made?"

"Ans.—The first thing that I heard that led me to suspect that there was something wrong with Mr. Eadie's finances, was a report which I heard in the Bank of British North America, that a note of £1000, bearing the signatures of Mr. Eadie, Mr. Footner and W. S. Macfarlane had been offered for discount in St. François-Xavier Street. I said, if that is the case, there is something wrong. I immediately went to W. S. Macfarlane, informed him of what I had heard; he denied that his name was on any note for £1000, with that of Mr. Eadie and Mr. Footner; but upon interrogating him, he confessed that he had had loans of money from

Appendix
(Q. Q.)

15th July.

" Mr. Eadie, but would not state to me the amount. I immediately went over to Mr. William Murray, informed him of what I had heard, and expressed my apprehension that something must be wrong with Mr. Eadie, as I thought it impossible that such a report as that a note of £1000 could be offered for discount, unless such a note did exist. Mr. Murray appeared very much surprised, and after consultation, I recommended that we should call up Mr. Eadie from the Bank below to the room of the Fire Insurance Office, where we were sitting, and state to him the report that I had heard, and request from him an explanation. Mr. Eadie denied that a note for £1000, with the above mentioned names, had been offered in St. François-Xavier Street for discount, but said that he had lent Mr. Macfarlane moneys belonging to the Savings Bank, but could not state what the amount was until he made it up. I stated that that must be done at once, before he left the Bank that evening, and told Mr. Murray, in presence of Mr. Eadie, that he must see that Mr. Eadie attended to this immediately. I was so anxious about it myself that I came down late at night to see that the matter had been attended to; when Mr. Murray informed me that as far as they could ascertain, the amount was about twelve hundred pounds. Either next morning, or the morning following, I informed Mr. Redpath of all that had occurred, and Mr. Redpath said that the thing should be communicated to the Board; which was done. This must have occurred some time between the annual meeting of the 4th May, 1848, and the run on the Bank.

" Ques.—Have you any knowledge that subsequent investigation of the accounts between Mr. W. S. Macfarlane and Mr. Eadie led to the discovery, that the loans granted by the latter to the former amounted to between £2000 and £3000, and that notes were given by Mr. W. S. Macfarlane for the whole amount of his debt?

" Ans.—From the day that I communicated with Mr. Redpath, I believe that the investigation was followed up until the amount was ascertained, and I understood that some settlement was obtained from Mr. Macfarlane.

" Ques.—Was this discovery of Mr. Eadie having made loans to Mr. W. S. Macfarlane made prior to the suspension of payments by the latter?

" Ans.—It must have been.

" Ques.—When were you first made aware that Mr. Eadie had used the funds of the Bank without authority, for payments connected with the property which he had acquired in conjunction with Mr. Footner, and for other transactions with Mr. Footner, and with others also, without authority?

" Ans.—I think it was immediately after my communication with Mr. Redpath, to which I have already alluded, and which the investigation immediately followed."

Mr. Director Murray says:—

" Ques.—When were you first aware of Mr. Eadie having made use of the funds of the Bank, either for his own individual purposes, or for loans to others?

" Ans.—I am positive that I was not aware of his making use of the funds of the Savings Bank, either for his own individual purposes or for loans to others, until a very short time after the annual meeting of 1848. The first circumstance that led to the discovery was:—Mr. Ferrier mentioned to me that Mr. Davidson of the British North American Bank had informed him of a note of about

Appendix
(Q. Q.)

15th July.

" £1000, with Mr. Eadie's name on it, having been offered to some of the money brokers. Mr. Ferrier then suggested the propriety of calling up Mr. Eadie into my office, which was done. Mr. Ferrier spoke to Mr. Eadie on the subject, and asked him if there was any thing wrong with him as to money matters. Mr. Eadie appeared confused, and acknowledged that he had used the funds of the Bank. It was then determined that we should meet him in the evening, after the clerks had retired. That same evening Mr. Ferrier and myself met Mr. Eadie in the Bank, when Mr. Eadie admitted that he had used the funds of the Bank to upwards of £1200, the principal part of which, he said, had been lent to Mr. W. S. Macfarlane; he gave us to understand that that sum would set him right. I felt greatly distressed at this discovery, and so did Mr. Ferrier. We told Mr. Eadie immediately to make up a statement, which he stated he could not do exactly at the moment; and to get Mr. Macfarlane's note for the amount. At that time we expected Mr. Macfarlane was able to pay the amount. I think further disclosures were made the next day, which shewed that Mr. Eadie's position with the Bank was very much worse than we had supposed the previous evening. Mr. Ferrier and I therefore felt it our duty to communicate this defalcation to the Directors. Mr. Ferrier, I believe, told Mr. Redpath that very day, and it was formally communicated to a meeting of the Board of Directors in a very short time afterwards. It was deemed advisable by the Directors who were aware of the circumstances, to get all the securities they could from Mr. Eadie, to save the Bank from loss. It had come out in the investigation, that large amounts of money had been paid to Mr. Footner on account of some property that they had bought together, and for other joint transactions. These payments had been made without any authority from the Directors. Mr. Footner alleged that he had desired Mr. Eadie to apply for a loan from the Bank, and stated that he supposed that the moneys advanced to him by Mr. Eadie had been with the sanction of the Bank. He blamed Mr. Eadie for not having obtained the sanction of the Bank. Mr. Footner, I believe, gave the Bank certain securities for the loan which he had obtained through Mr. Eadie. I believe as much security was taken as could be got. The exact amount of the debt was not ascertained for some time after. Mr. Eadie's accounts were in such a state that it was impossible to understand them. They were all merely memoranda, not entered in the books. I understand also that Mr. Eadie had some private books in which he kept these accounts. I have learned this since through Mr. Sharrocks. I feel perfectly confident that the investigation into these transactions of Mr. Eadie, Mr. Macfarlane, and Mr. Footner, did not take place until after the annual meeting of 1848. I had no knowledge, I am certain, until after that time, of these transactions. There had certainly been a feeling of dissatisfaction on the greater part of the Directors, with regard to Mr. Eadie's irregularity in conducting the business of the Bank, and in not getting the securities completed. The determination was to make a change in the direction of the Bank, and to substitute the Hon. Mr. Morris in place of Mr. Lunn, as President. There was great difficulty in getting the accounts at all for the annual meeting. The books were discovered to be much in arrear. I believe they were not complete at the annual meeting; although he may perhaps have made up the interest accounts separately."

Mr. President Redpath says:

" I cannot charge my memory with the fact sufficiently to say whether I was cognizant at the time

Appendix
(Q. Q.)

15th July

"I was made a trustee," (6th May, 1848,) "that Mr. Eadie was a defaulter, but I think I was not.

"The time when I first ascertained positively the defalcation of Mr. Eadie, was, when the run was about commencing on the Bank, as at first we could not tell the precise amount of the deficiency; and as we feared that it might be to a greater extent than we had yet ascertained, it was judged advisable to keep on Mr. Eadie, until we had got the whole of the information, and also obtained security on the whole of his property. The matter of the defalcation of Mr. Eadie was frequently talked of, previous to the suspension of the Bank, but the first entry that appears in the Minutes in relation to it, is on the 14th July, 1848, the day on which the Bank suspended payment, the probable extent of the loss by Mr. Eadie having been about then ascertained.

"I recollect Mr. Murray and Mr. Ferrier having informed me, that Mr. Eadie had lent money to Mr. W. S. Macfarlane, and also that he had taken money for his own purposes, but whether this information was prior to my being a trustee or not, I do not recollect. This conversation confirmed my suspicions that I had previously entertained. I am not quite certain that when Messrs. Murray and Ferrier informed me, that Mr. Eadie confessed to them, that he had taken money for his own purposes, whether or not he had stated at the same time that he had lent money to Mr. Macfarlane."

Mr. Ex-president *Lunn* says:

"Another irregularity on the part of Mr. Eadie, which has come to my knowledge, is in transactions with Mr. W. S. Macfarlane, late grocer of this city. The first intimation I had on this subject was from Mr. Murray, one of the Directors of the Bank. It was after the suspension of the Bank that I received this intimation: but prior to Mr. Eadie's dismissal, I believe that Mr. Murray said, that he and Mr. Ferrier had been making a private investigation in the evenings, into transactions which they had discovered of notes having been discounted for Mr. W. S. Macfarlane, by Mr. Eadie, which I understood from the conversation, to have been with funds of the Bank. This was the first intimation I ever received of Mr. Eadie having discounted notes for Mr. W. S. Macfarlane, nor had I ever suspected any such transaction. I never met Mr. W. S. Macfarlane at the Bank, that I recollect. These discounts were to a considerable amount, several thousand pounds. I believe they had all occurred within a few months prior to the suspension of the Savings Bank, during my presidency at that institution. I suppose they were effected with the funds of the Savings Bank. I never discovered the deficiency in the cash occasioned by these discounts, but the Savings Bank account was kept at the British North American Bank, and was frequently overdrawn; Mr. Davidson sending over occasionally, to have the balance rectified or made good, but these transactions were of course not entered in the cash-book. I did not audit the cash-book in the year above referred to, that is, 1848, but I carefully examined all the securities held by the Bank, such as Harbour Debentures, Road Debentures, Canal Debentures, Bank Stock, &c., amounting altogether to some forty or fifty thousand pounds.

"I am aware that Mr. Eadie, the late Actuary, stands in the books a heavy debtor to that institution: he has appropriated the funds of the Bank for his own purposes, but I cannot say what particular purposes. I cannot say when Mr. Eadie's defalcation commenced, nor can I say any particular period up to which Mr. Eadie's cash account

Appendix
(Q. Q.)

15th July.

"was correct, beyond that which I have already stated in my evidence; he may have been a defaulter for several years prior to the suspension of the Bank, without its being found out, and that to a considerable amount. I never had any suspicion that Mr. Eadie was a defaulter, up to the time that Mr. Murray told me of his having used the funds of the Bank, and of the investigation that had taken place by him and Mr. Ferrier, into Mr. Eadie's conduct."

Mr. *Cox*, Receiving Teller, says:

"The first suspicion I ever had of Mr. Eadie having used the funds of the Bank for private purposes, was, I think, in May 1848, a few days after the annual meeting. About that time Mr. Sharrocks and myself were called upon by Messrs. Redpath and Ferrier, Vice-Presidents of the Bank, to say whether we knew of any moneys being given to Mr. Eadie, the Actuary, for private purposes. We were questioned separately, and therefore I cannot say what Mr. Sharrocks might have replied. I stated that Mr. Eadie had received from me at different periods to the amount of about £605. I think, but for what purpose I could not say. He was then indebted to my cash for that sum. The whole of that £605 was borrowed between the months of March and May, 1848. I made out a statement at or about that time, and shewed it to Messrs. Ferrier and Redpath, and there the matter rested until early in July, I think, when it was laid before the Directors. The day after my conversation with Messrs. Redpath and Ferrier in May, 1848, I spoke with Mr. Sharrocks on the subject. I think he stated that he had communicated all he knew. I think he said that he acknowledged that Mr. Eadie was indebted to him £1000, or thereabouts."

On the other hand, Mr. *Eadie* says:

"It was quite well known by Messrs. Ferrier and Murray, towards the end of 1847, or the beginning of 1848, that I had lent to Mr. W. S. Macfarlane, then a grocer of this city, a considerable amount in funds of the Bank. I think they must have been aware that those loans amounted to a thousand pounds or upwards. I believe the first communication Mr. Ferrier received was through Mr. Macfarlane himself. Mr. Macfarlane is Mr. Ferrier's son-in-law. Mr. Ferrier and Mr. Murray mentioned to me that they were aware of it. They blamed me for having made the loans to Mr. Macfarlane; they told me, however, to get from Mr. Macfarlane notes for the amount. I did obtain notes from Mr. Macfarlane. I think it was to the amount of about £2,800. There were five or six notes that I obtained. They were Mr. Macfarlane's own promissory notes in my favour, as Actuary of the Montreal Provident and Savings Bank. I think these notes were granted to me some time in March, 1848. I think they were dated back some time, and made to fall due in the summer of 1848, originally, say at the end of 1847, or the beginning of 1848, when Messrs. Ferrier and Murray first spoke to me. I think they believed the amount of the loans to Mr. Macfarlane to be about a thousand pounds, but it was in reality larger, and at the period when the notes were granted, it amounted to the sum for which the notes were given. I do not know at what time Messrs. Ferrier and Murray first communicated to the Directors or any of them, the fact of my having lent some of the funds of the Bank to Mr. Macfarlane, but I am certain the subject was brought before the Board of Directors, a considerable time before the suspension of the Bank. My reason for saying so is, that the bills, to which I have referred as having been given by Mr. Macfarlane, were regularly laid before the

Appendix
(Q. Q.)

15th July.

" Board, and some time previous to my leaving the Bank, Mr. Redpath, as the organ of the Board, returned the bills to me, and requested that I should procure from W. S. Macfarlane, a new set of bills of the same amounts, tenor, and dates, with the exception that they should be drawn in my favour, leaving out the term "Actuary" of the Provident and Savings Bank. I procured bills in accordance to these instructions of Mr. Redpath, and gave them to him, having previously endorsed them in blank, not adding the word "Actuary" to my name. This change of notes occurred some time previous to the suspension of the Bank; I think it was in May or June; I cannot say positively. I believe that previous to this change of notes, that Mr. Macfarlane had become a bankrupt. Immediately before I left the Bank, I think the very day on which I left, I made, at Mr. Redpath's desire, an endorsement on the promissory notes above alluded to, to the effect of dispensing with the notice of protest, which otherwise it would have been necessary to give me. I believe, and indeed I have no doubt in my own mind, that the circumstances of my having lent money from the funds of the Bank to Mr. Macfarlane, must have been known to the Directors that were elected on the 4th of May, 1848. They were immediately engaged in investigating the affairs of the Bank; they examined into the loans generally.

" At the first time when I conversed with Mr. Ferrier himself on the subject of my loans to Mr. W. S. Macfarlane, Mr. Ferrier said he had no doubt the Board would make me responsible for the amount.

" I remember one evening, some time in March or April, 1848, a meeting at the Bank, at which were present Mr. Murray, Mr. W. S. Macfarlane, Mr. William Footner, Commission Merchant, and myself. Mr. Ferrier might have been (I think he was) there in the early part of the evening, but he did not remain, as we did. The debt then due by Mr. Macfarlane, was then investigated and ascertained, and the Bills or Notes first alluded to, were then drawn. I only recollect one meeting at the Bank at which were present the parties just mentioned, and I feel confident it must have been in March or April.

" It was represented to me by Mr. Ferrier, Mr. Murray, and Mr. Redpath, that as little notice as possible should be taken of my having applied the funds of the Bank for my individual transactions, and that they would use their endeavours to prevent any rupture between me and the Bank in consequence. These assurances were made to me in May or June. I do not consider that they have acted upon that agreement. The reason assigned to me for my removal in July, 1848, was that it was necessary in order to enable them to take proceedings against my securities. I made no remonstrance; I did not feel that I was in a position to make any. It was the Hon. Mr. Badgley, who communicated this decision to me; it was at a meeting of the Board. I do not recollect precisely who were present, but there were present the Hon. W. Morris, the Hon. W. Badgley, Mr. Redpath, Mr. Torrance, Mr. Murray, Mr. Elder, Mr. Ramsay, and Mr. Leeming. It was on the 17th of July, 1848. I am quite certain as to the date."

And Mr. W. Footner, whose name is mentioned in connection with the investigation which took place in the Savings Bank, relative to the loans of Mr. W. S. Macfarlane, says:

" Ques.—Were you ever informed, prior to the suspension of the Savings Bank, by any party connected with the Savings Bank, or by any other

Appendix
(Q. Q.)

15th July.

" person, that Mr. Eadie had used the funds of the Bank for his private purposes, or for loans to, or transactions with other parties; such transactions or loans being made without the sanction of the President or other Directors of the Bank?

" Ans.—Yes, I was so informed.

" Ques.—By whom, and when were you so informed?

" Ans.—In the month of November or December, 1847, I met Mr. Ferrier, by request, at the Savings Bank, at which time Mr. Eadie, the actuary, was making a statement of his deficits. Mr. Ferrier, in conversation with me, then said, that he was afraid that the statement of Mr. Eadie was incorrect; that he had used a greater amount of the funds of the Bank, than, at that time appeared in his statement, which statement, to the best of my knowledge, shewed a deficit of somewhere about £1000, that is, exclusive of W. S. Macfarlane's loan, and our joint loan, by which I mean the loan to Mr. Eadie and myself. This interview with Mr. Ferrier occurred at the Bank about 8 o'clock, P. M.

" Mr. W. S. Macfarlane and Mr. Murray were present, as well as Mr. Eadie; these were the only persons present, I believe; but possibly Mr. Sharrocks, the book-keeper, might have been there, but I do not think he was. I lived at Rosemount at the time. Mr. W. S. Macfarlane came out in the evening to my place to request me, at the desire of Mr. Ferrier, to come into town to meet him at the Savings Bank. I remember that the weather was stormy, and the roads were very bad. I came into town in a carriage, but whether on runners or on wheels I could not positively say.

" Ques.—Can you say positively that this interview at the Savings Bank occurred so early as 1847?

" Ans.—I firmly believe it did; I am almost positive of it.

" Ques.—You have mentioned that in the statement made by Mr. Eadie at that interview, reference was made to certain loans on your joint account with him; were any steps taken in consequence of that meeting to secure the Bank for the amount of those loans?

" Ans.—No, there were not at that time.

" Ques.—Are you certain that the meeting to which you have referred, took place prior to the first mortgage which you granted to the Savings Bank; namely, that on the St. Mary Street property?

" Ans.—I firmly believe that it was prior to that mortgage.

" Ques.—Can you say positively that this interview at the Savings Bank, to which you refer, occurred prior to the 4th of May, 1848, the day on which the annual meeting of the Bank was held?

" Ans.—Yes, I am quite certain it did, several months before that time.

" Ques.—Have you any knowledge of any parties connected with the Bank, besides those you have already enumerated, having been aware, prior to the time of the suspension of the Bank, that Mr. Eadie was in default with the Bank?

" Ans.—I am aware that in addition to Mr. Ferrier and Mr. Murray, Mr. Lunn was cognizant that Mr. Eadie was a defaulter. Mr. Lunn conversed with me on the subject on the day of the annual meeting. We discussed together Mr. Eadie's transactions in the way of loans to myself and Mr. Eadie; the loans to Mr. Wm. Macfarlane were also mentioned

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" at that time by Mr. Lunn. It was at that time Mr. Lunn stated that he was not aware that the loans to myself and Mr. Eadie had been so large."

Mr. W. S. Macfarlane, on this subject, gives the following testimony:

" Ques.—Were any of the Directors of the Savings Bank ever made aware by you, and if so, when, for the first time, that you had had money transactions with Mr. Eadie ?

" Ans.—I was asked whether I had had any money transactions with Mr. Eadie, by Mr. Director Ferrier, to the best of my knowledge, about the end of April, 1848, or the beginning of May. This was the first communication, to the best of my knowledge, I ever had with any of the Directors on the subject.

" Ques.—Do you state positively that you did not, in or about the end of 1847, communicate to Mr. Ferrier that you had received loans from Mr. Eadie ?

" Ans.—I am positive I did not.

" Ques.—Can you recollect the circumstances that led to the communication which you state you made to Mr. Ferrier in the month of April or May, 1848, relative to your having received loans from Mr. Eadie ?

" Ans.—I do not recollect the circumstances, only Mr. Ferrier asking me the question whether I had received any money from Mr. Eadie and to what amount ?

" Ques.—Did Mr. Ferrier mention any reason for the question he put to you, relative to your having received loans from Mr. Eadie ?

" Ans.—I do not recollect his having done so.

" Ques.—Do you recollect whether Mr. Ferrier asked you on that occasion, whether it were true that a note for £1000, bearing your signature with that of Mr. Eadie and Mr. Footner, had been offered for discount in St. Francois-Xavier Street ?

" Ans.—I do recollect of his asking me so, but I am not sure whether on that occasion or not; and to which I replied that my name was upon no such note, nor had I heard of any such note, bearing Mr. Eadie and Mr. Footner's names, having been offered for discount.

" Ques.—What amount were you then indebted to Mr. Eadie for loans ?

" Ans.—I cannot say the amount.

" Ques.—Have you, since the interview which you mentioned as having occurred in April or May, 1848, between yourself and Mr. Ferrier, received any further loans from Mr. Eadie ?

" Ans.—To the best of my knowledge, I have not.

" Ques.—Was any statement made up, and if so, when, showing the balance due by you to the Savings Bank, at the time you made this communication to Mr. Ferrier ?

" Ans.—No statement was made up at that time, nor have I ever received a statement.

" Ques.—Have you at any time, and if so in what manner, acknowledged the amount of the balance due by you to Mr. Eadie, at the time you made this communication to Mr. Ferrier ?

" Ans.—To Mr. Ferrier's question, I refused to tell him what amount I owed the Bank; he told me that I must, as it must be paid immediately, and

" that I must meet Mr. Eadie and himself at the Bank, or Mr. Murray at once, and have the matter known and settled. I attended at the Bank in the evening—I think on the same day. I met there Mr. Murray, Mr. Ferrier, Mr. Footner, and Mr. Eadie. Mr. Eadie took a sheet of paper, and figured down the amount he supposed of the loans I had received from him. Messrs. Murray and Ferrier were in a great rage about it. I did not agree with Mr. Eadie's statement, as I did not believe that I owed so much as he said, something over £2000. Mr. Eadie said he was positive that such was the case, and that he would furnish me with a correct statement. I then signed notes to the amount of the alleged balance, which was, I think, about £2,100.

" Ques.—In whose favour were those notes drawn ?

" Ans.—I do not recollect whether they were to my own order or to Mr. Eadie's. They were dated back some time, but I cannot say how long predated; but they were arranged so that the first payments would fall due in about, I think, a month, and the others at subsequent periods.

" Ques.—Have the notes granted, at that time, been since cancelled ?

" Ans.—They have. Shortly after granting these notes, Mr. Eadie came over with new notes drawn up in a different form, but I cannot recollect the precise change.

" Ques.—Did you suspend payment in 1848, and if so, at what time ?

" Ans.—My first note was protested, I think, on the 18th June, 1848, and I was served in bankruptcy two or three days after.

" Ques.—Was it prior to the 18th June, 1848, that this change in your notes, given for your debt to Mr. Eadie, was made ?

" Ans.—I am almost sure it was, and I am certain it was before my being made a Bankrupt."

The notes referred to are in the possession of the Savings Bank, the claims on them having been filed in the Bankruptcy Court on 2nd August, 1848. The following are their dates, tenor, and amount :

1847.	Dec. 2d.—W. S. Macfarlane,			
	to his own order—			
	due June 10, 1848,	£540	0	0
1848.	Jan. 28.—W. S. Macfarlane,			
	to his own order—			
	due July 14, . . .	540	0	0
	" Mar. 8.—Do. Aug. 15, . . .	500	0	0
	" Ap'l 28.—Do. Sep. 1, . . .	598	0	0
	" May 8.—Do. Aug. 1, . . .	534	11	5
		<hr/>		
		£2730	11	5

The whole endorsed "W. S. Macfarlane" and "John Eadie."

Mr. James Ferrier, Jr., says:—

" I am a member of the firm of Bryson and Ferriers, Merchants of this City. I am a son of the Hon. James Ferrier, one of the Directors of the Provident and Savings Bank. My firm has had transactions with the Montreal Provident and Savings Bank, but we kept no banking account there. My firm has never had any loan from the Savings Bank; my firm never had any paper discounted for it by the Provident and Savings Bank. My firm never received any funds whatever from Mr. Eadie, the Actuary of the Provident and Savings Bank, in his capacity as Actuary. My firm has received cheques from the said Mr. Eadie, drawn on the Bank

Appendix
(Q. Q.)

15th July

" of British North America, and signed by him as " Actuary; I cannot from memory state to what " amount. I had occasion to remit funds to Upper " Canada several times, and I got him, on such occasions, sometimes to give me a cheque by the Provident and Savings Bank, on the Bank of British " North America, and sometimes large bills for the " convenience of remitting, and I gave him the cheque " of my firm to an equivalent amount. The transactions of this description may have amounted to four " or five thousand pounds. I do not think they were " more, but they might have been less. These transactions may have extended over two to three years, " beginning about eighteen hundred and forty-six.— " I cannot say whether all the cheques I gave to Mr. " Eadie, in exchange for the cheques of my firm, were " for the purpose of remitting to Upper Canada.— " When I speak of the amount of the exchange of " cheques between my firm and the cheques of the " Montreal and Provident Savings Bank, being four " or five thousand pounds, I include all the cheques " so exchanged; but the transactions having occurred " some time back, I may be in error as to the amount. " Mr. Eadie, the Actuary of the Savings Bank, also " on various occasions lent my firm through me, " sums of money, for which I either gave him the " cheque of my firm in exchange, or if I had not a " cheque by me, a *bon* for the amount, which I replaced subsequently with a cheque. I think these " advances of money, in exchange for cheques or " *bons*, might have amounted to two or three thousand " pounds. The cheques that I paid to Mr. Eadie for " these transactions were sometimes to be deposited " the next day. At other times it was understood he " was to hold them for me a few days. I considered " that all these transactions in the way of cheques " and money, with Mr. Eadie, were on his individual " account, and not on account of the Provident and " Savings Bank. One reason was, that Mr. Eadie " had at times stated that he had no large bills on " hand in his own cash, when asked for to remit, and " at other times that he had no cash on hand to loan. " I also believed him to be possessed of means which " enabled him to purchase property. I had no means " of knowing his private affairs, except from public " report. My transactions with Mr. Eadie were " sometimes before, sometimes during, and sometimes after Bank hours. The other clerks were " generally in the outer office. Mr. Eadie occupied " an office within that outer office. There was no " concealment on my part, nor did they seem to be " on Mr. Eadie's. I do not suppose the other clerks " were particularly acquainted with these transactions, except in such cases as those in which cheques " of the Provident and Savings Bank were furnished " to me. These cheques were in a printed form, and " headed " Montreal Provident and Savings Bank." " These cheques had always the signature of one of " the Directors of the Savings Bank in addition to " that of the Actuary. I cannot recollect whether they " had also the signatures of one of the Tellers. I cannot say positively whether Mr. Eadie ever did give " me a cheque on the Bank, signed individually, or in " any other than the customary form of the Provident and Savings Bank cheques, but I know his " general practice was to give me cheques of the " Montreal Provident and Savings Bank, signed and " countersigned in the usual form, that is when " cheques were paid me. All the transactions to " which I have referred for exchanges of cheques or " *bons* of my firm were with Mr. Eadie, and none of " them with any of the other clerks of the Provident " and Savings Bank. I never had any communication with any of the Directors on the subject of " these exchanges of cheques, until my father, Mr. " Director Ferrier, asked me one day if I had ever " obtained a loan of any money from Mr. Eadie. I " cannot say when this occurred, but I think it was

Appendix
(Q. Q.)

15th July.

" some months previous to the suspension of the " Savings Bank. I told my father that I had: he " expressed his disapprobation of my having done " so, and said if I owed any money to Mr. Eadie, I " must immediately return it. He said that, considering he was a Director of the Montreal Provident and Savings Bank, I should not have had " anything to do with Mr. Eadie in money matters, " and that I had shown a want of discretion, as such " transactions might lead people to speak unfavourably of him, (Mr. Director Ferrier). This was the " first communication I had ever had with my father " on the subject of these loans. I have reason to " know that he was not aware of them before, from " the surprise and annoyance he expressed on this " occasion. I cannot say, from anything that passed " on the occasion, whether my father was then under " the impression that Mr. Eadie had had these transactions with me, from his private funds, or from " the funds of the Bank. I think the knowledge " that my father had of my having had these transactions with Mr. Eadie, was derived from my " acknowledgment, and not from information derived " elsewhere. It came out in casual conversation: " my father asked me how I got on in money matters, " and whether I ever borrowed. I then mentioned " the circumstance. At the time of this conversation, " I owed Mr. Eadie a balance, which I returned, " and never had any transactions of a similar nature " with him. I think the balance I then owed was " about £1,000. I feel pretty confident that at no " time did I owe Mr. Eadie a balance on these transactions of so much as two thousand pounds, or if I " did, it could only have been for two or three days. " I do not think that any of the loans, in the shape of " cheques, of my firm, were kept for any length of " time in Mr. Eadie's hands. Some loans for which " I gave *bons*, were kept a longer time, some of them " even for months. I would not say, that during " 1846 and 1847, my firm was permanently and constantly indebted to Mr. Eadie; the debt was often " wiped off.

" When I had these transactions with Mr. Eadie, " I know that I several times mentioned to him, that " I should allow him the interest on the balances, as " of course his money was worth interest to him. I " do not recollect ever to have said to Mr. Eadie " that I wished these transactions kept from the " Directors of the Savings Bank's ears. I speak to " the best of my knowledge on this subject.

" Ques.—Had you at any time during the period " in which you had the transactions with Mr. Eadie, " which you have described in your evidence before " this Commission, any suspicion that Mr. Eadie was " making use of the funds of the Provident and " Savings Bank for these loans, or for any portion of " them?

" Ans.—At times I had, from the fact of his stating " that he must have the cheques honoured, so as to " balance his cash, and return the money he owed.

" Very frequently accounts of interest were made " up between my firm and Mr. Eadie. I do not think " the balance of interest against my firm would " amount altogether to one hundred pounds. It is a " mere guess, but I do not think I am far wrong. I " have paid interest to Mr. Eadie, at some of the " respective times when these accounts were made " up. I do not recollect whether I made a payment " to him of interest after he left the Bank. I do not " recollect anything being said about interest at the " time I had the conversation with my father to which " I have already referred. I have since told my father " that I have paid interest to Mr. Eadie. My father " has never been made aware through me of the precise amount of these loans. I had reluctance to " converse with him on the subject, as it was one

Appendix
(Q. Q.)

15th July.

"that gave us both annoyance. My father was therefore not aware of the amount of the balance of the interest against me. I cannot say whether my father's name was on any of the cheques of the Savings Bank given to me by Mr. Eadie; it is probable it was, as he was a Director at the time, and an active manager of that Institution.

"I think it was near the end of 1817 that I had the conversation with my father respecting my transactions with Mr. Eadie, and I paid over the balance in a few days; I think in about a fortnight."

From this evidence it is incontestable that several of the Directors were made aware, about the time of the annual meeting of the Savings Bank, on 4th May, 1848, that Mr. Eadie had appropriated to his own purposes, or in loans to individuals, a large amount of the funds of the Bank; that that intelligence was not conveyed to others of the Directors for fully two months; and that the first public action of the Board, recorded in its Minutes, is dated as late as on the 14th July, 1848. The excuse that the *interim* had been employed in endeavouring to secure the Bank from loss appears to us insufficient. So grave and momentous an event should certainly have been communicated to all in authority,—especially to the President,—without a moment's delay. On the most favourable view of the circumstances, as developed in evidence, the conduct of that portion of the Directors, who obtained information in May, appears highly objectionable; but if the evidence of Messrs. Footner and Eadie—and they speak very positively—is entitled to credit, and these gentlemen knew of the defalcation much earlier, their conduct is utterly indefensible. As the latter view of the case, however, rests on conflicting testimony, we forbear from offering any remarks on it.

But, in reviewing this testimony, there is one most important disclosure, that cannot be passed over in silence. Mr. Vice President Ferrier was actually made aware through his son, Mr. James Ferrier, Junior, so early as 1847, that the firm, of which he was a member, had had monetary transactions in the way of loans, from Mr. Eadie, the Actuary of the Savings Bank. Mr. Vice President Ferrier was not informed whether the loans were or were not to a considerable amount; but sufficient must have been disclosed to have shewn him that there was some impropriety, since "he expressed disapprobation" of the loans having been obtained, on account of his connection with the Bank as Director, "which might lead people to speak unfavourably of him" in the transaction. Although, therefore, he says, and we doubt not, truly, that "he did not think Mr. Eadie would lend the funds of the Bank," it would appear as though some suspicion had crossed his mind, that the funds for these loans might possibly have been taken out of the Bank. The improbability of a person in Mr. Eadie's situation,—immersed, as he was known to be, in building operations, and in debt to the Bank, as his account shews he was,—having moneys to so large an amount to lend for such purposes, could scarcely fail to have struck any one. Under all these circumstances, then, it was surely Mr. Ferrier's imperative duty, to have confided the fact that had come to his knowledge to his brother Directors; or, at all events, to have ascertained, from personal inspection of the books, that Mr. Eadie had not abstracted the funds of the Bank for these loans. Had he adopted either of these courses, that discovery must infallibly have been made, which now appears to have leaked out several months after; he would have learned that, from the confused manner in which the accounts of the Bank were kept, it was utterly impossible to ascertain how the large sums of money, continually flowing into the coffers, were disposed of.

Appendix
(Q. Q.)

15th July.

It may here be urged, that as the duty confided to us under our Commission was mainly to "inquire into the causes which led to the failure of the Montreal Provident and Savings Bank, and to its inability to meet the just claims of those who had deposited money in it;" and as no loss was sustained through the loans to Messrs. Bryson and Ferriers,—the whole of the money having been returned to the Actuary,—we transcended the bounds prescribed to us, by inquiring into those loans. We duly weighed this objection, and came to the conclusion, that we should be shrinking from our duty, were we not to investigate, and bring to light, the circumstances of these transactions. It is indeed by no means true, that pecuniary loss was not sustained in consequence of these loans. Mr. Ferrier, junior, in the above extract from his evidence shews, that he did pay some interest to Mr. Eadie, and estimates the whole amount of interest due on the loans, as not amounting to over one hundred pounds.

Mr. Eadie's testimony, on this subject, is as follows:

"I have already mentioned that the loans to Bryson and Ferriers were not noted in the general books of the Bank: of course, therefore, no charge was made against Bryson and Ferriers for interest on those loans, in the books of the Provident and Savings Bank. At the times the loans were made to Bryson and Ferriers, it was my understanding with them, that they would of course be charged interest: they understood they were borrowing from the Bank, but in an irregular manner; they knew that they were borrowing the money without the knowledge of the Directors. I told them that these were transactions I could not lay before the Directors. The interest they understood was to go to the profit of the Bank. I think I mentioned to Bryson and Ferriers, that when they paid the interest, I could so make the entry in the books of the Bank, as to credit the Bank therewith without attracting observation. At the end of 1816, when I received, as mentioned yesterday, the balance of the loans that I had made during that year to Bryson and Ferriers, I made up no interest account with them on the transactions of that year, nor did they pay me any interest therefor. There was no credit in the books of the Savings Bank for that year on account of these loans. When I balanced the account of the loans to Bryson and Ferriers, in 1817, with them, by receiving the difference, as I mentioned in my evidence of yesterday, I received no interest from them; the matter was left for future adjustment. Bryson and Ferriers promised me that they would pay up the interest on all these loans, when the accounts of interest were made up. The books of the Savings Bank for 1817, were not credited by me with any interest on the loans made during that year to Bryson and Ferriers. A memorandum was kept both by me, and by Bryson and Ferriers, of all these loans, and we compared them together and they agreed: we never made any precise calculation of interest. The confusion in which the Savings Bank was after December, 1817, caused the matter to be overlooked, and up to the time I left, that is, in July, 1818, no interest account had been made up, and no interest received from Bryson and Ferriers for their loans. I have no very distinct idea what amount of interest would be due on these loans by Bryson and Ferriers, but I think it would amount to upwards of a hundred pounds. Since July, 1848, Bryson and Ferriers have paid to me two sums, I think, amounting to one hundred pounds: this is since I was Actuary of the Savings Bank. It was understood, in a verbal conversation between Mr. James Ferrier, junior, and myself, that these payments of about a hundred pounds were to be in extinction of the interest due on the loans by the Savings Bank, but no state-

Vide J. Ferrier, junior, Evidence ante

Appendix
(Q. Q.)

15th July.

"ment of interest was made up. I should suppose
"that this amount was not more than the interest
"due, but it might have been ten or twenty pounds
"less. This payment of interest by Mr. Ferrier,
"junior, was about two months after I left the Bank,
"consequently he knew that it was a payment to me
"individually and not to the Bank.

"At about the time that I received the second
"payment of interest from Bryson and Ferriers,
"which I stated in my evidence yesterday, to have
"been in extinction of the interest due to the Bank,
"no statement of the interest was made up or
"discharged, but on reflection, I think, I wrote,
"at the request of Mr. Ferrier, junior, a note
"to him, in which it was expressed that he had
"paid the amount of the loans made to him from the
"funds of the Savings Bank, and the interest due
"thereon. To the best of my recollection, this note,
"though written probably in September or October,
"1848, was dated some time in January previous. Mr.
"Ferrier, junior, requested that I should give him a
"note in such terms, relating to these transactions,
"as would show that they were finally settled, with-
"out alluding to the amount of either principal or
"interest, which I accordingly did, and sent it to
"him, with which he was satisfied. I never had any
"communication with Mr. Director Ferrier on the
"subject of the interest of the loans to Bryson and
"Ferriers: he, Mr. Director Ferrier, never desired me
"to collect interest on these loans; when he stated
"that he would see the principal of these loans re-
"funded to the Bank, he did not state that he would
"see also that the interest should be paid on them.
"From the tenor of my conversation with Mr. Di-
"rector Ferrier, on the subject of the loans to Messrs.
"Bryson and Ferriers, he must have been aware
"that a considerable amount of interest was due on
"those loans."

On this payment to Mr. Eadie by Messrs. Bryson
and Ferriers after the suspension of the Savings
Bank, Mr. *Ferrier*, junior, gives the following testi-
mony:

"I think I had receipts from Mr. Eadie when we
"balanced accounts. I think some of the receipts
"were also for interest in connection with the settle-
"ment. I do not recollect to have received any note
"from Mr. Eadie, connected with the final settle-
"ment, but it is very probable I may have had. I
"recollect a short time after Mr. Eadie left the
"Bank, probably a few weeks, having an adjustment
"of an account with Mr. Eadie. The account for
"the borrowed money had, as already mentioned in
"my evidence, been settled some months before, and
"the transactions were then closed, both parties
"having considered it a correct adjustment: but sub-
"sequently, I think after Mr. Eadie left the Bank,
"he called on me and claimed three hundred pounds.
"He had in his possession a cheque of my firm on
"which he claimed: I do not recollect its precise
"amount. The cheque was dated many months
"back, and I am certain it had been included in some
"of the accounts, which we had previously adjusted,
"and that I had neglected to examine sufficiently
"carefully the vouchers that he gave me up at such
"previous adjustment. I feel confident that the
"amounts I had had from Mr. Eadie had been fully
"liquidated, and that I did not owe for that cheque.
"After several discussions with Mr. Eadie, and threats
"on his part to sue my firm for the amount of the
"cheque, I deducted the amount that he owed me for
"his private account from the cheque and paid him
"the balance, part in cash and part by notes endorsed
"by my firm, which were subsequently retired. The
"cash and notes amounted to about two hundred

Appendix
(Q. Q.)

15th July.

"pounds, I think. I then took, in acknowledgment
"from Mr. Eadie, a receipt in full of all claims on
"my firm. I was thus guarded to prevent the possi-
"bility of Mr. Eadie making further claims for
"cheques or *bons*, which I might inadvertently have
"omitted to get back from him, when I made the
"different settlements with him. I do not recollect
"what date was given to the receipt by Mr. Eadie;
"he did not sign it as Actuary. I have no recollec-
"tion of its having been antedated, so as that it
"should bear date during the time that Mr. Eadie
"was Actuary of the Provident and Savings Bank.
"I have no recollection of having at any time had
"any receipt, letter, or memorandum antedated for
"such purpose, but it is possible that when I came
"to this settlement with Mr. Eadie, I may have got
"some voucher connected with prior settlements,
"which may have been dated at the time the settle-
"ments were made.

"My transactions with Mr. Eadie were on ac-
"count of the firm of Bryson and Ferriers."

Now we find no sum credited in the Bank to interest
account for these loans. It thus appears, that what-
soever amount of interest was paid by Messrs. Bryson
and Ferriers never went into the coffers of the Bank,
and that that institution was a loser to a certain
extent. Neither, from the loose manner in which Mr.
Eadie kept the account of his transactions with
Messrs. Bryson and Ferriers, can it be affirmed with
certainty, judging by his statement, that the full
amount of the principal borrowed was returned.
The payment made to Mr. Eadie individually, by
Messrs. Bryson and Ferriers, after he had ceased to
be Actuary, when it was notorious that he was a
defaulter; and when those suspicions, which Mr.
Ferrier, junior, admits he entertained, that the loans
to his firm had been taken out of the funds of the
Bank were fully verified, was certainly irregular. If
any money was due by Messrs. Bryson and Ferriers,
it should have been handed over to the Bank, not to
Mr. Eadie.

Even, however, had there been no pecuniary loss
to the Savings Bank by these transactions, the rele-
vancy of the examination into them, is, we think,
apparent. The loose management which they betray,
throws a light on the whole "affairs and manage-
ment of the bank," and these are made the subjects
of our inquiry. It is not simply the loss flowing out
of the particular incident brought under our review,
but the loss proceeding from the irregularity of the
system of which that incident forms a part. The
sums lent to Messrs. Bryson and Ferriers were, per-
haps, all recovered, but large sums lent to other in-
dividuals, under analogous circumstances, were never
recovered, and the Depositors in the Bank were in
consequence defrauded to a very large amount.

The Minute of the Directors of 14th July, 1848,
which we have previously quoted in estimating that
through Mr. Eadie's "use of the funds of the Bank
"for his own purposes and for the accommodation
"of his friends," the Bank may sustain "a loss of
"perhaps £3000, after realizing the property mort-
"gaged by him and them as security to the Bank,
"and also besides the amount of personal security
"given by Mr. Eadie for the correct discharge of
"his duties," is far below the mark. From a "state-
"ment of loans due Montreal Provident and Savings
"Bank, 30th September 1850," furnished to the
Commission by the Directors, and which will be
found in the Appendix [F.] the "estimated present
loss" on those transactions is set down at £6825 5s.
6d. under the following heads:—

Appendix
(Q. Q.)

15th July.

Folio	Names.	Amount due.	Estimated loss.
94	John Eadie.....	5210 16 0	3576 16 0
136	W. Footner.....	727 10 5	100 0 0
272	Eadie & Footner.....	1712 3 2	1712 3 2
330	W. Footner.....	1355 1 5	700 0 0
366	J. Eadie & W. Footner.....	736 6 4	736 6 4
		£9771 17 4	£6825 5 6

This estimate of the loss is predicated on the supposition, that one thousand pounds will be recovered from the securities for Mr. Eadie; an event on the probability of which we offer no opinion. An action has, we believe, been instituted, but judgment has not been rendered.

The material question for us to examine was, whether that loss was owing to circumstances, which that ordinary care and prudence which the law contemplates as to be exercised by the Directors, would have prevented; or whether it was the result of gross negligence and mal-administration of the affairs of the Bank.

It is scarcely necessary to embody in this Report the items of which this loss consists, nor would it be easy to explain the particulars clearly. From the extraordinary manner in which the books of the Bank have been kept; from the intermixture of accounts, and the numerous transfers from one account to another, it has been a matter of great difficulty to analyze the statement. A great mass of evidence was taken, which will be found at length in the Evidence Book; and from it we shall extract as much as is necessary to make the transactions intelligible, and to shew the manner in which they were conducted. Nearly the whole of the defalcation appears to have grown out of transactions with Mr. W. S. Macfarlane, and with Mr. W. Footner.

The loans to the former, it has already been stated, never appeared in the books of the Bank in any form, nor were they in any way sanctioned by the Directors.

Mr. Eadie's account of them is as follows:—

" I lent the funds of the Bank, in a similar manner to the transactions with Bryson and Ferriers, to W. S. Macfarlane, grocer, of this city. To the best of my recollection they commenced in 1846, and consisted in small advances made to him, as loans, generally in cash. I advanced him the money in Bank bills and took his cheque for the amount, to be retained for the time stipulated, which might be for two or three days, or a week, when the money was repaid and the cheque returned, or, as was frequently the case, the cheques were paid into the Bank of British North America, by Mr. Cox, the Receiving Teller, amongst the cheques and cash, forming the daily deposit with the Bank of British North America, on account of the Provident and Savings Bank. In these instances we had (Mr. Cox or myself) Mr. Macfarlane's authority to deposit the cheques. To the best of my recollection the loans to Mr. Macfarlane were none of them, in 1846, by cheques of the Savings Bank. In several instances, that year, I handed over to Mr. W. S. Macfarlane bills and promissory notes, which I held partly on my own account, and partly on account of the Savings Bank. These I gave him as a loan. The arrangement in such cases was, that he should repay the amount of the respective notes at the time they should become due. The total amount, spread over the year 1846, of my loans to W. S. Macfarlane, was probably fifteen hundred pounds, which, I think, one thousand pounds would be in cash. I do not recollect at any particular time during that year, that a balance due by him would

Appendix
(Q. Q.)

15th July.

" be more than two or three hundred pounds. The notes that I lent him in 1846 were all for small sums.

" At the close of 1846, the balance due by Mr. Macfarlane to me was all or nearly all paid. In 1847, my transactions with Mr. Macfarlane were of a similar nature to those of 1846, but were considerably increased in amount. They consisted in advances in cash and in notes; some of the notes were the property of the Savings Bank, and some my own property. I think the transactions for this latter year may have been three thousand pounds; a considerable balance remained at the end of 1847, due by Mr. Macfarlane. I think the balance then due must have been eight or nine hundred pounds. At and previous to this period, I became seriously uneasy about W. S. Macfarlane's account with me. I thought he was trading beyond his capital, and that the risk of loss was therefore very great. I had several conversations with Mr. Macfarlane about his account, and told him I could not continue this practice of lending. He told me his difficulties were only temporary, and that all these advances should be paid up.

" In 1848, I continued to make similar advances to Mr. Macfarlane, until ultimately the amount due by him was about £2800; this was in March or April, 1848, when the transactions between us came to a close.

Mr. W. S. Macfarlane's statement is nearly similar:—

" I was a grocer in this city from about 1837 to about the middle of June 1848. I was personally acquainted with Mr. Eadie, the Actuary of the Savings Bank, during most of the time that he filled that office. I never kept any account with the Savings Bank, but I had a great number of loans at different times from Mr. Eadie. To the best of my belief I got money from Mr. Eadie as early as 1846, but I may not have received any before 1847. These loans were partly in money, partly in cheques, and partly in promissory notes. The cheques were those of different merchants in town. I may have received amongst those cheques some Savings Bank cheques, but I cannot say positively whether I did or not. I never received, to the best of my knowledge, any cheques drawn in Mr. Eadie's individual name. The promissory notes lent me by Mr. Eadie, were those of various parties, of whom, from memoranda I have in my possession, I can mention the following names:—

" Keller's Note, favour Douglass,	£78	14	9
" Hood and Thorn, favour Robinson,	26	2	0
" Pellant and Barnabe, to Liorois,	40	0	0
" Dorwin's Note to Crawford,	37	2	0
" McBean's Note to D. and W. M.,	106	5	0

£288 3 9

" These were lent to me in March, 1847. I also got other notes to a large amount from Mr. Eadie, got them discounted and gave to him the proceeds. I recollect, to the best of my knowledge, of Mr. Eadie sending me over a note of Mr. Thornton, by himself, for about £50, with an accompanying letter to shew it for him, as he did not wish Thornton to know that he was in the habit of discounting, and he would refund the amount, less the shave. I recollect receiving a note from Mr. Eadie for about £600, some time in 1846 or 1847. One of the Messrs. Lymans' name was on the note, Mr. Mills' name, and, I think, Mr. Gibbs', the Notary. I do not recollect whether this was a loan for myself, but think it was. At this present moment, I do not recollect positively any other notes

Appendix
(Q. Q.)

15th July.

“ Ques.—Please charge your memory with the names of any parties to notes that you have at any time received from Mr. Eadie, besides those you have already enumerated ?

“ Ans.—I see by a list from Mr. Eadie some particulars. It is an account current, in his handwriting, in the name of James Robertson, which he

Appendix
(Q. Q.)

15th July.

“ substituted for his own; the reason for the substitution being that, if it fell in any person's hands, it might not be known that he had any transactions with me, as he did not wish it to be known. This account current does not specify the year in which it was made up, but to the best of my recollection it was in 1847. I decline to part with the possession of the original, but the following is a correct copy:

Dr. W. S. MACFARLANE, ESQUIRE, IN ACCOUNT WITH JAMES ROBERTSON.

DATE.		DR.	CR.	BAL.	DAYS.	INTEREST.
		£ s. d.	£ s. d.	£ s. d.		
January 2	To Cash,	102 5 8				
	Ditto, 150 } 75 }	225 0 0		327 5 8	24	1,075
“ 26	By ditto,		130 0 0	197 5 8	4	108
“ 30	By ditto,		27 10 8	169 15 0	1	23
“ 31	By ditto,		169 15 0			
Febry. 10	To ditto,	150 0 0				
“ 12	By ditto,		150 0 0			
“ 9	To ditto,	75 0 0		75 0 0	19	195
“ 28	By ditto,		75 0 0			
March 3	To ditto,	70 0 0				
“ “	To ditto,	295 0 0		365 0 0	13	650
“ 16	To ditto,	150 0 0		515 0 0	7	494
“ 23	By ditto,		25 0 0	490 0 0	4	268
“ 27	By ditto,		50 0 0	440 0 0	3	181
“ 30	To ditto,	140 0 0		580 0 0	1	79
“ 31	By ditto,		190 0 0	390 0 0	2	107
April 2	To ditto,	75 0 0		465 0 0	11	701
“ 13	By ditto,		104 1 8	360 18 4	17	838
“ 30	By ditto,		75 0 0	285 18 4	4	156
May 4	To ditto,	120 0 0		405 18 4	14	779
“ 18	To ditto,	150 0 0		555 18 4	23	1,749
June 10	To ditto,	50 0 0		605 18 4	3	249
“ 13	By ditto,		33 15 0	572 3 4		
“ “	To ¼ p. f. Quib,	15 3		572 18 7	18	1,410
July 1	By McGillivray,		86 6 7	486 12 0	2	133
“ 3	By Kuller,		33 19 6	452 12 6	3	
“ 6	By White,		33 0 0	419 12 6		
“ “	By Douglass,		152 10 0	267 2 6	16	586
“ 22	To interest, 5 per cent.,	9 15 7				
“ “	Balance,			276 18 1		9,781

“ I am aware, from another memorandum in my possession, that I received on the 2d August, 1847, also the following notes:

“ Watson, Eving & Co., £47 8 4
“ I. Stowe, endorsed, Dr. Smith, 50 0 0

“ Ques.—Had you these transactions with Mr. Eadie in his individual capacity, or as Actuary of the Savings Bank ?

“ Ans.—With Mr. Eadie individually.

“ Ques.—Were any of the Directors of the Savings Bank ever made aware, by you, and, if so, when, for the first time, that you had had money transactions with Mr. Eadie ?

“ Ans.—I was asked whether I had had any money transactions with Mr. Eadie, by Mr. Director Ferrier, to the best of my knowledge, about the end of April, 1848, or the beginning of May. This was the first communication, to the best of my knowledge, I ever had with any of the Directors on the subject.

“ Ques.—Do you state positively that you did not, in or about the end of 1847, communicate to Mr. Ferrier that you had received loans from Mr. Eadie ?

“ Ans.—I am positive I did not.

“ Ques.—Can you recollect the circumstances which led to the communication which you state you made to Mr. Ferrier, in the month of April or May, 1848, relative to your having received loans from Mr. Eadie ?

“ Ans.—I do not recollect the circumstances, only Mr. Ferrier asking me the question, whether I had received any money from Mr. Eadie, and to what amount.

“ Ques.—Did Mr. Ferrier mention any reason for the question he put to you, relative to your having received loans from Mr. Eadie ?

“ Ans.—I do not recollect his having done so.

“ Ques.—Do you recollect, whether Mr. Ferrier asked you, on that occasion, whether it were true that a note for £1,000, bearing your signature, with that of Mr. Eadie and Mr. Footner, had been offered for discount in St. François-Xavier Street ?

“ Ans.—I do recollect of his asking me so, but I am not sure, whether on that occasion, or not; and to which I replied, that my name was upon no such note, nor had I heard of any such note, bearing Mr. Eadie's and Mr. Footner's names, having been offered for discount.

“ On referring to memoranda which I have in my possession, I find that I did receive considerable

Appendix
(Q. Q.)

15th July.

“loans in 1846. In March and April of that year, I received, at different times, upwards of £700. During the years 1846 and 1847, I was constantly in the habit of receiving loans from Mr. Eadie. Any accounts current or statements given to me by Mr. Eadie, were given in the name of James Robertson, as though it had been from him that I had received the money. The reason for the substitution of the name of James Robertson for John Eadie, was, that should these papers come into the hands of the Directors, or should they in any way become aware that he lent me money, it would do him an injury. I think altogether, that I must have had lent me by Mr. Eadie some £8,000, or upwards. I paid him interest occasionally. I was charged five per cent. in some accounts.”

The transactions with Mr. Footner are thus described by Mr. Eadie:—

“In the month of October, 1846, I, in conjunction with Mr. William Footner, Commission Merchant of this city, purchased a lot of land and houses and other buildings erected thereon, in Côte-St.-Antoine, from Asa Goodenough. The amount of the purchase was £5000 0s. 0d.—£500, to be paid in passing of the deed of sale, £500 on obtaining a ratification of the title, and the residue of the price in annual instalments of £500 each with interest. £500 of the price was paid soon after to Goodenough. I think the first entry of money paid by me towards the price of this land was of the 11th January, 1847, amounting to £220. A further payment was entered in the cash book of the Savings Bank, on the 28th of the same month, of £52 5s. 0d. These two sums are entered to the debit of an account entitled, ‘John Eadie and W. Footner.’ On the 11th February, 1847, a further sum of £150 0s. 0d. is placed to the debit of the same account in the cash book of the Savings Bank. The account will be found in the ledger of the Provident and Savings Bank, page 272. On the first of March, 1847, the same account is charged with cash £55 10s. 0d., and on the 31st of the same month, with a further amount of £200 0s. 0d. Up to this period, although my purchase of the property must have been known to the Directors, I had had no direct communication with them on the subject of these payments which I have mentioned, but they were regularly entered in the books when made. At this time Mr. Footner, my partner in the purchase, had commenced erecting a dwelling house on this property, and it was the intention of Mr. Footner and myself, that a dwelling house should be erected on the property for each of us. As it would involve a considerable sum of money to erect these buildings, it was determined to lay the circumstances before the Directors of the Savings Bank, previous to proceeding any further. I desired Mr. Footner to embody in an explanatory letter to myself the particulars of what had been done, and what we contemplated doing, so that I might make use of it in a communication with the Directors, which I purposed to make. Mr. Footner prepared the following letter which I now produce in evidence and file, and which is marked, Exhibit No. 12. The hand-writing of the said exhibit, and the signature thereto, are those of W. Footner, whom I have repeatedly seen write and sign his name:—

“MY DEAR SIR,—In reference to our various conversations, and particularly that of yesterday, I will content myself with the following plain statement, which I think, when submitted to Mr. Lunn, will satisfy him and those who act with him, that the purchase we made from Mr. Goodenough was far from being a speculation in land, as that term is generally understood, as had I made the purchase

Appendix
(Q. Q.)

15th July.

“wholly on my own account, and without any reference to you at all, and not being about to reside here, it might be considered a land speculation, and not the first that I have had to do with, but as this property was bought conjointly for a specific purpose, namely, that of enabling us to enjoy a fine plot of ground each, sufficient to build two cottages for our families, and of being enabled to dispose of the balance of the property for the same amount as originally agreed to be paid for the whole, namely, at least £5000. The terms of which are as follows:—£1000 on the ratification of title being obtained, and the balance in eight annual instalments with interest, of £500 each. Now as this amount might appear large for 36 acres of land, I will only state what you are already aware of, namely:—That I received, a few days after the purchase, an offer from Mr. T. T. Gibb of £500 as a bonus, provided we could transfer it over to a party desirous of purchasing it, which proves that others were of opinion that the property was cheap, but which offer was declined by us, as we bought it for a specific purpose, which could not be carried out by a sale of the whole property. This property may be viewed as follows:—1st. About 10 acres from the public road, to where the private road crosses over from Savage’s gate, with an extensive barn, stables, &c., would be worth at least £1200. 2nd. The cut stone 3 story house, vineries, out houses, and offices complete in the very best order, together with 3½ acres of land, having about one hundred of the choicest fruit trees, together with ornamental ones, in the highest state of health and progress, while for beauty of situation and the splendid scenery around, is unsurpassed, if not unequalled on this continent, would be cheap at £2000. 3rd. The garden in rear, which comprises nearly 3 acres of land, and cultivated in the highest order, having about three hundred choice trees, bearing well, together with stone root-house &c.—worth £800. 4th. An orchard of 10 acres, the trees being about 10 years old, and just coming into good bearing order. They being choice fruit, pommes-gris and Farncaus, with a few Buraseaus, worth £2000; as land adjoining, inferior in every respect, has been sold for £250 the acre, the McGregor property. The balance comprises about 11 acres of good land on the rise of the Mountain; on which we are desirous of building a cottage for each, which for the present the value might not be spoken of, so the matter will stand as follows:—

“ The 10 Acres,.....	£1200	0	0
“ The House and Ground,....	2000	0	0
“ The Garden,	800	0	0
“ The Orchard,	2000	0	0
	£6000	0	0

“exclusive of the 11 acres of Mountain land, which one land judge valued at £1,000. In order to accomplish this, and to be on the spot to promote the sale, my plan is to build two cottages on the upper lot, called Mountain land, one for myself, and another for you; mine being in progress of erection, having the stone on the spot. I am satisfied the two houses will not exceed £500 each, say £1,000. Now, in order to carry out my views, I would propose to borrow from the Provident and Savings Bank a loan upon the whole property, including the proposed buildings, of £1,000, which is to be paid and will be paid to Mr. Goodenough, on the ratification of title being obtained, and I will find the means of completing the buildings.

“In the deed of sale, the house lot is valued at so much, the garden at so much, the orchard at so much per acre, amounting to the whole purchase money, so that if any part was sold, the purchaser

Appendix
(Q. Q.)

15th July.

" by paying down that portion of the price that may
" be advanced at the time by us, and agreeing to pay
" the proportion of the £500 a year, corresponding
" to the value of the lot, Mr. Goodenough is bound to
" give the purchaser a clear title to the lot, (along
" with us) independently by itself. This agreement was
" made specifically, to enable us to sell any portion
" that might be required by a purchaser, and give the
" party a title, irrespective of the original purchase.

" I would propose Mr. Robert Mackay, Advocate,
" who knows all the circumstances thoroughly, and
" you mention Mr. Ostell, as collateral security for
" the loan. The sum received when any part is sold
" of the property, is to be paid over in liquidation of
" this advance by the Bank, which may be calculated
" on in 18 or 24 months.

" I don't presume to offer any opinion as to whether
" the Bank will agree to this, but I can most unre-
" servedly state that the whole circumstances now
" stated are unequivocally true.

" Yours truly,

(Signed.)

" W. FOOTNER.

" To John Eadie, Esq.,

" P. and S. B.,

" April 22nd, 1847.

" Very shortly after receipt of Exhibit No. 12, I
" shewed it to Mr. President Lunn, and asked whether
" he thought the request therein contained would be
" complied with. Mr. Lunn thought there was
" nothing objectionable in the proposition. Upon
" this understanding, I advanced money on the build-
" ings as they progressed, and charged the items as
" paid to the debit of John Eadie and William Foot-
" ner, in the books. I have particularized yesterday,
" the payments charged to this account up to the
" 31st March, 1847. The payments subsequent to
" the conversation with Mr. Lunn, were made and
" charged to the above account as follows:

" 1847.			
" May 22nd.—Cash.....	£	65	0 0
" " 26th, do.		20	0 0
" " 31st, do.		375	0 0
" June 3rd, do.		35	2 0
" " 8th, do.		17	6 3
" " 23rd, do.		12	10 0
" " 30th, do.		44	10 0
" July 3rd, do.		60	0 0
" " 17th, do.		5	15 0
" " 27th, do.		25	0 0
" Aug. 9th, do.		21	5 0
" Sep. 28th, do.		125	0 0
" Nov. 9th, do.		154	6 3

" The total amount which stood at the debit of
" this account on the 31st December, 1847, was
" £1,699 15s. 3d., including interest to that date. No
" security whatever was given to the Bank for those
" advances. They were openly recorded in the
" books; some of them were made in cash, and
" some in cheques of the Bank, such cheques being
" regularly signed by one of the Directors, and the
" Paying Teller of the Savings Bank, as well as by
" myself. I cannot state distinctly any special au-
" thority for the payment of any of these sums,
" further than I have already done; but they could
" not fail to be known to such of the Directors as
" took an active part in the management of the
" Savings Bank. Nothing was ever said to me on
" the subject of any impropriety in these payments,
" until about the month of March, 1848, when the
" matter was discussed before the Board of Direct-
" ors; and I was then called upon with Mr. Footner,
" to give mortgages for the amount due on this and
" other accounts.

Appendix
(Q. Q.)

15th July.

" In the year 1847, I became, in connection with
" Mr. Footner, interested in other transactions, be-
" sides the purchase from Mr. Goodenough: the
" money required for which I drew from the funds of
" the Savings Bank. A lot of ground and houses
" thereon in St. Mary street, in this city, was ac-
" quired from the representatives of the late David
" Ross. The deeds were in favour of Mr. Footner,
" as an individual, but there was a notarial agree-
" ment betwixt that gentleman and me, providing
" that I should have the half of whatever profit
" might result from the transaction, or sustain one-
" half of the loss, should any loss accrue. I paid
" the whole amount of the price of this property,
" amounting to about £900, at various times in
" 1847. In the spring of 1848, I made several loans
" to Mr. Footner, amounting to upwards of £500,
" which were to be repaid within three months there-
" after, by bills of the Commissariat, which he was
" to receive. These loans were made by me from
" the funds of the Bank.

" It consists of my knowledge that in the end of
" 1847, or the beginning of 1848, Mr. Footner and
" Mr. Stanley Bagg, formerly one of the Directors of
" the Savings Bank, entered into contract with the
" Commissariat, to supply the fire wood for the Gar-
" rison; and the loans which I have just stated I
" made to Mr. Footner, of £500, or upwards, were
" for the purpose of enabling him and Mr. Stanley
" Bagg to complete the said contract with the Com-
" missariat.

" In the year 1846, I purchased the ground in
" Beaver Hall Terrace, and the Mansion House
" thereon. The purchase was made by Mr. Footner,
" from the representatives of the late Thomas Philips,
" and I afterwards bought the same from Mr. Footner.
" At the period when I left the Bank, I had paid £600
" of the price to said representatives; this was
" assumed by me as a loan from the Savings Bank,
" and the money was placed to my debit in the books
" of the Bank. The first payment was on the 4th
" April, 1846, and is thus entered in the cash-book
" of the Savings Bank: 'By John Eadie.—Paid
" 'A. Philips to account of Beaver Hall, £161 7s. 6d.'
" I think the subsequent payments on account of this
" property were not specially described in the cash-
" book. An instalment of the price of Beaver Hall
" became payable on the 4th April, 1848, for which
" the representatives of Thomas Philips held a pro-
" missory note for £200, with interest, originally
" granted by William Footner, and which was en-
" dorsed by me when I purchased the property from
" him. In January, 1848, Mr. Alfred Philips applied
" to me, as Actuary of the Savings Bank, and stated
" that, as he required money for the estate of the
" late Thomas Philips, of which he is the adminis-
" trator, he would be obliged, if I would take the Bill,
" becoming due, as already described, on the 4th
" April ensuing, and advance such sums as he re-
" quired as loans upon that security. I agreed to do
" so, and paid him as follows:—

" 1848.			
" January 8th, Cash,	£	50	0 0
" February 4th, "		50	0 0
" March 17th, "		50	0 0
" April 3rd, "		12	10 0
" " 7th, "		60	2 0

" These payments are entered in the ledger of the
" Savings Bank, page 313, in an account entitled
" 'Philip's Estate.' Subsequent to my leaving the
" Bank, this amount and £4 10s. 3d. of interest is, I
" observe, transferred to my debit; the amount is
" £227 11s. 3d. so transferred. I had no special
" communication with any of the Directors on
" the subject of the sums which I applied, from the

Appendix
(Q. Q.)

15th July.

" funds of the Bank, in payment of the St. Mary's
" property, the Beaver Hall property, or to Footner
" and Bagg. The entries which I have specified as
" being made in the books of the Institution, preclude
" the possibility of such Directors as took an active
" part in the management of the Bank, being igno-
" rant of those payments. But they were ignorant
" of those which I have not recorded. The balance
" in cash, as it stood in the books of the Bank, did
" not tally with the actual balance: I am not aware
" that the balance of cash in the Bank was ever
" chequed from the time the Bank was opened until
" about March, 1848, when an examination did take
" place.

" At the time I left the Bank, my account with
" them was in a state of complete confusion, as will
" appear in the ledger and other books, but I will
" endeavour to make it as intelligible as possible.
" There are three accounts in the Ledger, which all
" refer to my account.—Account No. 1 is in page
" 272 of the ledger, and is headed 'John Eadie and
" 'William Footner, Montreal.' That account is
" debited with the various sums particularised in my
" evidence given before this Commission the 23rd
" instant, amounting to £1699 15 3
" In addition, I had ex-
" pended various sums
" on that and the pro-
" perty in St. Mary
" Street, amounting to £1200 4 9
" of which the proportion
" subsequently transfer-
" red to property in St.
" Mary Street, account
" No. 2, is 1525 12 11
" Add Interest to 30th
" June, 1848, 50 16 7
" Balance of debit of
" account No. 1, 30th
" June, 1848, £4425 3 8

" Account No. 1 refers exclusively to the Good-
" enough property.

" Account No. 2, ledger, page 330, headed 'Wm.
" 'Footner,' stands debited with the sum of £1525
" 12s. 11d. This is the sum transferred from No. 1,
" as already stated, and forms the debit of that ac-
" count on the 30th June, 1848. This account
" refers exclusively to the St. Mary's property, which
" I have already referred to in my evidence before
" this Commission, given on the 23d instant.

" Account No. 3 ledger, page 88, headed 'John
" 'Eadie, Actuary,' stands in the book as follows,
" commencing on the 1st January, 1847:—

1847.		Dr.	
January	1st,	To balance,	£104 2 6
"	9th,	Cash,	39 0 0
May	15th,	do.	25 0 0
"	22nd,	do.	30 0 0
"	31st,	To paid sundry on his ac't,	657 11 10
July	31st,	Cash,	9 15 0
"	31st,	do. April,	195 17 6
"	31st,	To paid him account loan,	370 0 0
Dec'r	31st,	do. do. do.	303 0 0
"	31st,	To Interest,	36 16 3
			<hr/>
			1771 3 1
		Cr.	
March	31st,	By Cash..	£145 0 0
Dec'r	31st,	By Salary,	500 0 0
			<hr/>
			£615 0 0

1848.

January 1st, To balance,..... £1126 3 1

1848.			
January	1st,	To balance, brought up,	£1126 3 1
"	8th,	Cash, ..	37 4 0
Feb'y	28th,	do.	20 0 0
April	1st,	do.	50 0 0
May		£ 19 2 1	
"	31st,	Sundry times, 1167 6 5	
"	31st,	77 15 0	
			<hr/>
		1264 3 6	
July	1st,—	To one month's salary	41 13 4
"		do. Logan, fol. 2771,	24 10 7
"		do. fol. 3070,	129 18 11
"		To deposits Dogherty, 3882,	39 6 8
"		To do. P.C. Thompson, 4298,	26 2 10
"		To do. E. R. Ross, 4564,	56 17 4
"		To do. J. C. Meyer, 6060,	313 3 9
"		To do. 2849,	115 18 1
			<hr/>
			To sundry, viz. :—
To bills	receivable for		
G. Brock's	note, ..	given W. S. M. for collection	30 0 0
Scott's	note,		35 0 0
Keller's	do.		52 17 6
Shakel's	note, ..		99 8 6
Hughes'	do., ..		101 15 0
Gibson's	do., ..		98 14 0
Lavender's	do., ..	109 11 3	
C. S. M. P. Vass,	for Mc-		
Dowal's,	and to note		
given W. S. M.,	.....	42 15 1	
			<hr/>
		570 1 4	
To cash	for part of Austin's note to		
Try,	entered too much,	60 0 0	
To cash,	J. Eadie, for this amount,		
paid by him	at sundry times to W.		
S. McFarlane,	as particularized by		
Mr. Eadie	in statement of Dec.,..	2730 11 5	
To ditto	for this amount, to be ac-		
counted for	by him,	1632 14 6	
To J. Eadie,	F 295,	191 11 8	
To E. Longmore,	.....	110 15 11	
			<hr/>
			£8540 16 11

Cr.

July—By J. Eadie and	Footner	£1200 4 9	
(for the balance of money expended on their joint properties, beyond the amount already a Dr. of this account, as per statement by Mr. Eadie.)			
By W. Cormack,	to this sum, paid him in cash for Note ...	100 0 0	
By E. R. Ross,	for this amount advanced the late D. M. Ross on her account, and for which Mr. Eadie has transferred the obligation granted by her and held by him.....	120 0 0	
By John Maclean,	Montreal, for this amount lent him on mortgage with John Taaffe and Edward Payne, as securities, and interest to 31st December last	115 18 1	
By Corporation Bonds	for Water Works, Bond No. 1.....	100 0 0	4636 2 10
			<hr/>
Balance at debit of Account No. 3.....	July, 1848."	£3904 14 1	

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" Account No. 4, Ledger, 295, headed: 'John Eadie, No. 3,' from which the sum of £191 11s. 8d. was transferred as above mentioned to my debit, in my account, which is particularized in my evidence as Account No. 3, stands in the Ledger 295, as follows:

" 1847. Dr.			
" August 3—To cash, two shares B. of Montreal Stock.....	£116	10	0
" July 12—To paid Montreal Telegraph Company.....	20	0	0
" October 6—To paid instalment to Gas Company.....	24	0	0
" " 18—To paid one share Bank of Montreal Stock.....	56	0	0
" " 20—To paid for 20 shares Montreal Telegraph Stock..	200	0	0
" March 24—To paid for Montreal Telegraph Stock.....	15	0	0
" June 15—To cash paid Telegraph Stock.....	15	0	0
" " " To paid Gas Comp'y. Stock	1	0	0
	<u>£447</u>	<u>10</u>	<u>0</u>
" 1848. Cr.			
" July. 17—By cash, interest on Telegraph Stock	£12	10	0
" Mar. 31—By cash, (4237 10 0) Telegraph Stock, and int. (£518 4)	243	8	4
" July —By J. Eadie, transfd.	191	11	8
		<u>447</u>	<u>10</u> 0

" At the time I left the Bank, I stood debtor to it in the books, according to the statements as I have particularized them, in the following amounts:

" No. 1.....	£4425	3	8
" No. 2.....	1525	12	11
" No. 3.....	3004	14	1
" Total.....	<u>£9855</u>	<u>10</u>	<u>8</u>

" The entries in the ledger to that date I examined, and I think I put my initials to an account, made up by Mr. Blackader, who had for some time assisted in the office. I presume the account that I signed corresponds with the statement as given in the books, and which I have abstracted.

" For account No. 1, which refers exclusively to the Goodenough property, no security of any description was given or asked for the sums lent, until a few days before the annual meeting of the Savings Bank, which took place on the 4th May, 1848. Preparatory to drawing up the Report for that annual meeting, the assets of the Bank were examined by Mr. Lunn. Mr. Lunn proposed to me to have mortgages drawn on the Goodenough property; he was aware that advances had been made by the Savings Bank on that property, to the extent of £4000. I am quite positive that I then stated to Mr. Lunn that I had advanced a large amount of money on account of this property, which I had not charged either to the property or to my own account, or to any other account in the books of the Savings Bank. He was made fully aware that my cash account was wrong to that extent. He asked me how much I supposed the advances would be; I replied that until I had made up the accounts, I could not exactly say. He asked me if about £4000 would cover the advance. I said I thought it would. He desired me to get mortgages on account of myself and Mr. Footner for £2000 each. The mortgages were prepared by Mr. Pelton, and were passed on the 6th of May, I believe, the day on which Mr. Lunn vacated his office as President of the Savings Bank, but a few hours after. These deeds were subsequently cancelled,

Appendix
(Q. Q.)

15th July.

" either in the end of June or the beginning of July; their legality was questioned on the ground, that they had been signed by the President some time after he, Mr. Lunn, had vacated his office. The new deeds were nearly similar in form to the former, and were to the same amount. In the mortgage that I granted for my share, were included my property in Beaver Hall, and that, as I have already mentioned, acquired from the Reverend Mr. Wilkes, in addition to the Goodenough property. The Bank required this additional security. This mortgage by Mr. Footner was granted specially for advances by the Bank on the Goodenough property. My mortgage was intended to cover the general advances by the Bank made to me. The second mortgages were drawn by Mr. Gibb, Notary."

Mr. Footner's statement confirms the above in its leading features, so far as relates to the reception of large sums from the Bank for these joint transactions. He deposes as follows:

" I had pecuniary transactions to a considerable amount with Mr. Eadie, late Actuary of the Montreal Provident and Savings Bank. I believe those transactions commenced in 1846, when I, in conjunction with Mr. Eadie, purchased the Goodenough property on joint account. The whole of the funds for that purchase were found by Mr. Eadie; I believe £5000 was the total amount of the purchase; £1000 was paid down; the rest was to be in annual payments, I think, of £500. About the time of the purchase or a little after, I addressed a letter to Mr. Lunn, then President of the Bank, explaining the nature of the purchase, and requesting a loan. I asked him to go and look at the property, which he did, and he concurred in my statement as to its value. He stated that he would arrange the matter with Mr. Eadie as to the loan, and all the moneys which Mr. Eadie paid on account of the property, I considered that he did so, with the sanction of Mr. Lunn. The money was obtained in good faith by me from the Bank, and I never expected the Bank should lose one penny by the transaction, but that I should be fully able to pay the Bank, when called upon to do so; but I did not expect to be called upon suddenly for the amount. Mr. Eadie and I also made a joint purchase of a property in St. Mary street. The original cost currency was about £700. The purchase was made in my name only, but Mr. Eadie paid the money with the funds of the Bank. I had no knowledge whether the payment of that money had been sanctioned by the Directors or not. The intention was to make an immediate re-sale of it. Some time in March, 1848, I think, Mr. Eadie requested me to give a mortgage on the last property, for £1,500, in order to cover former loans that he had made on our joint account, including the £700 advanced for the purchase of that property, which was all that was advanced on that property. The property was then worth £1,500. I granted a mortgage to the Bank on this property for £1,500. I think a short time after this mortgage of £1,500 on the St. Mary property, I was called upon by Mr. Eadie to grant a mortgage on the Goodenough property for £2000, being on my half of the property. Mr. Eadie had granted a similar mortgage on the same property for a similar amount. The object of the mortgage was to cover the amount of loans for building purposes. There was some informality in this mortgage of mine for £2000, and it was cancelled, and another one granted for a similar amount, in a different form; I think the second mortgage was granted some time in May, 1848.

" Exhibit No. 12, of the Records of this Commission being exhibited to me, I say that it is in my

Appendix
(Q. Q.)

15th July.

"hand-writing It is the letter I have a short time since alluded to as being addressed to Mr. Lunn. I should have said it was addressed to Mr. Eadie, and was written for the purpose of being shewn to Mr. Lunn. Mr. Lunn, I am aware, had possession of this letter; and it was after perusal of it, that he stated that the valuation put on the property in that letter was not an over-estimate."

"I considered it to be on this statement, and the personal inspection of the property by Mr. Lunn, that the loans on the Goodenough property were advanced. I am certain that no mortgage was given on the Goodenough property until 1848, as I have already mentioned.

"I, with Messrs. Bagg, had a wood contract with the Government, either in 1847, or 1848. Mr. Eadie advanced me sums of money on more than one occasion; I could not say the exact amount, but I think about £400 or £500. For these advances I believe he held a note, signed by me, I think, as Bagg and Co. which whole amount was paid back by me to Mr. Eadie, previous to his leaving the Bank. As regards those loans there is not one penny owing to the Montreal Provident and Savings Bank, as the amount was paid back to Mr. Eadie. I was much grieved, when I heard there was a document lodged by Mr. Eadie, laying in the hands of the Bank, in which it was stated that Messrs. Bagg & Co. were debtors to the Bank; as I considered that Mr. Eadie was acting unjustly towards me in that matter,—his object being to make his own liabilities appear less, by presenting such a statement.

"I made a sale to Mr. Eadie some time in 1846, I think, of a property in Beaver Hall. He paid me, I think, about £50, or £60, as a bonus, and I transferred the property to him. The Savings Bank had nothing to do, to the best of my knowledge, with this transaction.

"Ques.—Were you ever informed by any of the Directors of the Bank that Mr. Eadie, in any of his transactions with you, had used the funds of the Bank without obtaining previously the sanction of the President or other of the Directors of the Bank?

"Ans.—I cannot say that I was, further than when I gave the mortgage on the Goodenough property, Mr. Lunn remarked, that he was not aware that our loans were so large."

Now of this £9855 10s. 8d. placed to the debit of Mr. Eadie, as by the foregoing statement, at the time of his removal, it will be observed about £3000 were charged to his accounts, about the time the respective payments were made; there does not therefore appear to have been any thing clandestine about the loans to that amount. It is however very remarkable, and certainly shews a strange apathy in the management, that no members of the Board should have appeared to know any thing about them, and that no sanction, other than that quasi-approbation of Mr. Lunn, already referred to, should have been obtained.

Mr. Director Murray says:

"Ques.—Have you any recollection that, preparatory to the annual meeting of the 4th May, 1848, Mr. Lunn, the then President of the Bank, was instructed to examine the vouchers, &c., of the Savings Bank, and that on the 4th May, 1848, he reported that he had examined the vouchers, &c., and found them to agree with the statement?

"Ans.—I have no particular recollection of the report. I have no further recollection of the matter than what appears in the minute book of the Sav-

Appendix
(Q. Q.)

15th July.

ings Bank, which states that he had examined the vouchers, &c., and found them to agree with the statement.

"Ques.—Have you any recollection of Mr. Lunn having informed the Directors at a preparatory meeting on the 4th May, 1848, that he had ascertained from Mr. Eadie that he had advanced a large amount, say £4000, on the Goodenough property, with the funds of the Bank, and that he (Mr. Lunn) had proposed to take mortgages for such advances?

"Ans.—I have not the slightest recollection of any thing of the kind.

"Ques.—Have you any recollection of two deeds of £2000 each, or thereabouts, mortgaging certain property of Messrs. Eadie and Footner to the Savings Bank, for loans made by Mr. Eadie, having been drawn up and signed by Mr. Lunn, as President of the Bank, on or about the 6th May, 1848?

"Ans.—I recollect mortgages being ordered to be obtained for loans to Eadie and Footner, but I cannot say the precise sum. These mortgages were made, I know, in a hurried manner, and if the time of their being presented for signature was so early as the 6th May, it must be, I consider, that the intelligence of the defalcation was received only a day or two previous. I am convinced that I knew nothing of these loans, as already stated, until after the annual meeting; how soon after I cannot say."

But what a picture of the management of a bank do these transactions, which have been brought before us, in evidence, exhibit,—of a bank, too, of which the Directors are exempted, by an Act of Parliament, from pecuniary liability, in consideration of their strictly conforming to rules and regulations which they should themselves promulgate in conformity with the law! They did frame a code of rules of the most simple and comprehensive character, in which a careful daily supervision of the cash by one of themselves was provided for; a system with checks and balances which almost rendered fraud impossible, and there they stopped; to see that those rules were obeyed and acted on appears to have been deemed no part of their duty. What are the consequences? The Actuary, who, according to rule, should not have in his possession one single sixpence of the funds of the bank, appropriates as much of those funds as he thinks proper to his own purposes for years, without let or hindrance—it is found that these practices existed during 1846, 1847, and part of 1848—until by chance it is discovered, that he is a defaulter to the amount of nearly ten thousand pounds!

How, indeed, these practices of Mr. Eadie could have gone on so long, or been carried to such an extent, without detection, seems surprising. The loans furnished to Messrs. Bryson and Ferriers, in the aggregate, amounted, at their own estimate, to "four or five thousand pounds." Those to Mr. Macfarlane, by his own admission, to "some eight thousand pounds or upwards," and those to Mr. Footner, to "seven thousand pounds." How much was the largest sum outstanding at any one time does not appear, but certain it is, that at least twenty thousand pounds were lent out by the Actuary to these three parties, without any entry being made of the loans in the general books of the bank; and unknown to, and unauthorized by the Directors.

It has not been without difficulty that we have traced the history of these defalcations and misappropriations of funds. Mr. President Redpath mentions the discovery of a book kept by Mr. Sharrocks, the Paying Teller, which threw some light on the defalcations. He says:—

"I think it was also subsequent to my being a

Appendix
(Q. Q.)

15th July

" trustee that I ascertained the fact of a book independent of the general books of the bank, having been kept, detailing Mr. Eadie's private transactions. The book to which I refer was in the possession of Mr. Sharrocks the last time I saw it. I don't know what has since become of it. I spoke to Mr. Court, the present Actuary, a short time since about it, and he stated that he had never seen it. The book was a kind of pass book between Mr. Eadie and Mr. Sharrocks, which Mr. Sharrocks said he had been ordered to keep by Mr. Eadie; at least such is my impression."

The book was laid before us. It contains memoranda of the particulars of the daily balances of cash on the hands of the Paying Teller; being a memorandum, *in extenso*, of the daily minutes of cash on hand in the general books of the bank. There needed no revelation of such a memorandum book, to prove what the general bank accounts shewed, that Mr. Sharrocks had daily large balances on hand, contrary to the regulations of the bank. Those balances constituted the loans to Mr. Eadie, which formed a portion of the latter's defalcation. It appears by that memorandum, that Mr. Eadie was almost constantly a debtor to the Paying Teller from 1846 to May, 1848, in sums varying from two or three thousand pounds to about fifteen hundred pounds.

We have traced these defalcations of the Actuary to their true cause, the utter want of those precautions which the rules of the bank prescribed to the Directors, in order to ensure the faithful application of the moneys deposited. But it is not only in the books kept by the Receiving and Paying Tellers, that the irregularities which covered the fraud existed. They were equally apparent in the general books of the bank, kept by the Actuary himself. At the end of each year a balance sheet, with a statement of the accounts in the deposit ledger was made up, but no means appear to have been adopted to test its accuracy, except that, on one occasion, in January, 1843, a partial examination was made by Mr. Peter Redpath, which is thus reported in the minute book of the board of Directors:—

" Mr. Peter Redpath was then brought in by the Actuary, and reports that he had examined about 280 of the pass books, being all that had been presented, and had also gone over the posting of the deposit ledger, and had found no error of any consequence."

In no subsequent year was any similar precaution taken. Mr. President Lunn describes thus the annual audit:—

" A Standing Finance Committee was appointed, of which I was one, and the accounts were examined at the termination of each year, prior to the annual meeting, when the general statement of the affairs of the Bank was exhibited and published. I believe, but I cannot state on my personal knowledge, that the cash was verified on each of these occasions, except that at the end of 1847, when I had not time to examine the cash, but examined the securities, such as I before specified. I cannot say whether on the 31st December, 1847, there was or was not a deficiency in the cash, but I had no reason to suspect nor did I suspect that there was any. I cannot undertake to state from recollection whether the cash was verified on the 31st December, 1846, but the general statements were regularly examined."

According to Mr. Eadie, there is no material discrepancy in the annual accounts of the Bank, as laid by him before the Directors, up to the termination of 1846. The minute book of the Board of Directors records the following proceedings at the meeting held

on 17th April, 1847, preparatory to the general meeting:—

" The Actuary laid before the meeting the accounts of the transactions and proceedings of the Bank, for the year ending the 31st December, 1846, which were examined and ordered to be made out, so as to be laid before the general meeting on Monday, and the Actuary was desired to have the Report ready for revisal on Monday morning."

Mr. Eadie says:—

" At this meeting the securities held by the Savings Bank were examined by Mr. Lunn, and Mr. Redpath also, I think, examined them. A balance sheet was, as usual, drawn up of the general books of the Bank, and a statement of the balances in the deposit ledgers. I believe the cash on hand agreed with the balance in the cash book. There was no deficiency at all events of any moment, probably not over one hundred pounds. The balances in the deposit ledger corresponded with the amount placed to that account in the general statement. There might be a difference of £20 or £30, but to the best of my recollection, not of more."

It is quite obvious that the sort of examination made was not of a nature to prevent or detect fraud; and we have had occasion to shew that prior even to that time, Mr. Eadie had made use of the funds of the Bank to a considerable extent.

In 1847, however, every thing like a check in the management appears to have altogether ceased; and the books, as they now stand, shew such a system of falsification and irregularity, as, we believe, the books of no similar Institution ever before exhibited.

Mr. F. F. Blackader, Accountant, who was employed in June, 1848, to bring up the books of the Bank, thus describes the arrears at that time:—

" I was employed in the Montreal Provident and Savings Bank, in the capacity of Accountant, from about the beginning of June, 1848, to about the end of July, of the same year. I was employed in posting up the books of the Bank, principally during that time. The general books of the Bank, at the commencement of my engagement, were in arrear. Not a single entry had been made in them for the year 1848. The entries for the year 1847, in the ledger and journals had not been completed. The interest for the year ending 31st December, 1847, had not been fully journalized. The calculations were made up on a rough slip; part of that slip was copied in the journal, in the hand-writing of Mr. Eadie, and I copied the remainder into the journal. So far as Mr. Eadie had copied in the journal the slip with the interest, the entries were posted in the ledger; but for the portion that I copied from the slip, no entries had of course been made in the ledger until I made them. The ledger did not appear to have been balanced on the 31st December, 1847; in fact, it could not up to the time I was employed, in June, 1848, as already mentioned, since I made a number of entries in the journal after that time, which entries so made by me purported to bear date December, 1847."

" I entered up the cash book and the journal from the 1st January, 1848. The balance brought forward in the cash book on the 1st January, 1848, had not been brought forward in ink, when I so entered up the cash book in June. My guide in entering up the cash book was a blotter cash book, in the hand-writing of Mr. Eadie, in which memorandums were taken of the receipts and payments during each month, that is the receipts up to the 19th June, and the payments up to 30th April, 1848. The entries subsequent to that time in the

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" blotter, are in my hand-writing. No balances of cash appear to have been attempted in that blotter. All the entries that I made in the journal in the year 1848, must have been taken from Mr. Eadie's, or from the Teller's books. Several entries in the journal for that year, were made by Mr. Eadie himself. They were made subsequently to entries made by myself in the journal, and must consequently have been made either in June, or early in July."

Mr. James Cox, Receiving Teller, also thus describes the condition in which the books were at the time of Mr. Blackader's appointment:—

" The Actuary, Mr. Eadie, kept the general books of the Institution, namely, the Minute Book, Cash Book, Journal and Ledger. He had rough books in which he jotted down the daily transactions, and from those and other documents in his possession, I believe he regularly entered up those books. I am aware that the accounts for the year 1847 were not all regularly entered up until a short time prior to the annual meeting of 1848. Mr. Eadie was very busily engaged, some time prior to the annual meeting in May, 1848, in bringing up the books to the 31st December previously.

" Ques.—Please refer to the journal now before you, and say whether any of the entries therein, dated in 1847, had been made in that book at the time of the general meeting in May, 1848?

" Ans.—The entries are made up to the 31st December, 1847 in the journal, with the exception of the debiting of the respective parties for interest due to the Bank, which is partly in the hand writing of Mr. Eadie, and the rest in the hand writing of Mr. Blackader, who was employed by the Bank in the month of July, 1848, to bring up the books. These latter entries were taken from rough books kept by Mr. Eadie, and must have been made prior to the meeting of the 4th May 1848, but I cannot say precisely how long before.

" Ques.—Were all the entries that appear in the journal, dated subsequent to the 31st December, 1847, made after the employment of Mr. Blackader, which, you say, took place in July, 1848?

" Ans.—They were; they are principally in the hand writing of Mr. Blackader, I mean the entries between the 31st December, 1847, and the 30th June, 1848. A few of the entries interspersed are either in Mr. Eadie's hand writing or in mine, but the entries subsequent to 31st December 1847, in the journal were all made there after the suspension of the Savings Bank.

" Ques.—Please refer to the cash book, and say how it was kept up to 31st December, 1847?

" Ans.—The entries to that time are in the hand writing of Mr. Eadie: the additions from the 1st January, 1847 to 30th June, 1847, are made and carried forward in black lead, the figures being Mr. Eadie's. Subsequent to the 30th June, 1847 and up to 31st December, 1847, they are made up in ink by myself and in my hand writing. These additions, that is, those of the cash book from 1st July, 1847 to the 31st December, 1847, were all made up by me subsequent to the suspension of the Savings Bank. The entries in the cash book from 1st January to 30th June, 1848 are all in the hand writing of Mr. Blackader, with the exception of three by Mr. Sharrocks. None of these entries in the cash book, subsequent to 1st January, 1848, was made until after the suspension of the Savings Bank."

Mr. Freeland, who was appointed Actuary on the 25th July, 1848, after the suspension of the Savings Bank, gives the following additional evidence:—

" Ques.—What arrear existed at the time of your assumption of office in the Savings Bank, in the summation of the cash book?

" Ans.—The cash had not been finally summed up and verified, subsequent to January, 1847, but the figures of a summation were in the cash book in pencil, brought up to the close of June, 1848.

" Ques.—Can you say whether the apparent balance of cash as it now stands in the books before you in each month during the year 1847 and up to July, 1848, was made up prior to your assumption of office in the Savings Bank, or whether it has since in any way been altered?

" Ans.—Shortly after Mr. Cox commenced keeping the general accounts, I requested him to verify the summation of cash, and he did so, making corrections where required, writing up the summation in ink and bringing forward the corrected balance from month to month. On reference to the cash book, I perceive that the close of cash book, No. 1, bringing the accounts from 1st January to 30th June 1847, though summed up in pencil, are not written in ink; at this distance of time, I cannot account for the omission, but presume it to have arisen from the circumstance that the pencil figures bear evidence of correction, and that I requested Mr. Cox to begin where such evidence of correction ceased."

Mr. Eadie thus describes the manner in which he kept the books of the Bank, and their position at the time the statement purporting to exhibit the affairs of the Bank at the close of 1847, was made out:—

" In the statement laid by me before the managing Directors, (on 4th May, 1848), the whole of the bonds, debentures, and other securities held by the Bank, were particularized as usual, in statements made for the annual meeting. A balance sheet was drawn out as usual, of the accounts in the general ledger, and a balance sheet of the deposit ledger was also made in the usual form. I cannot say that either the general ledger or the deposit ledger was exactly balanced on that occasion. The books of the Bank were then in confusion, and the pressure on the Bank had begun. The statement was made up to the 31st December, 1847, and purported to contain a record of the proceedings of the Bank during the whole year 1847. This statement was laid before the annual general meeting, which was also held on the 4th May, 1848.

" Ques.—Since the books had not been balanced to the 31st December, 1847, on what data did you proceed in making up the statement of the debts and assets of the Bank, which was laid before the general meeting alluded to?

" Ans.—The amount of the deposits was taken from the deposit ledger, with the interest from the balance sheet of the deposit ledger, and the amount withdrawn during the year, was taken from the general ledger, which had been examined as accurately as possible, and the balance formed the amount due to the depositors. The surplus on the interest account was correctly extracted from the deposit ledgers. The amount, viz.: £6,388 10s. 8d. will be found at the credit of Guarantee Fund, page 19 of the general ledger. These items formed the whole amount of the debt of the Bank. The accounts at the credit of the Bank should in like manner agree with the books. In the statement

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" which I furnished to the Directors, and of which the statement laid before the meeting of the 4th May, 1848, was a condensed abstract, contained the full particulars of the various bonds, debentures, and Bank and other Stocks, held by the Bank as assets. The statement laid before the general meeting, I have no doubt contained a true account of all the bonds, debentures, bank and other stocks, held by the Savings Bank on the 31st December, 1847. The amount of loans to Churches &c., &c., specified in the said statement, laid before the general meeting, I have no doubt was correct, and was a true condensed statement, extracted from the full statement made by me of those loans. The loans on personal security, which are put on the above statement, laid before the above named general meeting, at £70,950 9s. 9d., were not correctly stated; the sum stated was an approximation to what was believed to be the amount of such loans. The cash stated to be on hand, amounting to £6,555 18s. 3d., was not correctly stated. The cash account had not been balanced at that period.

" Ques.—Please refer to the ledger under the head of 'deposits,' and say whether the sum stated to have been withdrawn during the year 1847, was correctly given in the statement laid by the Directors before the general meeting on the 4th May, 1848?

" Ans.—There appears to be an error of £800 in the statement laid before the general meeting.

" Ques.—Please turn to the cash book and the ledger of the Savings Bank, folio 30, under the head of 'Bank of British North America,' and say what are the balances that appear respectively at the debit of those two accounts on the 31st December, 1847?

" Ans.—The balance at the debit of cash appears on that date to have been.....£2,653 1 11
and at the debit of Bank of B. N. A. 5,528 1 11

£8,181 3 10

" Ques.—Should not the balance of those two accounts collectively, correspond with the balance stated to be in cash among the assets of the Bank, in the general account furnished to the annual meeting?

" Ans.—Yes.

" Ques.—Was the cash on hand, in your possession at the time, counted over and verified by any of the Directors?

" Ans.—No, it was not.

" Ques.—Had you £2,653 1s. 11d. Cash on hand on the 31st December, 1847?

" Ans.—I believe not.

" Ques. Had you any considerable sum on hand on the 31st December, 1847?

" Ans.—I did not keep the cash individually: the balance of cash in the cash book ought to correspond with the balance in the Paying Teller's hands. I find that the balance in the Paying Teller's hands on the 31st December, 1847, was £895 2s. The difference between that sum and the balance of cash, as it appears in the cash book, which difference amounts to £1857 19s. 11d., must have arisen from my transactions with W. S. Macfarlane and others. I did not myself balance the cash book: it appears to have been done by Mr. Cox, after I left the Bank.

" Ques.—Were the Directors or any of them

" aware, to your knowledge, that the statement, laid before the annual meeting, on the 4th May, 1847, was not accurately made up?

" Ans.—They were aware of discrepancies in the cash of the Bank existing prior to that time, and of course they must be aware that the accounts were not exactly correct. Mr. Lunn, Mr. Ferrier, Mr. Redpath, and Mr. Murray, could not but be aware, before the 4th May, 1848, that there were deficiencies in the cash for the year 1847.

" Ques.—Was the Report read at the meeting signed, and if so, by whom?

" Ans.—It was signed by me, and purported to be by order of the Board."

On a subsequent examination of Mr. Eadie, he gave the following additional testimony:

" Ques.—In your evidence before this Commission given yesterday, when referring to the discrepancy between the balance of cash, as it appears in the books of the Savings Bank, and in the statement exhibited at the general meeting, on the 4th of May, 1848, you say that you did not yourself balance the cash book, but that it appears to have been done by Mr. Cox, the Receiving Teller,—can you state whether the cash book had been balanced up to the 31st December, 1847, at the time the annual statement was exhibited, say on the 4th May, 1848?

" Ans.—To the best of my recollection, it had not.

" Ques.—To what period of time did you yourself balance the cash book, and regularly carry forward the balance on hand?

" Ans.—The balance was correct, to the best of my knowledge and belief, on 31st December, 1846, and I then carried forward that balance in ink, as appears by the cash book. I believe I never balanced the cash afterwards.

" Ques.—Please refer to the cash books now before you, and say whether they have ever been balanced since by you?

" Ans.—They never have been. The additions are marked in black lead and carried forward. A balance is also stated at the end of each month in black lead, and such balance is such as would appear from a comparison of the debtor and creditor sides of the cash book.

" Ques.—In the annual statement exhibited at the general meeting of 4th May, 1848, do not the debtor and creditor sides exactly correspond in amount to a penny?

" Ans.—They do.

" Ques.—In the then position of the books of the Savings Bank, was it possible to extract a statement from them, which should be so correct a statement exactly to balance?

" Ans.—Such a statement could not have been made.

" Ques.—Is it to be understood from your observation that the exact balance, which the statement exhibited at the meeting of 4th May, 1848, shews, could only have been arrived at by either guessing at, or knowingly mis-stating some or all of the particular items, of which the statement is composed?

" Ans.—I have already said in my examination yesterday before this Commission, that the statement was an approximation to the real balance, by which I mean that we made it as near to what we conceived to be the truth, as we could under existing circumstances."

Appendix
(Q. Q.)

15th July

Appendix
(Q. Q.)

15th July.

It is thus beyond a doubt, that the annual statement, deliberately prepared for the annual meeting of the Savings Bank, held on the 4th May, 1848, was an inaccurate exhibition of the condition of the Bank at the time. By reference to the statement, a copy of which will be found in the Appendix, [App. C.] it will be seen that for it to have been true, the books must have been carefully brought up, since the precise amount of every item is stated, and the various sums at the debit of the Institution correspond to a penny with the sums at its credit. Now, since we know that the entries had not been posted in the ledger for the previous year; that those in the cash book were incomplete; and that cash had not even been balanced; it is obvious no such statement could have been truly made.

That the Directors of the Bank were aware of the books being in arrear, and of the consequent inaccuracy of the statement which they laid before the general meeting, is also evident. The minute books of the Savings Bank shew that for some time the Directors had been occupied in examining the accounts, vouchers, and documents: how then they could suffer such an untrue statement of the condition of the Bank, as that given out, to be published, passes comprehension.

In the Report it is stated:—"The managing Directors beg leave to submit the usual statement of the progress of the Bank, and of the funds thereof, which, they trust, will be found full in the details, and satisfactory in the exhibition which it gives of the affairs of the Bank."

This is not the only instance of inaccuracy, in the annual statements, that we shall have to bring under Your Excellency's notice, in the course of our Report; and we forbear, for the present, further comments on it.

The general state of the books of the Bank was subjected to a careful inspection, and we detected numerous errors. Entries, made in the journals and cash books were never posted in the ledger, or were posted inaccurately. It was perfectly evident that the books of the Bank, except for the first two or three years of its management, could never have been balanced. We cannot see how these palpable errors could have escaped detection for so many years; they certainly could not, under the eyes of ordinary vigilance. We subjoin the following extract from Mr. Eadie's evidence respecting one or two of these errors:

"Ques.—Please turn to the cash book of the Savings Bank for the month of May, 1845, and say what is the sum at the debit of 'charges' in the cash book for that month?"

"Ans.—It appears to be £48 17s. 8d.

"Ques.—Please turn to the ledger, page 62, headed 'Expenses of management,' and say, what sum is there entered at the debit of the account for the month of May, 1845?"

"Ans.—There appears to be £45 0s. 6d.

"Ques.—Should not the sum at the debit of 'Expenses of management' in the ledger, exactly correspond with the sum at the debit 'charges' in the cash book?"

"Ans.—It ought.

"Ques.—Can you state how the discrepancy arises?"

"Ans.—I cannot.

"Ques.—Please turn again to cash book, May, 1845, and state what sum is there, on the 9th May, placed to the debit of bills receivable?"

"Ans.—£85.

"Ques.—Please turn to ledger, page 73, headed 'Bills receivable,' and say what sum is placed there to the debit of 'Bills receivable,' on the 9th May, 1845?"

"Ans.—£25.

"Ques.—Should not these sums in the cash book and in the ledger have corresponded?"

"Ans.—They should.

"Ques.—How does the discrepancy arise?"

"Ans.—I cannot say.

"Ques.—When was the discrepancy discovered?"

"Ans.—Shortly before I left the Bank, I believe in the month of June, 1848. It is charged to my debit in June, 1848, in the journal, in these terms: "John Eadie debtor to cash for part of Austin's note to Try, entered too much, £60."

"Ques.—Does the above entry in any way rectify the original error in cash?"

"Ans.—It seems not, to me.

"Ques.—Is your account in the ledger debited with that £60?"

"Ans.—It is.

"Ques.—Is cash credited with the error of £60?"

"Ans.—It does not appear to be so.

"Ques.—Did you originally pay £25 or £85?"

"Ans.—I believe the bill was originally £25.

"Ques.—Must not your cash have been £60 wrong in May, 1845, and ever since?"

"Ans.—It seems so.

"Ques.—Must not your balance sheet for 1845 have been also erroneous?"

"Ans.—I cannot at present recollect how it stood. I do not remember the error.

"Ques.—Please turn to cash-book, September, 1845, to the following entry: 'September 15, Cash creditor by bills receivable, paid per Mr. Eadie for 2 bills due 31st December, with interest £200,' and say whether that sum appears charged to any account in the ledger?"

"Ans.—It does not appear to be charged to any account in the ledger, but is balanced by the following entry in the cash-book of the 31st December, 1845: "Cash Dr. to bills receivable, re-payment of this amount advanced 15th September, and interest £3 9s. 6d.—£200.' This entry also is not in the ledger.

"Ques.—Can you say what bills are referred to in the above entries?"

"Ans.—I am not quite certain; my impression is they were W. S. Macfarlane's.

"Ques.—Can you say whether those entries were observed by any of the Directors?"

"Ans.—I cannot say; I am not aware that they were.

"Ques.—In your evidence given before us on the 9th November last, you referred to a sum paid on 31st July, 1847, for Lyman's note, £600, which sum was balanced on the 28th October following, by a similar sum paid into cash, neither of which entries is posted into the ledger; to whom did you lend this £600?"

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)
15th July.

" Ans.—It was to Mr. J. J. Gibb, Notary.

" Ques.—By whose authority did you make this loan to Mr. Gibb ?

" Ans.—I cannot say whether I had any authority or not.

" Ques.—Why was not the loan regularly noted into the ledger ?

" Ans.—I cannot assign any reason.

" Ques.—From whom was the money received in repayment for this loan ?

" Ans.—From W. S. Macfarlane, to whom I had given the note for his accommodation.

" Ques.—Did Mr. Macfarlane pay you the amount in cash ?

" Ans.—I believe so.

" Ques.—When were the entries made in the cash book, in relation to this loan, both on the debtor and creditor sides ?

" Ans.—I cannot answer that question accurately ; it must have been a considerable time subsequent to the dates they bear.

" Ques.—Were those entries made prior to the 31st December, 1847 ?

" Ans.—I cannot say, they might be in the month of December, or even later.

" Ques.—Were those entries made previous to the time at which you communicated to Messrs. Ferrier and Murray, the fact of your having made large loans at different times to Mr. W. S. Macfarlane ?

" Ans.—Yes.

" Ques.—Please turn to cash book, December, 1847, to the following entry: 'December 17, 'cash Dr. to James Ferrier, jun., re-payment of 'sundry sums lent B. & F., £350,' and say what account is credited with that sum in the ledger, or whether any entry is made in the ledger of that sum ?

" Ans.—There is no entry made of it, I believe, in the ledger.

" Ques.—Is there any account open in the ledger for James Ferrier, jun. ?

" Ans.—No.

" Ques.—Is he a creditor on the Bank for £350, the amount of the above entry ?

" Ans.—No. The Bank never owed him anything.

" Ques.—Was the payment of £350 made on the 17th December, 1847, the date on which he appears by the cash book to have paid the money ?

" Ans.—I cannot speak from recollection, but suppose it was.

" Ques.—Did James Ferrier, jun., owe the Bank £350, at the time he paid that money ?

" Ans.—He must have owed it, and more than that, I should think.

" Ques.—Was that sum at the debit of any account in the ledger ?

" Ans.—I believe not.

" Ques.—Can you say when that entry in the cash book was made by you ?

" Ans.—Not accurately.

" Ques.—Can you say whether the entry was made by you prior to the 4th May, 1848 ?

" Ans.—It was.

" Ques.—Was it made prior or subsequent to your informing Mr. Ferrier of your having made loans to Messrs. Bryson and Ferriers ?

" Ans.—It was made subsequent to my informing Mr. Ferrier."

The conclusion seems inevitable, that the loss sustained through Mr. Eadie is solely attributable to the Directors' neglect to perform the duties imposed on them by law ; and that, for the consequences of that neglect, they ought to be responsible.

The manner in which the funds of the Savings Bank were invested, being a very important portion of our inquiry, was scrutinized with considerable care. The Savings Bank Act contains the following provision on this head :—

" IX. And be it enacted, That it shall be lawful for the Trustees to invest any moneys not exceeding three quarters of the whole sum deposited in such Institution, at any one time, which shall come into their hands by virtue of this Act, in any Debentures issued under the authority of any Act of the Provincial Parliament of either of the late Provinces of Upper or Lower Canada, or of this Province, or in any Bank chartered by any Act of the Legislature of either of the late Provinces of Upper or Lower Canada, or other public security in this Province, therein to avail for the purposes of this Act ; but it shall not be lawful for the said Trustees to invest any such moneys upon personal security, such sum or sums of money only excepted as shall from time to time remain in the hands of the Treasurer or Treasurers, to meet the necessary expenses and exigencies of the Institution, which may be vested in such personal securities."

The thirteenth Rule of the Savings Bank By-laws, deposited with the Clerk of the Peace, runs thus :—

" XIII. The funds shall be invested in conformity with the provisions of the Act of the Legislature, intituled, 'An Act to encourage the establishment of, and to regulate, Savings Banks in this Province.'"

The section of the Act above quoted, although rather ambiguously worded, appears to us susceptible only of the following interpretation: The Trustees are enjoined to invest the moneys in their hands, not exceeding three-fourths of the total amount of deposits in the Bank, either in Debentures, issued under the authority of Provincial Acts of Parliament, or in chartered Banks, or in other public securities in this Province: the remaining one-fourth of the deposits they are permitted to invest upon personal security. The 13th section of the Act, however, which provides for a return being made, within the first fifteen days of each Session of the Legislature, of various particulars relating to the Bank, enacts that this return shall give "the amount invested in Bank Stock, specifying the names of such Banks;" and this clause may perhaps be construed as permissive to invest any portion of the deposits in Bank Stock. Upon this latter point we offer no opinion.

The Directors of the Bank appear to have construed the law as authorizing the investment of their funds in Bank Stocks; since, at a very early date, they purchased shares of different Banking Institutions, and at all times had a large portion of their assets so invested. They also, during the first year and a-half, discounted a considerable amount of

Appendix
(Q. Q.)
15th July.

Appendix
(Q. Q.)
15th July.

promissory notes, without receiving any other than the personal security of the parties to those notes; but in their annual statement of 1842, they classed those discounts under the head "sundry loans upon mortgage and personal security." [App. C.] The amount, however, at the date of the return, was only £4783 7s. 3d.

The danger of this mode of investment, however, early became apparent to the Directors; and at the annual meeting of 4th February, 1843, we find in the minute book the following Resolution was passed:

"Moved by John Dougall, Esq., seconded by J. Ferrier, Esq., that the Montreal Provident and Savings Bank discount no bills or promissory notes, without ample security in the shape of stocks or mortgage being deposited with the Bank.

"Passed unanimously."

Mr. President Lunn remarks on the subject of discounts as follows:—

"I have no knowledge of the Bank having at any time discounted any paper without receiving, or intending to receive within a short time, further security on real estate or other securities, such as public stocks, from the parties to whom such discounts were made. If any such discounts had been made at any meeting of the Board, at which I was present, I should not have forgotten it; the rule was rigidly observed not to discount on personal security only. I have no knowledge of any Director having at any time discounted, with the funds of the Bank, paper submitted to him at times when the Board was not assembled; I speak to the best of my recollection. I have no knowledge that any of the Directors of the Board, at any time, used any portion of the funds of the Bank for their own accommodation, or that any one of them at any time had the use of any of the funds of the Bank, without previously lodging ample security either in stocks or real estate."

Mr. Director Murray's evidence:—

"I do not recollect the Directors authorising any investments on personal security, unless in one or two cases, until such time as other securities could be completed. I remember a temporary loan to

Appendix
(Q. Q.)
15th July.

"the trustees of the Canadian mission, the particulars of which are described in the minutes of the Finance Committee's proceedings, as recorded in the minute book, under date 19th June, 1846. But any system of discounting notes, in the usual Banking manner, was not done by or with the knowledge of the Directors. I would state that there might have been on one or two occasions a temporary advance to a tradesman, for a few days, to oblige him. Mr. David Brown, a builder, is one of them, by a *bon*, either by me or to me for fifty or a hundred pounds, for about a week; there were other notes, but of course, in addition to those notes, other security was taken; this has been the case in every instance that I recollect.

"*Ques.*—Do you state positively that no notes have been discounted by the Bank, to your knowledge, with your sanction as a Director, without additional security to the notes themselves having been taken?

"*Ans.*—It was the intention of the Directors that no notes were taken without additional security being contemplated or intended to be completed; and I do not recollect of any other instances than those I have already enumerated as exceptions to this practice, being sanctioned by the Directors. I recollect some cases having been discovered, but they were done, to the best of my knowledge, by the Actuary himself, without the sanction of the Directors. I never had any paper of my own discounted by the Bank. I recollect a loan of about a hundred pounds to the Rev. Mr. Esson, for which all the Committee of the Gabriel Church signed a note, and the Church was to be mortgaged; the sum has been since paid."

Mr. Eadie says:—

"The Savings Bank has never, whilst I was connected with it, discounted largely as a part of its regular business, but discounts have been granted occasionally."

He then proceeds to detail from the books before him, whilst giving evidence, the particulars of a large number of discounts; from the particulars of which, we have compiled the following Table:—

Discounts on Personal Security only, by Montreal Provident and Savings Bank.

Date of Discount.	Promissor.	Payee.	By whom authorized.	When due.	Amount.		
					£.	s.	d.
1843.				1843.			
May 1.	Watson, Black and Co.,	Montreal F. Ins. Company		June 14.	150	0	0
" 10.	Murray, Sanderson and Co.	Do.		Aug. 13.	56	8	9
" 26.	Montreal Insurance Company	Mathewson and Sinclair...		July 29.	303	12	6
July 25.	A. Ferrie,	Montreal F. Ins. Company			100	12	6
Sep. 30.	G. D. Watson,	Do.	Murray		150	0	0
Oct. 18.	Ferguson,	Do.			50	0	0
Dec. 5.	MacIntosh,	Do.			a 150	0	0
1844.							
Feb. 10.	Mathewson <i>et al</i> :	W. Freeland			200	0	0
May 1.	Benn <i>et al</i> :	Savings Bank	Mathewson and Lunn	1845.			
" 7.	William Murray,	Do.		Aug. 4.	32	15	0
" 9.	King,	(Security of plate	lodged with Murray)		500	0	0
" 19.	G. Brook <i>et al</i> :			1844.	40	0	0
June 17.	Mathewson <i>et al</i> :	Wm. Freeland		Oct. 22.	30	0	0
" 27.	Dr. G. Campbell,		B. Directors		a 200	0	0
July 2.	Dr. Black,	Peadle			a 1000	0	0
Aug. 9.	W. Miller,	Watson			40	0	0
Oct. 8.	W. B. Smith,	W. Murray	Murray	12 Mos.	300	0	0
" 10.	A. Ferrie <i>et al</i> :	H. Esson	Do.	3 do.	a 100	0	0
1845.							
Jan. 9.	R. Coote,	R Coote	Ferrier and Lunn		75	0	0
			Amount carried forward	...	£3578	8	9

Appendix
(Q. Q.)
15th July.

Appendix
(Q. Q.)
15th July.

Date of discount.	Promissor.	Payee.	By whom authorized.	When due.	Amount.		
					£	s.	d.
			Amount brought forward		3578	8	9
1845.							
Jan. 13.	Goodwin,		Ferrier	1845.	a 100	0	0
" 17.	Hon. G. Pyke,	Tubby, junior	Do.	Nov. 29.	a 120	0	0
Mar. 18.	Roghuck,	Montreal F. Ass. Company	Murray		55	0	0
April 28	Cameron,	W. Murray	Do.		50	0	0
May 9.	John Try,		Do.	Aug. 4.	a 25	0	0
July 29.	Cameron,	W. Murray			50	0	0
Sept. 1.	Hutchinson and Co.			Dec. 4.	58	11	1
" 9.	O'Meara	Doherty		Nov. 14.	26	15	0
" 12.	Hon. J. Smith,	Note (Montreal F. Ass.	Stock pledged.)		a 200	0	0
Nov. 15.	P. Mc'Nee,	Co. Lunn	Lunn		a 480	0	0
" 19.	Hon. J. Smith,	(Mining Stock	pledged.)		a 1000	0	0
" 28.	P. Mc'Nee,	Lunn	Lunn		a 70	0	0
" "	Do.	Do.	Do.		a 100	0	0
1846.							
Jan. 2.	David Brown,				50	0	0
Feb. 18.	Do.			1847.	82	0	0
Mar. 31.	J. Clark,	McNamee and Hughes ..	Mathewson	Mar. 23.			
April 13.	Murray,	McDonald		May 18.	28	4	0
" 25.	David Brown,				50	0	0
May 23.	Do.				21	0	0
" 26.	J. Scott,	Smith	None	2 Mos.	30	0	0
" 30.	A. Laberge,		Murray	Sept 1.	a 145	0	0
June 6.	W. Murray,	Brown			a 100	0	0
July 4.	Bryson and Ferriers	W. Murray	Murray		650	0	0
" 15.	D. Handysides,	J. Try	Do.	Oct. 17.	123	1	0
Aug. 1.	Bennett,	W. Murray	Do.	Nov. 4.	200	0	0
" 4.	David Brown,				50	0	0
" 8.	Mathewson and Sinclair,		Mathewson	Oct. 5.	160	0	0
" "				1847.			
" "	J. H. Scott,	Dr. Smith		April 15.	23	0	0
" 20.	Bryson and Ferriers,	W. Murray	Murray		300	0	0
" 25.	Do.	Do.	Do.		400	0	0
Sept. 28.	David Brown,				45	0	0
Oct. 24	Do.				40	0	0
Nov. 21.	Do.				40	0	0
" 22.	Do.				30	0	0
Dec.	Solomon,	Hayes	Murray		100	0	0
" 3.	David Brown,				60	0	0
" 7.	Do.				55	0	0
1847.							
Jan. 2.	Mathewson and Sinclair,		Mathewson		200	0	0
" 3.	J. Mathewson,		Do.		a 500	0	0
" 4.	Sabine,	J. Watson	None		49	7	0
" 29.	E. Thomson,			6 Mos.	a 100	0	0
" 30.	Pope,	Urquhart			500	0	0
Feb. 23.	Hilton,	Brown			70	0	0
" 27.	Hutchinson and Monier,	Do.			45	0	0
Mar. 6.	Mathewson and Sinclair,		Mathewson		300	0	0
April 7.	Lloyd,	W. Gunn	None	12 Mos.	a 60	0	0
" 10.	Mathewson and Sinclair,		Mathewson		400	0	0
" 15.	Maxwell,			July 8.	50	0	0
" 30.	Pope,	Urquhart	Ferrier and Murray		a 250	0	0
May 8.	J. and A. Gunn,			demand	a 50	0	0
" 19.	G. Moffat <i>et al</i> :	W. Adamson	Directors	12 Mos.	a 150	0	0
" 21.	Keller,		None	Aug. 23.	a 52	17	6
" 26.	Sharpes,	R. Howard and Co.	Ferrier and Lunn	Sept. 25.	373	12	8
" 31.	Mathewson and Sinclair,		Mathewson		120	0	0
June 17.	Smith,	R. Howard and Co.	Ferrier and Lunn		253	0	0
" 23.	Do.	Do.	Do.		136	13	0
" 25.	Do.	Do.	Do.		13	7	0
" 26.	Skaykell,		None	July 28.	a 99	8	6
July	Lavender,				109	11	3
"	W. Lyman,			Oct. 28.	600	0	0
" 31.	Hon. J. Smith,	(Mining Stock	pledged.)	" 8.	500	0	0
"	Pope,	Urquhart	Ferrier and Murray		a 50	5	11
Aug. 3.	Bryson and Ferriers		None		287	7	2
Sept. 1.	J. J. Gibb,		None		37	1	1
" 21.	W. Lunn,	Order			a 384	0	0
" 22.	Hughes,	J. J. Gibb	Mathewson		101	15	0
Oct. 28.	Mathewson and Sinclair,				a 1000	0	0
1848.							
Jan. 20.	J. Leeming,		Murray		197	0	0
" 24.	D. Stewart,	Shuter	Do.		a 254	10	0
Feb. 23.	David Brown,				40	0	0
Mar. 24.	Gibson,		None		a 98	14	0
April	J. Fairbairn,	D. McDonald	Murray		47	10	0
" 25.	F. Bethel,	P. Reynolds	Mathewson	3 Mos.	25	0	0
May	A. Small,	G. Small		6 do.	60	0	0
					£16,256	0	7

N.B.—The Notes marked (a) had not been liquidated at the time of the suspension of the Savings Bank.

Appendix
(Q. Q.)

15th July.

In the foregoing table we have given, so far as Mr. Eadie's recollection served him, the names of the Directors who expressly sanctioned each of the particular discounts enumerated. We also called on the Directors whose names were given for their explanation, which is as follows :—

Mr. Director *Murray* says :

" Ques.—Have you any recollection of three notes, viz: Watson, Black, & Co., £150; Murray and Sanderson, £56 8s. 9d.; and Insurance Company (Montreal) favour Mathewson and Sinclair, £302 12s. 6d.; being discounted by the Savings Bank for the Montreal Insurance Company, in May, 1843 ?

" Ans.—I have no recollection of any such circumstance. No such notes were discounted for the Montreal Insurance Company.

" Ques.—Have you any recollection of Adam Ferrie's note for £100, favour of the Insurance Company, being discounted by the Savings Bank on the 25th July, 1843 ?

" Ans.—I have a slight recollection of a note of Mr. Ferrie, which I think I had endorsed, and had the security of his stock for, having been discounted by the Savings Bank. I am under the impression, but I will not be certain, that Insurance Company Stock to an equivalent amount was transferred in the Insurance Company's books, from Adam Ferrie's account to the credit of the Savings Bank.

" Ques.—Have you any recollection of Mr. G. D. Watson's note, favour of the Montreal Insurance Company having been discounted by the Savings Bank, on the 30th September, 1843 ?

" Ans.—I have no recollection of a note ever having been given by Mr. G. D. Watson to the Montreal Insurance Company for £150, or of any being discounted for him by the Savings Bank.

" Ques.—Have you any recollection of Ferguson's acceptance, favour Insurance Company for £50, being discounted in October, 1843, by the Savings Bank ?

" Ans.—I have a recollection of Ferguson's, who had a large amount of stock in the Insurance Company, having got a note endorsed by me on the security of that stock, for £50. Whether they got it discounted or not I do not recollect.

" Ques.—Have you any recollection of MacIntosh's note to Insurance Company, for £100, being discounted by the Savings Bank, on 5th December, 1843, without any further security than the said note ?

" Ans.—I recollect endorsing a note for MacIntosh, for £150, for which he transferred his stock. It appears that he discounted this note with the Savings Bank, and I have had to retire it.

" Ques.—Have you any recollection of a note of one Mr. King being discounted in May, 1844, on some plate being deposited as security ?

" Ans.—I recollect a loan being granted to him to the extent of £40, on the security of some plate which he deposited, and which was considered double the value. The amount with interest was duly repaid.

" Ques.—Have you any recollection of a loan to the Montreal Insurance Company, granted on their note for £500, on the 7th May, 1844.

" Ans.—I have replied to this in my evidence given before this commission on the 22d of January last.

" Ques.—Have you any recollection of W. P. Smith's promissory note, at twelve months, favour of yourself, for £100, having been discounted at the Savings Bank, on the 8th October, 1844, without any other security than the said note ?

" Ans.—I do not think I ever had a note transaction with Dr. W. P. Smith, and of course have no knowledge of any such transaction as is referred to in the question.

" Ques.—Have you any recollection of Cameron's note in your favour; for £50, being discounted by the Savings Bank, on the 28th April, 1845, without any other security than the said note ?

" Ans.—I have no recollection of any such circumstance.

" Ques.—Have you any recollection of John Try's note for £25, due 4th August, being discounted on 9th May, 1845, without any other security than the said note ?

" Ans.—I have no particular recollection of such a note.

" Ques.—Have you any recollection of James Cameron's note for £50, already referred to, having been renewed on 29th July, 1845, without any other security than the said note ?

" Ans.—I do not recollect the transaction. I do not even know what Cameron is referred to in this question.

" Ques.—Have you any recollection of Hutchison and Morrison's Bill, for £58 11s. 1d., due 4th Dec., 1845, being discounted 1st September, 1845, without any other security than the said bill ?

" Ans.—I do not know anything of the transaction.

" Ques.—Have you any recollection of your own acceptance, favour of Mac Donald, for £28, being discounted on 13th April, 1846, without any other security than the said note ?

" Ans.—I do not recollect to have given a note for so small a sum to any man.

" Ques.—Have you any recollection of David Handyside's note, favour John Try, being discounted for £123 1s. 0d., on 15th July, 1846, without any other security than the said note ?

" Ans.—I am aware that a note of such a character was discounted at the Savings Bank, but I do not think that it was on my authority.

" Ques.—Have you any recollection of Bennett's note, favour of yourself, for £200, due 4th Nov., 1846, being discounted at the Savings Bank, on the 1st August, 1846; without any other security than the said note ?

" Ans.—I do not know any person of the name of Bennett in the country, and have no recollection of any transaction of the kind.

" Ques.—Have you any recollection of Stewart's note, favour of J. Shuter, for £254 13s. 8d., being discounted 24th January, 1848, without any other security than the said note ?

" Ans.—I have a recollection of Colonel Joseph Shuter obtaining a loan on D. Stewart's note, which was to be, as I understood, secured by mortgage that the Colonel held.

" Ques.—Have you any recollection of A. Laberge's note for £145, discounted on 30th May, 1846, without any other security than the said note ?

Appendix
(Q. Q.)

15th July

Appendix
(Q. Q.)

15th July.

" Ans.—I have no knowledge of such a transaction, and am satisfied I did not sanction it.

" Ques.—Have you any recollection of M. J. Hays's bill on Solomon, for £100, being discounted in December, 1847, without any other security than the said note?

" Ans.—I have no knowledge of, and feel satisfied I never sanctioned such a transaction.

" Ques.—Have you any recollection of a loan having been made to the Hon. Judge Smith, on his promissory note for £500, in July 1847, without any other security than certain mining script?

" Ans.—I knew nothing about the loan of £500, and was not consulted about the matter until after it was made.

" Ques.—Have you any recollection of a number of loans made to David Brown, builder, in the years 1846, and 1847, without any other than personal security having been taken by the Savings Bank for the said loans?

" Ans.—The only transaction that I had a knowledge of, at the time, in the way of loans by the Savings Bank, to David Brown, was a loan of £100, on the 6th June, 1846, on his note at 8 days in my favour. The first intimation that I received that this note was not paid at maturity, was in April, 1847, when Mr. Eadie rendered the account of the Insurance Company to me, and included that sum in it. I found fault with Mr. Eadie for having allowed it to lie over, and having charged it to the Insurance Company. The sum was subsequently transferred to the debit of David Brown, in March, 1848, and by reference to the ledger of the Savings Bank, I observe it has been paid by him since. Brown handed me the note, which I now produce, previous to the suspension of the Savings Bank.

" Ques.—Had you any knowledge of various sums of money being advanced to Arthur Ross in 1846, at the time they were made?

" Ans.—I had no knowledge of the time these loans were made; neither was I consulted about them.

" Ques.—Have you any recollection of a loan of £300, granted on 17th August 1847, on the security of Mr. Hays's note to E. M. David?

" Ans.—I have no knowledge of such a loan.

" Ques.—Have you any recollection of a loan granted on 30th January 1847 to Alexander Urquhart of £500, and on 30th April, 1847, of £250 to same party on the security of a number of bills by one Pope to the said Urquhart, and for which loans no other security than the said bills, was taken?

" Ans.—I was aware of the first loan of £500, for which Mr. Urquhart lodged endorsed paper to an amount exceeding £2000. But I was not aware of the second loan. I believe the endorsers on the notes were considered very good. I think the notes were dated at 12 to 18 months. I cannot say how long they had run at the time the loan was made."

Hon. James Ferrier says:—

" Ques.—Have you any recollection of having authorized, at any time at the close of 1846 or early in 1847, certain loans by the Savings Bank to Alexander Urquhart on personal security only?

" Ans.—I have no recollection of ever having authorized any such loans.

" Ques.—Have you any recollection of having

" authorized the discount in May and June 1847, of certain notes for R. Howard & Co., without any other security than such notes furnished?

" Ans.—No, I have no recollection of any thing of the kind, nor do I believe I could have given my sanction to it."

" Ques.—Have you any knowledge of a loan of £100 to one Goodwin, early in 1845, and can you say whether any, and if so, what security was granted for it?

" Ans.—I know that £100 was lent, and believe that a mortgage on the property of the late Mr. Galt was given. I was security on the mortgage, and am still to the party to whom it was transferred.

" Ques.—Are you aware of a number of loans in cash and discounts made to David Brown in 1846, without any other than personal security?

" Ans.—I was not at the time, but I am now aware that a number of loans were made to David Brown, but not with my authority."

Mr. Director Mathewson says:—

" Ques.—Have you any knowledge of a Resolution having been passed at a meeting of the Board of Managing Directors of the Savings Bank, held on 4th February, 1843, in these terms: "that the Montreal Provident and Savings Bank discount no bills or promissory notes without ample security in the shape of stocks or mortgage being deposited with the Bank?"

" Ans.—I see by the minute book of the Savings Bank, that I was present at a meeting of the managing Directors when such a resolution was passed.

" Ques.—Have you any knowledge whether that resolution has or has not been regularly observed?

" Ans.—I believe as far as the Directors are concerned as a body, that rule was observed.

" Ques.—Were you aware and did you sanction various loans of money belonging to the Savings Bank, amounting together to £2020 at various periods during the year 1847, to Messrs. Mathewson and Sinclair, merchants of this city, without any other security than *bons* or promissory notes of the parties, with your promise to indemnify the bank against all loss?

" Ans.—There were several sums, to the best of my knowledge, obtained by Messrs. Mathewson and Sinclair, from Mr. Eadie, Actuary of the Savings Bank, in 1847, but I cannot from recollection state the precise amount. I recollect on one occasion having written a note to Mr. Eadie that I would be responsible for one loan; what the amount was I do not recollect. I also endorsed one or two of these notes, that were so advanced upon by Mr. Eadie, that is, notes I understood to have been subsequently advanced on by Mr. Eadie. At the time these loans were made, I believe no other security was given than *bons* or promissory notes. One of the notes which I observe by the ledger to have been advanced upon on the 28th October, 1847, for £1000, was a note at ten days' date, drawn by Mathewson and Sinclair, and endorsed by me, which note was not protested when it fell due. The balance due on this note subsequent to the failure of Messrs. Mathewson and Sinclair, which occurred in May, 1848, I took up, and it has been paid. I made myself responsible for this money, in order that Mr. Eadie might be exonerated from blame, as these loans had been made without the knowledge of any of the other Directors, that I am aware of, besides

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)
15th July.

Appendix
(Q. Q.)
15th July.

"myself. I did not know at the time whether the loans made by Mr. Eadie were with the funds of the Bank, or with his own.

"Ques.—Have you any recollection of an advance having been made to yourself, by Mr. Eadie, on 3rd January, 1848, of £500, without any other security than your *loan*?

"Ans.—Yes; but this has also been paid. I am not aware that any of the other Directors knew of the loan but myself.

"Ques.—Have you any recollection of a loan of £200 having been made on 10th February, 1844, and a subsequent loan of a like sum, on the 17th June, 1844, to William Freeland, for the Congregational Church of Brockville, without any other security at the time of the said loan, than promissory notes?

"Ans.—I remember such a loan. The application came through myself, and I was endorser on the notes. It was regularly sanctioned by the Board. A security on the church was offered in addition to the personal security, and I feel convinced that that security was actually given before the money being advanced, or ordered to be given. If there was any deficiency in exacting the security, it must have been the negligence of Mr. Eadie, and not that of the Board.

"Ques.—At the time of the suspension of the Savings Bank, were you indebted to that institution?

"Ans.—Yes.

"Ques.—To what amount?

"Ans.—Upwards of £1,200, as already stated, which has since all been paid."

It is clear, that with some trifling exceptions, the whole of these discounts were openly made; and with the knowledge, and under the direction of such members of the Board as took an active part in the management of the Bank. It will also be observed to how considerable a portion of the notes discounted, Directors were parties. Much of the paper was not of the class usually discounted at Banks as commercial paper, but consisted of the mere promissory notes of the borrowers, often at long dates, unendorsed, and consequently without other security.—These notes were allowed to run on from year to year, without the principal or even the interest being paid. Previous to each annual Report, as well as on other occasions, if there were anything like an audit, these notes must have come under the notice of the Finance Committee.

At the time of the suspension of the Bank, about seven thousand pounds of the above notes were unpaid; and considerable loss has accrued on them. A portion has been written off as bad debts, and a further amount charged to the debit of Mr. Eadie, as part of his defalcation. Such of the larger notes as have been retired since the suspension of the Bank—and all are not yet retired—have been paid almost entirely in deposit books, purchased in the market at two-thirds their *par* value. This point will be further adverted to hereafter.

We have given our interpretation of the provisions of Act 4 and 5 Vict., cap. 32, so far as it applies to the investment of the Savings Bank funds. Although the construction put on the Act by the Directors of the Savings Bank differs from ours, we are fully sensible that they, in investing from time to time the assets at their command in shares of chartered Banks exercised a sound discretion, even if they did not conform to the letter of the law. The losses which resulted from some of these purchases, were

attributable solely to an unexampled pressure on the money market, about the time of the failure of the Bank, and therefore forms no valid argument against the original investment. They prove, however, the expediency of the law preventing—as we believe it was the intention of the Savings Bank Act to do,—all locking up of the moneys of the Savings Bank in securities which, not being guaranteed by the State, are liable to have their value affected by every fluctuation in commerce, or by any important change of management.

Purchases of Railroad stock, however, certainly cannot be placed in the category of investments sanctioned by law. A purchase of this description in the St. Lawrence and Atlantic Railroad, calls for special notice. The following are the particulars as detailed in evidence before us:

Mr. Eadie says:

"Ques.—Was a purchase of St. Lawrence and Atlantic Railroad stock made from the Hon. James Ferrier in April, 1847?

"Ans.—There was a purchase of twenty shares made from the Hon. James Ferrier, in 1847.

"Ques.—At what rate was the purchase made?

"Ans.—It was purchased at a discount of £46 on £1,000; that is to say, Mr. Ferrier had paid an instalment of £96 on account of the stock, and he sold his right in the stock to the Savings Bank for £50.

"Ques.—By whose authority was the purchase of this stock made?

"Ans.—There was no authority given for the purchase by the Directors. Mr. Lunn allowed himself to be forced into it by Mr. Ferrier.

"Ques.—Was the purchase in any way submitted to the Board of Directors previous to its being made?

"Ans.—No.

"Ques.—Was the purchase ever brought before the Directors, to your knowledge, subsequently to its being made?

"Ans.—It was.

"Ques.—Was any opinion ever expressed by any members of the Board as to the purchase?

"Ans.—It was not considered a very good investment.

"Ques.—Was the purchase of the stock made by Mr. Lunn, the President of the Bank?

"Ans.—It was.

"Ques.—Were you present when the purchase was made?

"Ans.—Mr. Ferrier originally proposed to me to buy the stock for the Bank. I replied I would make the proposition to Mr. Lunn. In the meantime Mr. Ferrier transferred the stock, before Mr. Lunn had agreed to take it. Mr. Lunn demurred to taking the stock, but was ultimately induced by Mr. Ferrier to accept the transfer.

"Ques.—Was the stock sold at the fair current market value at the time of the sale?

"Ans.—I believe the market value could not be exactly ascertained at that time. Mr. Lunn himself thought it was high.

"Ques.—You have stated that Mr. Lunn was ultimately induced by Mr. Ferrier to buy the stock; on what grounds do you say so?

Appendix
(Q. Q.)

15th July.

" Ans.—Mr. Ferrier complained to me of Mr. Lunn's reluctance to sanction the transfer, and asked me if he refused to do it. I answered that he did not seem to like the transaction, but had not absolutely refused to sanction it. Mr. Ferrier used pretty strong expressions, saying that it was very uncivil on the part of Mr. Lunn, and that he would speak to him on the subject. The transfer was accepted soon afterwards.

" Ques.—To the time of your leaving the Bank in July, 1848, what sum had been paid in instalments by the Bank on this stock ?

" Ans.—£464 0s. 7d "

" Ques.—Please to state, as near as you can, any conversation which occurred in your presence between Messrs. Lunn and Ferrier, with relation to the purchase of the St. Lawrence and Atlantic Railroad stock, referred to in your evidence given before this Commission ?

" Ans.—To the best of my recollection, no conversation occurred in my presence between the two, on the subject.

" Ques.—Did Mr. Lunn ever state to you any reasons which induced him to purchase this stock for the Savings Bank ?

" Ans.—I believe Mr. Lunn stated to me that he had been obliged to purchase this stock to avoid a serious misunderstanding with Mr. Ferrier.

" Ques.—When you say you 'believe,' do you mean that your impression is that such was the general character of Mr. Lunn's observations, and have you any doubt that Mr. Lunn did say in substance 'that he had been obliged to purchase this stock to avoid a serious misunderstanding with Mr. Ferrier' ?

" Ans.—I have no doubt whatever that Mr. Lunn did state in substance that the reason of his buying this stock was to avoid a misunderstanding with Mr. Ferrier.

" Ques.—What objections do you consider Mr. Lunn entertained to the purchase of this stock ?

" Ans.—My impression was, but I cannot say on what founded, that Mr. Lunn did not consider that the purchase of this stock would prove a profitable investment to the Bank."

Mr. Ferrier's statement is as follows :

" Ques.—Have you any knowledge of a sale of St. Lawrence and Atlantic Railroad stock, to the Savings Bank, made early in 1847 ?

" Ans.—Yes.

" Ques.—From whom was that stock purchased ?

" Ans.—From myself.

" Ques.—Was that purchase of stock by the Savings Bank authorised by the Board of Directors previous to its being made ?

" Ans.—I cannot say, it being a personal transaction with myself. I invariably allowed the other Directors to decide in every matter where I was personally interested; my negotiation was with the President and Actuary of the Bank. About three months before the transfer of this stock was made to the Savings Bank, I made sale of this stock to the President, in the presence of the Actuary. The circumstances were as follow:—Being dissatisfied at the Board of Directors of the Atlantic Railroad adopting the broad gauge for the road, I determined to sell out the shares I held, namely, twenty. I mentioned my determination in the

Appendix
(Q. Q.)

15th July.

" Savings Bank in casual conversation, expressing my annoyance, and determination to sell the shares to the first purchaser. The actuary of the Bank remarked to the President, Mr. Lunn, 'We have none of that stock—I think we should take it.' The President consented to take it. I allowed some time for consideration; and, I think, about a month after, I requested Mr. Lunn to go with me and make the transfer; he expressed himself as particularly engaged for the moment, but was ready to go with me at any other time. I think in about a month after this second conversation, to which I have referred, with Mr. Lunn, I met him on the street and asked him again to go with me and get the stock transferred. I think he said he was going in the Montreal Bank, and could not attend to that transaction at that time, but still made no objection to effecting the transfer. The next time that I requested Mr. Lunn to attend to the transfer was on the 6th April, 1847. I met him in the Board Room of the Montreal Fire Insurance Company, and requested him to go with me to the St. Lawrence and Atlantic Railroad office to make the transfer. He demurred, by saying that he did not think the stock so saleable now as it was. I replied that he had bought the stock three months ago. He said it was true, but that it was for the Savings Bank. I replied it was unfair that I should suffer any loss by his neglect, in not receiving from me the transfer of the stock, and, after some rather unpleasant conversation regarding his neglect, I agreed, rather than have further difficulty, to a deduction of £46 upon the £96, which were paid for the stock. The transfer was then made."

Mr. Lunn reports the purchase thus :

" Ques.—Have you any recollection of having, in the year 1847, in your capacity of President of the Savings Bank, purchased a number of shares in the St. Lawrence and Atlantic Railroad stock, from the Hon. James Ferrier, one of the Directors of the Savings Bank ?

" Ans.—I have a recollection of having done so.

" Ques.—Was this purchase, previous to its having been made, sanctioned by the Board of Directors of the Savings Bank ?

" Ans.—It was not; because the President was authorised to purchase stocks from time to time.

" Ques.—Can you shew any authority of the Directors to purchase Railroad stocks, without consultation with the Board ?

" Ans.—I cannot shew any special authority, but the general authority to purchase stocks.

" Ques.—Have you any recollection of the precise time at which the purchase was made from Mr. Ferrier ?

" Ans.—I have no recollection of the precise date. I recollect Mr. Ferrier having stated that he was dissatisfied with some of the arrangements of the Portland Railroad, and that he would sell out his shares: he held twenty. About a week after, I had some further conversation with Mr. Ferrier in the Bank on the subject of this stock. Mr. Eadie, the Actuary, was present, and strongly recommended the purchase, as the Bank held none of that stock. Mr. Ferrier offered me the stock, but I did not then agree to purchase it. At a subsequent conversation, Mr. Ferrier offered to sell the stock, and said he would sacrifice the instalment which he had paid, which, I think, was forty-six pounds. I think I then agreed to buy the stock on the terms proposed by Mr. Ferrier. I made no memorandum of the purchase in the books at the time, nor can I say whether I imme-

Appendix
(Q. Q.)

15th July.

"diately mentioned it to any of the Directors. Some time after this, I remember Mr. Eadie bringing me the scrip in the Savings Bank, and I accepted the transfer.

"Ques.—Had you any misunderstanding with Mr. Ferrier, respecting the terms of the purchase of this stock?

"Ans.—There was something unpleasant passed between us; but I cannot now recollect what it was.

"Ques.—Did you express any unwillingness to complete the purchase by accepting the transfer of the stock?

"Ans.—I do not recollect that I did after the purchase was made.

"Ques.—Was the sum paid by the Savings Bank precisely in accordance with the original agreement for the purchase, made by you in its behalf?

"Ans.—I believe it was.

"Ques.—Can you say positively that Mr. Ferrier did not make a deduction from the price originally agreed upon with you for the purchase of the stock?

"Ans.—He made no deduction that I am aware of from the price originally agreed on.

"Ques.—What was the cause of the unpleasantness between you and Mr. Ferrier on the subject of the purchase of this stock?

"Ans.—It is so long since that I cannot speak positively whether it was relative to the completion of the purchase or the purchase itself.

"Ques.—Was the purchase of this Railroad stock ever communicated to the Board of Directors; if so, when?

"Ans.—I believe it was, but I do not recollect when.

"Ques.—Was the purchase objected to by any of the Directors, to your knowledge?

"Ans.—I have no recollection of any objection having been made.

"Ques.—Did you ever inform Mr. Eadie, the Actuary of the Savings Bank, that you had been obliged to purchase this stock, to avoid a serious misunderstanding with Mr. Ferrier, or did you give Mr. Eadie any information to that effect?

"Ans.—I never did.

"Ques.—Did you, on the first occasion at which Mr. Ferrier offered this Railroad Stock, refuse to buy it?

"Ans.—I did decline the purchase.

"Ques.—Are you aware what was the value of the Portland Railroad stock in the market at the time you made the purchase?

"Ans.—I was not aware.

"Ques.—Did you consult any of the brokers, or any other persons, as to the value of the stock in the market at the time you made the purchase?

"Ans.—I did not.

"Ques.—Has the purchase of this Railroad stock entailed a heavy loss on the Bank?

"Ans.—It has resulted in a loss, but I do not know the amount?"

The original payment for this stock, as mentioned

in the evidence, was £50. Subsequent instalments were paid to the Railroad Company, making up the total, in July, 1848, to £480 3s. 7d. The whole sum has, since the suspension of the Bank, been written off as a total loss. That some doubts, as to the propriety of the transaction, existed in the minds of all the parties to it, appears abundantly clear. The bargain itself was of an equivocal character: for an individual Director to make sale of shares of stock which he possessed, to another Director,—even although the latter was President of the Bank,—without any consultation with the Board, was an act of doubtful propriety; and still more questionable to force the Stock on the Bank, when there was an evident misunderstanding as to the terms of the purchase. Neither does there appear to have been proper precaution taken to ascertain the market value of the shares transferred; no brokers were consulted, no pains taken to ascertain whether the shares were or were not saleable at the price fixed on them. It is indeed a matter of notoriety that, at the time this stock was taken to account by the Savings Bank, the St. Lawrence and Atlantic Railroad Company was in anything rather than a prosperous condition. The difficulties under which that Company was struggling at the time, would surely have deterred any person of ordinary capacity from investing in it moneys held in trust for depositors of the class of those of the Savings Bank.

We have not the least hesitation in recording our opinion, that the loss sustained on these shares is not one which ought to have been borne by the depositors; that the investment was in diametrical opposition to the law; and in equal opposition to sound judgment.

Another speculation in Railroad shares, open to the same general objections as that above narrated, was made in the Lachine Railroad Company.

Mr. Eadie's evidence is as follows:

"Ques.—Please examine the ledger, page 230, headed, 'Lachine Railway,' and say whether any Stock in that Company was purchased by the Savings Bank previous to the Company going into operation?

"Ans.—The Bank subscribed, through their President, for twenty shares, at the time the Railway was projected.

"Ques.—Can you state any authority on the part of the Directors, for the investment of the funds of the Bank in the Lachine Railway?

"Ans.—There is no minute of any such authority.

"Ques.—Can you say which of the Directors authorized the purchase?

"Ans.—I should say Mr. Lunn, Mr. Murray and Mr. Ferrier authorized it.

"Ques.—What instalments were paid during the time you were in the Bank?

"Ans.—The whole amount was paid prior to my leaving the Bank, on the following dates: 1845, November 22nd, £5; 1846, August 5th, £95; 1847, January 27th, £100; April 9th, £100; May 25th, £100; August 28th, £100; July 15th, £100; October 2d, £100; November 6th, £100; 1848, February 12, £100 12s. 10d.; March 14th, £100."

Mr. Ferrier says:

"Ques.—Was any of the Lachine Railroad Stock purchased by the Savings Bank?

"Ans.—I think there was £1000 subscribed when the Company first went into operation. I believe I was absent in England at the time the subscription was made."

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

This transaction terminated in a loss of £830 3s. 6d. We think there cannot be two opinions as to the impropriety of the Savings Bank deposits lodged in the Bank for safe keeping, being risked in embryo companies, whose success was doubtful, and whose means of repayment were entirely dependent on that success. It certainly never was contemplated by the Savings Bank Act, that the Directors should enter into dangerous joint stock speculations, with the money of the depositors.

The nature of the precautions adopted by the Bank, in the investment of its funds in mortgages, obtained, as it invited, our particular attention. The rule of the Bank was, that, in all cases of such loans, there should be, in addition to the property mortgaged, two securities, who should become bound, conjointly and severally, "*solidairement*," for the repayment of such loan. A blank form of the mortgage deed, used by the Bank on these occasions, will be found in the Appendix.

Mr. Eadie thus reports the practice followed :

"Loans were originally granted on real estate by the Savings Bank, under the advice of Messrs. Fisher and Smith, who were then its counsel. No opinion was ever given by them in writing on the subject, to the best of my knowledge. When the first loans were granted, the Notary was desired to be guided by Messrs. Fisher and Smith in the form of the deeds. In all cases in which the Notary entertained any doubt, either as to the form or as to the validity of the security offered, he was instructed to refer to Messrs. Fisher and Smith, so long as they were the Counsel of the Bank, which was until the death of Mr. Fisher. After that time, I was instructed to apply to Mr. Cross, who succeeded to Messrs. Fisher and Smith as Counsel for the Bank. The principal difficulty in the deeds on which the Savings Bank granted loans, was in such as related to Churches and unincorporated public bodies. Some of those were submitted to the Counsel, others were not. It depended in great measure on, whether the Notary was satisfied or not, to consult the legal adviser.

"Ques.—What arrangements were made as to the registration of deeds at the Registry Office, and to the ascertaining whether any prior mortgages existed, which could militate against the security offered to the Savings Bank for loans ?

"Ans.—The Notary was instructed to have the deeds registered as soon as completed, and to charge the borrower with the registration fee. In very few cases was there any examination of the Register ordered by the Directors. The personal securities which the Bank took, or intended to take, were supposed by the Directors, when any remarks were made at the Board on the subject—and such remarks did occasionally occur—to have sufficient interest in the loan to induce them to satisfy themselves that the security was good.

"Ques.—Were there any, and, if so, what steps, taken by the Board to ascertain the actual value of real property offered to them on mortgage for loans ?

"Ans.—A considerable number of the loans were effected on property, the value of which was known to the Directors, and at their recommendation, and in such cases no further inquiry was made. Occasionally, parties applying for loans were required to give certificates from known parties that the property was of sufficient value.

"Ques.—In such cases, where certificates were required from known parties, were those certificates in writing, and did they state whether the property was encumbered or not? and, if encum-

bered, did such certificate state the amount and nature of such encumbrance ?

"Ans.—The cases to which I allude referred to the value of the property merely, and not to the question of encumbrance.

"Ques.—Where loans were granted on property, was the amount, or any portion of it, paid over until the security was executed ?

"Ans.—It was frequently paid before the security was executed, wholly or partially.

"Ques.—Was it the practice of the Savings Bank generally to defer any payments on account of loans until the securities had been completed ?

"Ans.—It was generally. When no understanding existed to the contrary; my practice was to defer paying the amount of the loan until I had the Notary's certificate that the deeds were signed. But very frequently, from an understanding between the Directors and the parties, moneys were advanced as required, before the securities were completed.

"Ques.—Who were made parties to the deeds taken for security for loans by the Bank ?

"Ans.—On the part of the Bank, generally Mr. Lunn, as President of the Directors; in some cases, Mr. Ferrier, and Mr. Redpath might be parties on behalf of the Bank. On one or two occasions, which I cannot specify, I believe I represented the Bank. The borrowers and their security also signed the deeds of mortgage to the Bank.

"Ques.—Were you in the habit of getting cheques specially signed by one of the Directors, for the payments made by the Bank on account of its loans ?

"Ans.—Not uniformly. Sometimes they were specially signed, but much more frequently I filled up the blank cheques always in my possession for such payments.

"Ques.—Can you state positively that the Directors, or any of them, were at any time aware of your having granted cheques on account of loans sanctioned by them, previous to the securities to be taken for such loans having been completed ?

"Ans.—The practice being so frequent of advancing the money before the securities were completed, all of the Directors who took any interest in the management of the Bank must have been aware of it. In many instances, advances were made to themselves, as trustees for public bodies already alluded to.

"Ques.—Were Directors of the Bank very frequently securities for loans made by the Bank ?

"Ans.—They were.

"Ques.—What proportion would you say of the loans made by the Bank were on securities to which the Directors of the Bank were parties, from the time of the opening of the Bank to the time of your leaving it ?

"Ans.—I could not answer that question precisely, but a considerable portion of them were lent on securities to which Directors of the Bank were parties. I should say at least one third of the loans were in that position.

"Ques.—In cases where the opinion of the law advisers of the Savings Bank was taken, as to the validity of the securities offered for loans, who paid for such opinions ?

"Ans.—It was always intended that the borrower should pay for such information.

Appendix
(Q. Q.)

15th July.

Appendix G.

Appendix
(Q. Q.)

15th July

" Ques.—Previous to granting or paying loans, did you ever obtain from the Registry office certificates as to the amount of encumbrances which stood on the property intended to be mortgaged to the Savings Bank.

" Ans.—We did in some instances, but it was not a practice.

" Ques.—Are you aware of any losses sustained by the Savings Bank on loans on mortgages, in consequence of the precaution not having been adopted of ascertaining the amount of encumbrances registered at the Registry office, prior to the loans made by the Bank?

" Ans.—I am not aware of any loss actually sustained from that cause, prior to my leaving the Bank; but, at the time of my leaving, the loans were only being called in, but I know some instances where the security was prejudiced by that cause. Arthur Ross, I believe, was one of them; Arthur Perry is another; and, I think, John Kelly another.

" Ques.—Have you any knowledge whether the claims of the Bank on property, on which they granted loans, were generally promptly recorded in the Registry office?

" Ans.—Generally they were not.

" Ques.—Have you any knowledge of any losses sustained by the Savings Bank, in consequence of neglecting promptly to register their claims on property mortgaged to them?

" Ans.—I do not know absolutely of any losses sustained by them through that neglect, but I know of their claims being prejudiced by such neglect; that is, I know instances of properties being mortgaged to parties whose claims were subsequent to those of the Bank, but who obtained priority over the Bank in consequence of having been the first to register their claims.

" Ques.—Can you cite any such instances?

" Ans.—I remember the case of McDougall and Morrison."

Mr. Lunn :

" It was the practice to note in the minute-book all applications for loans, with the decision that might be come to by the Board upon them. Applications for loans were always made to the Directors, who generally decided whether the loans should be made. Any question arising as to the sufficiency of the security, was commonly referred to the Finance Committee for their opinion and decision. Some few loans were granted not at formal meetings of the Board, but these were exceptions to the general rule, which was, that the Board should decide such questions. I cannot particularize any loans made by individual Directors, without consulting the Board, but I know there were such. I believe that a large number of the loans that have been made by individual Directors, have never been recorded in the minute book. The minute book was irregularly kept for the year prior to the suspension of the Bank. The minutes of the proceedings of the Board were never signed by the Chairman, from the time of the opening of the Bank to its closing, to the best of my belief; but the invariable practice, when I took the chair, was to read over the minutes of the previous meeting. I am not aware that any book was kept, except the minute book, in which applications for loans or sales of stock were recorded."

Mr. Pellon, Notary to the Savings Bank, thus records his practice :—

" I am a Notary by profession; I acted as Notary to the Savings Bank from 1842 or 1843 to 1848. A change was made, and another gentleman substituted for me a short time before the suspension of the Savings Bank. I was in the habit of drawing up the obligations taken by the Bank, from parties to whom they lent money. These obligations generally contained a mortgage on some fixed property, with the personal security of one or more individuals. Sometimes transfers were made of a *Baillieur de fonds*, or of another mortgage. Generally, the personal security was given of two or more persons; that was the rule—I do not remember any exceptions. On further reflection, I would say there are some exceptions; of course, I merely speak of the securities mentioned in the deed. Generally, I may say in all cases, the securities were bound *solidairement* with the principal obligor, so that the securities could be sued jointly with the principal, I conceive. I never received any general instructions from the Bank to examine the nature of securities offered to the Bank, nor did I ever receive any instructions to make inquiries at the Registry office, to ascertain if these properties, offered as securities, were mortgaged or not. In some particular cases, I have been instructed by the Bank to register deeds which I had drawn out, but generally I was not instructed to do so.

" Ques.—Had you, in your office as Notary, frequently a number of obligations or deeds bearing mortgages in favour of the Bank, for a length of time, without having them registered at the public Registry office?

" Ans.—I have had.

" Ques.—Why were these deeds so neglected or omitted to be registered?

" Ans.—In most cases, owing to the neglect or omission of the President of the Bank accepting them at the time of their being executed by the principal parties.

" Ques.—Was it frequently the case that the President of the Bank omitted to sign the deeds so soon as the obligor had signed?

" Ans.—Very frequently; it was in fact generally the case. The practice commonly adopted was as follows:—I generally received instructions from the Actuary to draw out an obligation from certain parties in favour of the Bank. I did so; and when the document was completed, the parties, viz., the obligors and their securities, came and signed the deeds. I then notified the Actuary of their having done so, and the President would then some time afterwards call at my office and sign the deeds. In many cases, a long time, even months, would elapse before his signature was obtained. I have repeatedly suggested to the President, and likewise to the Actuary of the Bank, the propriety of their having their deeds fully completed and registered before their advancing to the parties the amount lent them.

" Ques.—Are you aware of the Savings Bank ever having sustained any loss, or having been prejudiced in any way from omissions to register deeds or obligations, immediately on their being executed?

" Ans.—I cannot speak from my own knowledge, but I have been informed that the Bank has sustained loss in that manner in one or two cases.

" Ques.—You mentioned that another gentleman was substituted for you in 1848, as Notary to the

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

"Savings Bank. Do you know the reason of such change?"

"Ans.—I had received instructions from the Actuary to serve notices upon a number of the debtors to the Bank, to pay up the amount of their respective debts; while I was preparing and serving these notices, and before I had completed the whole, I was called upon by the Actuary to furnish a list of the notices served. This list not having been furnished by me as quickly as the Bank seemed to require it, I was then informed by them that unless I was more prompt, they would employ another Notary.

"Ques.—Was any complaint against you made, that you are aware of, of having omitted to register deeds and obligations on behalf of the Bank, or of having omitted to examine into the validity of the securities offered for loans by the Bank, or of any other omission or neglect of duty to the Bank, further than the alleged one, which you have already stated?"

"Ans.—Never during the whole time I was Notary to the Bank. In fact, I had reason to suppose that I gave every satisfaction to the Bank."

"I wish to add to that part of my evidence which relates to the instructions I received from the Bank, relative to previous mortgages, that I was distinctly informed, on one occasion by Mr. Ferrier, that I had nothing to do with the Registry Office; that this was the business of the securities; that the Bank looked to the securities, and that it was for them to see that every thing was correct."

Mr. J. Belle, Notary, furnishes an instance of the carelessness of the Bank, with reference both to the registration of titles, and the fying of opposition for the conservation of their rights:

"The mortgage, of which a portion was transferred to me by the Bank, as above mentioned, was on a property which had been sold, previous to my transfer, to Messrs. Dumas & Delisle, under a certain deed by which they were bound to pay a portion of the price for consideration therein contained, for, and at the discharge of the debtor in said obligation to the said Bank, who were not parties in the deed to accept the said delegation, and who, that is the said Bank, did not fyle any opposition against the demand of the said Messrs. Dumas & Delisle, for a confirmation of their title, in order to preserve their claims. These facts I hold

Appendix
(Q. Q.)

15th July.

"from Mr. Dumas, who told me that he did not acknowledge the Bank as creditor, but the money was due, and he was willing to become my debtor. I do not consider that the Bank took proper care to protect their own interest in the matter of this mortgage. In the first place, the mortgage was not enregistered at the public Registry Office for about a month after it was made, and in the second place they did not fyle an opposition, as I have already stated, for the preservation of their rights."

About the close of 1847 and the beginning of 1848, the subject of the loans on fixed property appears to have occupied, to a considerable extent, the attention of the Directors of the Savings Bank. Many loans were called in, and in others the securities to the Bank were attempted to be improved. Doubts appear to have entered the minds of the Directors as to the legality of investing the funds of the Bank in loans upon real estate, or on personal security; and the question was submitted to the Hon. W. Radgley and W. C. Meredith, Esq., Q. C., whose opinions will be found in the Appendix.

Appendix H.

Mr. President Redpath thus describes the condition in which some of these loans were discovered to be at the time of the examination above referred to:

"I remember previous to the annual meeting of the Savings Bank, which took place on the 4th May, 1848, I had been examining into the state of the loans, and a list had been made out and furnished to the Board by the Actuary. After the Bank had suspended payment, it was found that for several of the loans, the proper security had not been completed. I then immediately with others, directed my best attention to have them completed. Some of these loans, the securities of which were incomplete, had been of considerable standing. One of these was for the St. Anne Episcopal Church. Some dispute had arisen, at the time the loan was granted, about the securities to be given; and it was afterwards left in an incomplete state. The security for the loan to Zion Church was also incomplete. For this there was no excuse, since immediately on application the securities were completed. There were several other loans, the names of which I do not recollect, and of which the securities had not been completed."

The following List, which was found in the handwriting of the Actuary, amongst the papers of the Bank, shews the condition of some of the loans at the time it was made:

"List of Loans where the security, as fixed by the Bank, has not been given.

" DATE OF LOAN.	TO WHOM.	AMOUNT.			DEFINITION.
		£	s.	D.	
" 1843—September.	C. J. Brown	300	0	0	No personal security, none having been required at that time: will be paid up this summer.
" 1844 and 1846.....	P. Reynolds, C. A.	250	0	0	One personal security.
" 1844—May.....	John Douglass	100	0	0	Same.
" 1843—September.	Thomas Allan, C. A.	150	0	0	Ditto; in Cross' hands to sue.
" " November,	John Carmichael, C. A.	423	2	1	Ditto; to pay in June.
" 1844.....	David Davidson, Secy. High School,	3700	0	0	Real and personal.
" 1844 and 1847.....	Archibald Hall, M.D.	350	0	0	One personal security.
" 1844—March.....	Archibald Connally, C. A.	130	0	0	Ditto.
" " April 10	John Eadie	200	0	0	No personal security.
" " "	Samuel Wardley, C. A.	50	0	0	One ditto.
" " June.....	Thomas Ross, C. A.	500	0	0	One ditto.
" " October.....	Reverend H. Wilkes.....	900	0	0	One ditto.
" " "	N. G. Reynolds, C. A.	1250	0	0	One ditto.
" " "	John Hantson, C. A.	500	0	0	One—become bankrupt.
" 1845—March.....	Thomas Tooke	100	0	0	One personal security (P. McGill).
" " May.....	John McNider, C. A.	100	0	0	One personal security (other dead).

"List of Loans.—Continued.

15th July.

15th July.

DATE OF LOAN.	TO WHOM.	AMOUNT.	DEFINITION.
		£ s. d.	
" " October	Chief Justice Rolland	1000 0 0	One personal security (A. Quesnel).
" 1846—May 2	Samuel Milligan, C. A.	450 0 0	One personal security.
" " July.....	John Hutchison	180 0 0	Ditto.
" 1846 and 1847.....	Wesley Chapel, Montreal.....	4000 0 0	
" " September	Thomas Austin, C. A.	200 0 0	One personal security (W. F. Coffin).
" 1846 and 1847.....	A. W. Laird	150 0 0	One personal security.
" 1847—January.....	James Brennan	152 0 0	Ditto.
" " ".....	Archibald McVean	400 0 0	
" " February 2d	Alexander McDonald	150 0 0	One personal security.
" 1845—June.....	Robert Drake	400 0 0	One personal security (dead).
" 1847—September	Hon. D. Daly	1200 0 0	One personal security."
" " October.....	W. Murray	1000 0 0	

Mr. Eadie says, with reference to that list :

" Ques.—When was that list of loans made out by you ?

" Ans.—It was made in the year 1848, before I left the Bank.

" Ques.—Was it made out prior to the annual meeting which was held on the 4th of May, 1848 ?

" Ans.—I have no doubt that it was.

" Ques.—Can you say by whose directions that statement was made out ?

" Ans.—I believe I was desired at a meeting of the Finance Committee to collect under one list the loans now under consideration ; to the best of

" my recollection Mr. Redpath was the person who gave the order."

Some of the loans, referred to in this list, will be made the subject of comment hereafter ; we now merely adduce it to shew the position in which the accounts of the Bank stood, at the time it was made.

We verified, by a personal inspection of various mortgage deeds, &c., in the possession of the Bank, the accounts given in evidence as to the practice adopted with reference to such loans. The following, which we present as the result of our examination, will shew the loose manner in which that important branch of the duties of the Directors of the Bank, relating to the investment of its moneys in securities, was conducted.

TABLE.

NAME OF DEBTORS.	AMOUNT.	DATE OF OBLIGATION.	DATE OF REGISTRATION.
	£		
Thomas Allan	150	12th July, 1843.....	9th April, 1844.
Francis Clarke.....	150	27th May, 1847	12th July, 1848.
Archibald Hall.....	150	15th March, 1844.....	16th June, "
W. Stewart	100	8th October, 1844.....	12th April, 1847.
T. Watson	250	12th April, "	24th August, 1844.
Peter and P. W. Cooper.....	150	30th January, "	9th April, "
James Dunbar	200	28th January, 1845	11th May, 1846.
Mary M. Dupuy, widow Wagner	300	28th February, "	20th April, 1847.
Henry Wilkes	1000	31st July, "	7th May, "
G. Platt	200	10th September, 1847....	14th July, 1848.
E. Torrence, wife of J. Aussem.....	250	7th October, "	3d June, "
W. Steen	450	16th July, "	16th June, "
P. Reynolds	100	30th January, 1846	20th January, 1847.
W. Gibbon	300	22d " "	10th June, 1846.
D. McDonald	500	25th September, 1847....	12th June, 1848.
James Morice	130	7th October, "	3d June, "
John McNider.....	100	1st May, 1845	19th May, 1849.
George Harrison	100	1st August, 1845.....	12th July, 1848."

It cannot be a matter of surprise that with such utter want of precaution on the part of the Savings Bank, difficulties should have arisen, and losses have ensued, on many of the loans made by that Institution. The details respecting some of the loans, we proceed to narrate.

One of the heaviest losses sustained by the Montreal Provident and Savings Bank arose out of certain loans to the Montreal High School. The particulars are very minutely detailed in the Evidence Book of the Commission, and we now proceed to extract so much of that evidence as will furnish a complete history of the transactions.

" At a Meeting of the Directors of the Savings Bank, held on the 2d February, 1844,—Present,

" Messrs. Lunn, *President*, Redpath, Brondgeest, Armour, Ferrier, and the Actuary. The following application from D. Davidson, Esq., Secretary of the High School, was read :—

(No. 1.)

MONTREAL, 1st Feb., 1844.

" GENTLEMEN,—The Directors of the High School of Montreal are desirous of borrowing the sum of £310, which they may require for one or two years ; and as security they offer the enclosed note for the same amount, signed by Messrs. Murray, Lemoin, Torrance, Holmes, Savage, McCulloch, Campbell, Ferrier, and myself.

" The Directors further wish to have a current account opened with the Savings Bank, which

Appendix
(Q. Q.)
15th July.

" they may have the power of overdrawing to the
" extent of three hundred and fifty pounds, currency ;
" and as security they offer the enclosed note for
" that amount, signed by Messrs. McCulloch, Tor-
" rance, Lunn, Campbell, Lemoine, Day, Holmes,
" Ferrier, and myself.

" I am, gentlemen,
" Your obedient servant,
(Signed) " D. DAVIDSON,
" Secretary.

" To the President and Directors
" of the Montreal Provident and Savings Bank."

Of the names mentioned in the above letter, as parties to the notes to be granted as security for the repayment of the loans, the following were Directors both of the Montreal Provident and Savings Bank, and of the High School of Montreal :—Messrs. Murray, Ferrier, and Lunn.

The loan was authorized by the Directors of the Savings Bank on the terms proposed ; the money was paid in cash to Mr. Davidson on the 3rd Feb., 1844 ;—£310, and a credit lodged with the Receiving Teller, in favour of the same gentleman, for £350, to be drawn out as he, Mr. Davidson, might require the funds. Notes were granted payable six months after demand, and bearing interest.

Mr. *Eadie* further says :

" This deposit account was all drawn out at the
" end of 1844, and subsequently further sums than
" the credit originally agreed on were drawn out
" from time to time. The balance overdrawn under
" this head, on the 31st December, 1847, was £172
" 5s. 2d. No portion of this sum, or of the £660 had
" been repaid when I left the Bank, nor had any
" portion of the interest accruing, since the loan was
" agreed on, been paid. For the £172 5s. 2d. so
" overdrawn, no security whatever was given to the
" Bank."

Of this sum of £172 5s. 2d., overdrawn on the credit issued in favour of the Secretary of the High School, not one single penny has, to this time, been recovered. A suit is now pending in Court, but judgment has not been obtained.

The loan of £660, with the interest accruing thereon, amounted, on 30th Sept. last to £904 9 5

The following payments had been made on account to that date, since the suspension of the Savings Bank, as appears by the ledger :—

1849.				
April 20.—By deposits	£300	0	0	
June 5. do.	29	0	0	
Nov. 30. do.	150	0	0	
1850.				
June. W. Murray	40	0	0	
Sept. 30. do.	11	19	8	
				530 19 8

Leaving a balance unpaid on 30th Sept., 1850, of..... £373 9 9

No part of this £530 19s. 8d., paid on account of this debt of the High School, guaranteed as it was by the names of four directors of the Savings Bank to the notes, was handed in in cash. The whole was paid in deposit books, purchased in the market, from

Appendix
(Q. Q.)
15th July.

or through brokers, at a discount of about 40 per cent.

Mr. Director *Murray* says :

" Ques.—Has the debt by the High School, under
" the promissory notes for £660, to which you were
" a party, and which was unpaid at the time of the
" stoppage of the Bank, since been paid in full ?

" Ans.—It has not all been paid. I have paid, as
" already mentioned, more than my proportion : viz.
" £51 19s. 8d.

" Ques.—Were you not individually responsible for
" the whole of that £660, with interest, at the time
" of the suspension of the Savings Bank ?

" Ans.—There were eight or ten names to the
" notes, of which mine was one. I do not remember
" whether the obligation was joint and several. If
" so, I was.

" Ques.—For the paper which you had endorsed,
" did you become responsible individually, and if so,
" to what amount ?

" Ans.—I think it was about £250.

" Ques.—Is it to be understood then, that since
" the suspension of the bank, you have paid about
" £300 for debts for which you were responsible
" to the Bank ?

" Ans.—I have. These notes being for the accom-
" modation of others.

" Ques.—How did you pay this £300 to the Bank ?

" Ans.—Entirely in transfers of books.

J. J. Day, Esq., one of the parties to the notes, says :—

" About a year, or shortly previous to the incor-
" poration of the High School, I subscribed my name
" to a letter of guarantee, in favour of such of the
" trustees of the High School as should obtain a loan
" of money to defray the expenses of keeping up the
" High School for a period of three years. I have
" since understood, that the sum borrowed under
" this letter of guarantee was seven or eight hun-
" dred pounds, and I have since (viz : about a year
" ago) paid my proportion of the amount for which I
" thus became responsible to Mr. David Davidson,
" as Treasurer of the High School. I think I paid
" the amount in a cheque on the City Bank, and that
" the sum was about thirty pounds. A calculation
" had been made of the proportion which each of the
" subscribers to that letter should contribute, in order
" to relieve the trustees who had signed the notes,
" from their responsibility to the Savings Bank ; and
" as it was understood that the scrip of the Savings
" Bank could be purchased below par, the amount
" for which I gave a cheque, was regulated to fully
" cover my proportion, at the rate at which scrip
" could be bought. I think the calculation was
" based on the estimate, being that the scrip could
" be purchased at fifteen shillings in the pound. I
" think my contribution, and that of those who also
" contributed under the letter, exceeded the just and
" fair proportion for which we were liable, as sever-
" al of the subscribers to the letter had died or be-
" come insolvent, and as our liability was a joint one
" only."

Benjamin Holmes, Esquire, M. P. P., says :—

" I was party to two notes granted to the Savings
" Bank for a loan to the Directors of the High
" School, for between six and seven hundred pounds,
" about the year eighteen hundred and forty-four,
" (1844). I was not aware that these notes had not
" been taken up until about two years past, when I

Appendix
(Q. Q.)

15th July.

" received a notice from the Montreal Bank, calling upon me to pay two notes purporting to be signed by me, which, having no recollection of, I feared might prove forgeries, and I proceeded immediately to the Bank to ascertain,—when two notes signed jointly and severally by eight or ten persons, in favour of the Savings Bank, were exhibited to me, and on which my signature was one: at which I expressed my surprise, being under the impression that the bills had long previously been retired. I then proceeded to the Savings Bank to inquire how it happened that those bills had not been liquidated; and not receiving satisfactory information, called upon two or three of the other signers, and urged some measures should be adopted to relieve ourselves from the claim. A meeting of the parties interested shortly afterwards took place, when it was determined each to pay in, in the hands of Mr. Davidson, twenty-seven pounds ten shillings, with which, when all collected, a Broker was to be employed to purchase up a sufficient amount of claims against the Savings Bank to cancel the demand against the signers of the notes. In addition to the signers of the notes, there were others liable for that debt, making the whole party, I think, twenty. I paid in my *quota* immediately to Mr. Davidson, and supposed, as generally understood it would be the case, that the whole affair was satisfactorily arranged with the Savings Bank. Subsequently, however, I received a lawyer's letter, intimating that a suit would be instituted against me; whereupon I waited on Mr. Badgley, the lawyer who had so addressed me, begging to take no proceeding until such time as I could see other parties interested, which I did; and urged upon Mr. Murray and Mr. Davidson the propriety of assessing all the parties liable under a letter of guarantee originally given, and thereby of completing the payments of the notes. A considerable time elapsed, when I received a second notification of Messrs. Badgley and Abbott, when I learned that there was a balance still unpaid upon the notes.—Whereupon I again went down to the office of the Savings Bank, and learned that some of the parties liable for the debt under the letter of guarantee previously alluded to, had refused to pay up their *quota*; whereupon I urged that gentleman and Mr. Davidson, whom I also saw, to make an effort to collect the outstanding *quotas*, failing which, the deficiencies should be supplied by those who had already paid. I expressed myself ready to pay my proportion, and anxious to see the matter settled."

The notes in question were exhibited to us; and they contain a joint and several promise, by the parties to it, to pay six months after demand, with interest.

We reserve to a later portion of this Report, treating of the management of the Bank after its suspension, our remarks on the reception of payment of certain debts to the Bank in deposit books. We feel bound here to state, that it is perfectly clear in this case that with proper diligence, the whole of the debt due to the bank on this loan would have been recovered in cash, and that, with a very trifling delay.

The next loans to the High School by the Savings Bank were still more disastrous to the latter, since they have eventuated in what promises to prove a total loss of the whole amount borrowed.

In the year 1845, "The High School of Montreal" having obtained an Act of Incorporation, (8 Vict., cap. 104,) determined on purchasing a piece of ground and erecting a school-house thereon.

At a meeting of the Corporation held on the 5th

June, 1845, at which were present, with other Directors of the High School, the following gentlemen, Directors of the Montreal Provident and Savings Bank:—Hon. Mr. Ferrier, Messrs. Lunn and Murray,—The site for the new school-house, it was mentioned, was determined on, a piece of ground having been purchased whereon to erect the building. The minutes of the meeting further shew that—"It was further resolved on the motion of Mr. Torrance, seconded by Mr. Lunn, that Messrs. Holmes, Murray and the Secretary, be appointed a Finance Committee, for the purpose of making such arrangements as may be necessary for providing the funds necessary for paying the instalments upon the property, and defraying the cost of the buildings to be erected as the school-house."

Mr. D. Davidson, Secretary to the High School, reports his recollection of the proceedings of the Committee to be as follows:

"On the 5th June, 1845, a Committee was appointed at a meeting of the High School Directors, which Committee consisted of Messrs. Holmes, Murray and myself, for the purpose of making such financial arrangements as were necessary for paying the instalments on the High School property, and defraying the cost of the building to be erected as a School House. I have no distinct recollection what communications that Committee had with the Savings Bank, because I believe they were entirely verbal. I do not recollect any particular conversation with any of the Directors of the Savings Bank on the subject; but the understanding of the Committee was, that that Institution would advance the money then required; and that security was to be given to the satisfaction of the Savings Bank. There was no definite arrangement as to the nature of the security at that time. The plan of the Directors of the High School at that time was to defray the cost of the building out of the stock subscribed under the Act of Incorporation, which then amounted to about three thousand pounds; and to borrow a sum of money to enable them to meet the cost of the ground on which the building stood. Had this plan succeeded, the security given to the Savings Bank, or any other party loaning the money required, would have been ample."

Mr. Holmes says,—and we take this opportunity of remarking, that Mr. Holmes' name is not in any way mixed up with the negotiations which followed, it being evident that he took no part in them:

"I recollect being appointed one of the Committee of whom, I believe, Messrs. Davidson and Murray were also members, for the purpose of acquiring a property whereon to erect a High School. I cannot say what year I was so appointed. I think some proceedings were reported respecting a purchase from Mr. Lamothe, the particulars of which, in consequence of the lapse of time, have escaped my memory; nor can I particularly state any circumstances touching the loans from the Savings Bank to the High School."

Mr. Murray, the other member of the above-named Committee, and Director of the two Institutions, says:

"I recollect being present at a meeting of the Directors of the High School, held on the 5th June, 1845. I was then appointed, in conjunction with Messrs. Holmes and Davidson, a Finance Committee to make arrangements for providing the funds necessary for paying the instalments upon the property, and defraying the cost of the new buildings to be erected. I never took any action as a member of that Committee, nor was I ever required to do so."

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

However ignorant or oblivious the members of the Committee may be of the ulterior proceedings adopted with reference to the loan, certain it is that, through some instrumentality, the sum of three thousand seven hundred pounds was obtained from the Savings Bank, by Mr. Secretary Davidson, on behalf of the High School. The payments were made on the following dates, and duly recorded in the cash book of the Savings Bank, in the following terms :

1845.			
July 25—	By D. Davidson, Secretary, paid him in account of loan to High School,	£1200	0 0
Aug. 30—	By D. Davidson, Secretary, further to account of loan to High School,	1200	0 0
Oct. 4—	By D. Davidson, Secretary, further to account of loan to the High School,	600	0 0
Dec. 4—	By D. Davidson, Montreal, further to account of loan to High School,	700	0 0
		<u>£3700</u>	<u>0 0</u>

And yet, strange to say, all the Directors of the Savings Bank who have been before us,—and all who took an active part in the management of the Bank at the time, were examined by us,—treat the loan as an event of which they had no knowledge, when it was contracted.

Mr. Director *Murray* says :

“ Mr. Davidson, the Secretary, or Treasurer, to the High School, made application to the Bank for a loan, which was to have been secured by mortgage on the School House, and the individual security of all the Directors of the School; that loan was agreed to without my knowledge or approval.

“ I think that I first learned about a month or two after the advance of two thousand four hundred pounds, of which I have already spoken, that it had been done without any deed having been previously executed. I expressed to Mr. Eadie, the then Actuary, who first mentioned it to me, that the loan had been approved of, ~~my~~ disapprobation of the transaction. This was not on account of any doubt I had to the security as proposed, but on account of the amount being so large. I consider that it could not be realized at a short notice, should the Bank require the funds back again. Mr. Eadie stated, in answer to the objection that, should the Savings Bank require the money, they might overdraw their account at the British North American Bank to the extent of that loan. I do not recollect ever having found fault with Mr. Eadie for having advanced the £2400 before the security had been completed. I do not know whether Mr. Eadie had had any authority from any of the Directors of the Savings Bank to pay out the £2400 before the security had been completed; nor do I remember Mr. Eadie ever having alleged that he had the authority of the Directors for so doing.”

Mr. President *Lunn*, (also Director of the High School,) says:—

“ Referring to another account in the general ledger of the Provident and Savings Bank, page 220, headed ‘David Davidson for the Montreal High School,’ I state that the sum of £1,200, with which that account first stands debited, and which is described in the cash book as a payment on account of loan to the High School, was made without my knowledge. Mr. Eadie, the Actuary of the Savings

Appendix
(Q. Q.)

15th July.

Bank, informed me that such a payment was made; it may have been three or four days, up to eight or ten days after the payment was actually made, that Mr. Eadie gave me the information. I cannot exactly recollect what words Mr. Eadie used on the occasion. I know he stated that he had done it on some authority, but I could not at this moment specify on what authority, because I have not a distinct recollection. I think that Mr. Eadie did mention that he had made the payment on the authority of a Director of the Bank. I cannot state which, because I do not recollect so as to be perfectly sure. It was either Mr. Brongdeest or Mr. Ferrier, they being both Directors of the British North American Bank, with which the account of the High School was kept. Mr. Davidson, the Cashier of the British North American Bank, being at the time the Treasurer of the High School. Mr. Eadie stated to me that notes would be granted by the Trustees of the High School for the amount, similar to those granted for the loan of six hundred and sixty pounds in 1844, to which I have already referred; and of which loan the loan of £1,200 was considered an extension. I felt dissatisfied that the loan should have been made without consulting me, as President of the Bank. It had been made without receiving the formal sanction of the Board of Directors, and it was an irregular transaction. The subject was immediately brought before the Board of Directors, and was frequently discussed there. We all then considered the loan good, as a subscription list was then going round, to which a large sum was actually subscribed. Mr. Eadie was ordered to obtain notes from the Trustees of the High School for the £1,200 lent on the 25th of July, 1845.

“ On the 30th of August, 1845, the High School is again charged in the name of David Davidson, their Secretary, with a further sum of £1,200, to account of loan to High School. I do not recollect whether that second payment was sanctioned, previous to its being paid, by myself or not. At the time this second payment was made, no notes had been received from the Trustees of the High School for the loan of £1200 to them. I have no recollection by what sanction, or if by any sanction of the Board of Directors, or of any of them, this second payment of £1200 was made. I do not recollect that either myself or any other of the Directors objected at any time to this second payment.

“ On the 4th of October, 1845, the High School is again charged, in a similar manner, with the sum of £600 on account of loan to the High School. I do not think this sum was authorized by myself or by the Board of Directors. Several sums were paid to this account without my sanction, and I felt annoyed at it. It was the frequent subject of conversation at the Board; indeed, at almost every meeting. Calculations were made, shewing the ability of the High School at the time to pay its debts. I did not object to the High School's power of meeting its engagements; but I objected to the money being paid out without proper security being first obtained. This observation I made to Mr. Eadie, when he told me of the moneys having been paid out. At the Board, I do not recollect what I said. At the time the sum of £600, viz., on the 4th of October, 1845, no securities had still been obtained, either in notes or in any other way, for the £2,400 previously advanced. On the 4th of December, 1845, a further sum of £700 was advanced to Mr. Davidson, to the same account. I have some indistinct recollection that, about the time of this payment, or of the payment of the £600, on the 4th of October, 1845, which I have previously mentioned, Mr. Eadie informed me that

Appendix
(Q. Q.)

15th July.

" Mr. Davidson had made some proposition about requiring a further sum of money ; but I recollect nothing further. I do not think I was aware of this or any of the sums being paid out until the payments were actually made. On the 4th of December, 1845, no notes had been obtained for the £3000, or for any part of it, lent to the Trustees of the High School, nor had any other security been obtained. The whole sum advanced, amounting on the 4th of December to £3700, with the interest that has accrued, still stands at the debit of D. Davidson, Treasurer to the High School, and no portion of it has since, to the best of my belief, been paid."

Mr. Vice-President *Ferrier* (also Director of the High School) says;

" In the summer of 1845, to the best of my recollection, the circumstances of the High School were thus:—A sum of money had been subscribed for the purchase of ground, and for the building of the High School. That sum not having been sufficient to complete the whole undertaking, it was necessary to borrow money for its accomplishment; and I understood that the money was to be obtained from the Savings Bank, by giving a mortgage on the property, with the personal guarantee of the Directors of the High School. I was a Director of the Savings Bank at the time; but I have no recollection of being at any meeting of the Savings Bank Board, where the matter was brought up.

" Ques.—Were you in the habit frequently of attending at the Savings Bank in the summer of 1845?

" Ans.—I think I was not at all regular in my attendance at the Savings Bank, being much engaged in public business, as Mayor of the City at the time. I think the Savings Bank received very little of my attention that year.

" Ques.—Do you recollect whether you sanctioned the first payment made by the Savings Bank to the High School on account of the loan?

" Ans.—To the best of my recollection I did not.

" Ques.—When were you first made aware that any payments had been made on account of a loan by the Savings Bank to the High School?

" Ans.—I am unable to give any date.

" Ques.—Are you aware by whose authority the first payments, on account of a loan by the Savings Bank to the High School, were made?

" Ans.—I am not.

" Ques.—Was it ever alleged, and if so, by whom, at any meetings of the Directors of the Savings Bank, or by any of the Directors of the Savings Bank individually, to your knowledge, that the payments on account of the loan to the High School, or any of them, had been made without authority?

" Ans.—The remarks I have heard were, that although it was Mr. Davidson, the Secretary of the High School, and Cashier of the Bank, with which the Savings Bank kept its account, the document for the loan ought to have been executed before any money was paid.

" Ques.—When did you first hear of such an objection having been made?

" Ans.—I do not remember.

" Ques.—Was the Actuary of the Savings Bank ever censured in your presence, if so, by whom, as having paid moneys on account of the loan without security?

Appendix
(Q. Q.)

15th July.

" Ans.—I have often said, in conversation at the Board, and at other times, that I thought he had done very wrong in not having had proper security before he paid the money. Mr. Eadie replied that he had always had perfect confidence in Mr. Davidson, that he would complete the security as promised. Mr. Davidson was then Secretary of the High School.

" Ques.—Can you say when you first had conversation of the nature which you have just detailed?

" Ans.—I am unable to give you the date.

" Ques.—Can you say it was before the year 1847?

" Ans.—I cannot say, but I have an impression it was."

Mr. Director *Redpath* says:—

" I cannot say the precise time in 1845, that I left Montreal, but I know it was in the summer. It must have been after the 25th of July, 1845, probably a few days after. I have no recollection of any loan to the High School having been applied for at the Savings Bank, at any meeting at which I was present, in 1845. I certainly never sanctioned any such loan being made in 1845. I am aware, however, that a loan to the extent of three thousand seven hundred pounds was made by the Savings Bank, to the High School, in 1845.

" I certainly never authorized or contemplated this amount being lent to the High School. I do not recollect to have had any knowledge that a loan had been granted by the Savings Bank, in 1845, to the High School, until towards the fall, 1847, and when I was informed I was greatly surprised that such a loan had been granted, and the securities not completed. The subject was discussed at a meeting of the Finance Committee of the Savings Bank, held on the 10th of August, 1847. The proceedings then adopted will be found recorded in the minute book. I was present at the meeting, and I expressed myself very indignant both at the extent of the loan, and at the manner in which it had been made. At various subsequent meetings I also expressed similar sentiments. I spoke to Mr. Eadie particularly about these loans, and asked how the thing occurred. This was in the spring, 1848. I requested Mr. Eadie to state to me in writing what he recollected of the particulars of the loan. Mr. Eadie handed me a memorandum, which I now exhibit, of which the following is a correct copy:—

" *Montreal High School Loan.*

" The whole of the advances made by the Bank to this institution, were at the personal solicitation of Mr. Davidson. We have his letter explaining his object in applying for the first sum of £600. The others were made by verbal arrangement between him and those members of our board, who were directors of both institutions, and the different sums, viz:—

" 1845, July 25,	£1200	0	0
" " Aug. 30,	1200	0	0
" " Oct. 4,	600	0	0
" " Dec. 4,	700	0	0
	<hr/>	£3,700	0 0

" were drawn for by Mr. Davidson.

" Some of the gentlemen of our Board, Mr. Armour, I think, for one, objected to the extent of the loan; and in order to obviate these scruples, it was stated to me by Mr. Davidson, and repeated oftener than once, that if at any time the Bank required to

Appendix
(Q. Q.)

15th July.

"do so, we were to overdraw our account to that extent, without its being considered an advance.

(Signed)

JOHN EADIE.

" April 19th, 1848.

" John Redpath, Esq., &c.

" No members of the Board of the Savings Bank to my knowledge, ever acknowledged to have authorized this loan. It was stated sometimes that Mr. Eadie had paid the amount without proper authority, but I cannot say that he was formally accused of having done so. Mr. Eadie certainly told me that he had received the sanction of some of the members of the Board, but he did not particularize which. The then President of the Bank, Mr. Lunn, must have been perfectly aware that such moneys had been paid to the High School, and that no security had been given up to the time of the annual meeting of 1846 and 1847, when I think he declared that the vouchers were correct. He must have done so before he passed the annual Report."

In order to satisfy our minds as to the authority on which the moneys were paid to Mr. Davidson, we referred to the cheques which are filed in a cause now pending in the Superior Court of this District, between Hon. W. Morris, President Savings Bank, and the High School. Certified copies of the cheques will be found in the Appendix to this Report; they are all drawn in favour of David Davidson, Esquire, or order, and are signed as follows:—

1845.

July 25, ..	£1200,	signed J. Redpath, Director.
Aug. 30, ..	1200,	" J. Ferrier, "
Oct. 4, ..	600,	" W. Murray, "
Dec. 4, ..	700,	" J. Ferrier, "

The explanations given by the above gentlemen of their participation in the payment, so far as signing the cheques which constituted it, are as follow.

Mr. Redpath :

" The first payment on account of which was made on the 25th July, in a cheque for twelve hundred pounds; that cheque bears my signature as Director. I account for my signature being to this cheque in this manner: Mr. Eadie was in the habit of applying to some one or other of the Directors, in the absence of the President, to sign one, two, or three cheques for the day. These cheques were ordinarily left blank as to the amount, which was subsequently filled in by the Actuary. My signature to this cheque for twelve hundred pounds, must have been given in this manner.

Mr. Ferrier says :

" A certified copy of a cheque, amounting to £1200, being presented to me by the Commissioners, it appears to me that I may have signed that cheque for £1200, which is dated 30th August, 1845, without the payee's name being filled in. I have no recollection of that particular cheque, but think Mr. Eadie must have given me some explanation of some purpose for which it was required; but whether the true purpose was stated by him, I cannot say."

Mr. Murray says :

" Ques.—Please refer to the same record, which contains a copy certified by the Prothonotary, Court of Queen's Bench, of a cheque, dated 4th October, 1845, on the Bank of British North America, for £600, in favour of David Davidson, and say whether you ever signed, as Director of the Savings Bank, such a cheque, and whether

" such cheque formed part of a loan by the Savings Bank to the High School ?

" Ans.—It is very probable I have signed such a cheque, but I have no distinct recollection of it; nor could I say whether it was for the High School or not."

Mr. Eadie's account of the negotiation of the loans to the High School, is as follows: after relating the first payment on 25th of July, 1845, he says:

" This first payment arose from several conversations between Mr. Davidson and myself. Mr. Davidson stated to me that he had arranged with those Directors of the Provident and Savings Bank, who were Directors of the Bank of British North America, viz., Messrs. Ferrier, Brondgeest, and Dow, for a loan of three thousand six hundred pounds, or thereabouts, which the Directors of the High School required, to enable them to complete the building for that Institution, then in the course of erection; that the amount would be required at intervals, according as the buildings progressed—that security would be given for the loan by mortgage upon the building in the usual terms adopted by the Savings Bank, together with the personal security of the whole of the Directors of the High School. Mr. Davidson requested me to give instructions to Mr. Pelton, the notary of the Savings Bank, to have the necessary deeds prepared. He also desired me to direct Mr. Pelton to send the draft of the deed to him, Mr. Davidson, as he would submit it to Mr. Meredith, one of the Directors of the High School, and their legal adviser. I do not recollect whether this conversation was held in the Savings Bank or the Bank of British North America. I think no one was present besides Mr. Davidson and myself; the interview was held a few days before the 25th of July, 1845, the day on which I have already stated I made an advance of twelve hundred pounds to Mr. Davidson. I remember stating in one of the conversations, I think it was in the first, that I had with Mr. Davidson on the subject of this loan—"Three thousand six hundred pounds!" the sum was large, and would absorb too large a proportion of the funds of the Savings Bank; to which Mr. Davidson replied that he considered that a matter of no importance, as the Savings Bank might overdraw their account with the Bank of British North America to that extent, without his requiring any additional security from the Savings Bank.

" I directed Mr. Pelton to make out a draft of the deed, as desired by Mr. Davidson, and to send it to that gentleman for revision. Mr. Pelton said he did not think that all the Trustees of the High School would sign this deed; I said that was a point for Mr. Davidson to consider, and that he must make out the deed as desired. Some days after my thus instructing Mr. Pelton, before the deed was prepared, Mr. Davidson called upon me and obtained twelve hundred pounds, as the first payment on the loan of three thousand six hundred pounds; I paid this in a cheque of the Savings Bank, on the British North American Bank, in favour of David Davidson, Esquire; I have no doubt that that cheque was signed by Mr. Lunn, then President of the Savings Bank. I subsequently received that cheque back from the British North American Bank, with other cheques on that Bank; I have no doubt I left it amongst the archives of the Savings Bank. I think, when Mr. Davidson called for this cheque of twelve hundred pounds, there were none of the Directors of the Savings Bank present."

On 9th September, 1845, a meeting of the Directors of the High School was held, at which, with

Appendix
(Q. Q.)

15th July

Appendix (Q. Q.)
15th July
other members, were present, Messrs, Ferrier and Murray, Directors of the Savings Bank. The following proceedings are recorded at the Meeting:—

“ The Meeting took into consideration the financial statements prepared by the Secretary, from which it appeared necessary to borrow the sum of four thousand pounds, for the purpose of completing the new School House. It was resolved to apply to the Savings Bank for a loan of that sum, and to offer the guarantee of the Directors as security.”

Mr. Ferrier says:—

“ I attended the Meeting of the Directors of the High School on the 9th September, 1845, when the Meeting took into consideration the financial statements prepared by the Secretary, from which it appeared necessary to borrow the sum of four thousand pounds, for the purpose of completing the new School House. It was resolved to apply to the Savings Bank for a loan of that sum, and to offer the guarantee of the Directors as security.”

“ Ques.—Were you aware at the time of that meeting, that is, on the 9th September, 1845, that the Savings Bank had made one or more payments to Mr. Davidson, Treasurer of the High School, on account of a loan to that Institution?”

“ Ans.—I am unable to say.”

Mr. Director Murray states his recollection of the proceedings at the meeting as follows:—

“ I recollect being present at a meeting of the Directors of the High School, held, as appears by the Minutes of the High School, on the 9th September, 1845. I recollect that the subject of a loan from the Savings Bank to the High School was then mentioned. I do not recollect whether it was mentioned at the Meeting or not, that £2,400 had been received by the High School from the Savings Bank.”

What steps were taken to carry out the object of the meeting is involved in equal obscurity with the other proceedings in relation to this loan; but the third instalment of the loan was paid on 4th October, 1845, on the following requisition from the Secretary of the High School:

“ DEAR SIR,—Will you let me have £600 to account of the loan for the High School.”

“ Yours faithfully,

(Signed.) “ D. DAVIDSON,

“ Secretary.”

“ John Eadie, Esquire.”

A Meeting of the Directors of the High School was again held on the 10th October, 1845, at which, with other Members was present, Mr. Murray, Director of the Savings Bank. The following proceedings are reported in the Minutes:

“ A Committee was appointed, consisting of Messrs Meredith, Day and Young, for the purpose of revising the form of security to be given to the Provident and Savings Bank, for the loan of £4000, for which the previous meeting had authorized an application to be made.”

Mr. Director Murray's recollection is as follows:

“ I recollect having been present at a Meeting of the Directors of the High School, which appears by the Minutes to have been held on the 10th October, 1845. A Committee was then appointed to revise the form of a bond or mortgage for the loan by the Savings Bank to the High School. I can-

not say positively whether or not I was aware, at the date of that meeting, that any money had actually been advanced by the Savings Bank to the High School. I do not recollect any decision to which the Committee, appointed on the 10th October, 1845, came, on the subject of the security to the Savings Bank.”

John Young, Esquire, who was Chairman of the meeting on that occasion says:

“ I am a Director of the Montreal High School, and have been since 1845. I never took any active part in the building of the High School. I was absent from the city when that measure was decided on. I only became acquainted with the position of the affairs of the Institution, when I attended a meeting some time in the summer of 1845. I remember to have been present at that meeting, Messrs. Meredith, Davidson, Day, and I think Mr. Lunn: it was a very full Meeting.”

“ A deed of security to the Savings Bank, for loans of money obtained for building the High School was submitted, but understanding its principle to involve the personal responsibility of the Directors of the High School, I objected to it, when it was resolved to appoint a Committee of three, which consisted of Messrs. Meredith, Day and myself, which Committee was to take into consideration the character of the deed, and to report. I understood from the conversation that occurred at the meeting, that the Directors of the High School, who had borrowed the money from the Savings Bank, had promised personal security with a mortgage, and had got the deed drawn in that way for submitting to the Board. To the personal security, as already stated, I objected. I cannot from recollection state, whether or not it was mentioned at the meeting, that a portion of the loan had already been advanced by the Savings Bank to the High School. I took little part in the management of the latter Institution; the active members being Messrs. Lunn, Ferrier, Davidson and Ramsay.”

D. Davidson, Esq., Secretary of the High School says:—

“ On the 10th of October, 1845, another meeting was held of the Directors of the High School, at which a Committee was appointed, consisting of Messrs. Meredith, Day and Young, for the purpose of revising the form of security to be given to the Savings Bank for the loan of four thousand pounds. Between the meeting of the 9th September and that of the 10th October, an obligation in security for the loan by the Savings Bank had been prepared by Pelton, Notary, and presented for signature to the Directors of the High School; but the form of instrument having been objected to, it had not been signed. The nature of the objection was the joint personal responsibility of the Directors of the High School which it involved, and I believe it was on account of this difficulty that the Committee of the 10th of October was appointed.”

The skeleton of the deed, with the amount and names in black lead, to be filled up as executed, was laid before us, and a copy will be found in evidence. It made all the Directors of the High School jointly and severally liable for the amount of the loan, with interest at six per cent. per annum. The deed was never executed.

Mr. Young says:

“ My colleagues on the Committee to examine the deed, concurred with me that it was not advisable to incur the personal liability involved in it, and such a deed was never perfected, and I do not recollect that we made any formal Report. I do

Appendix (Q. Q.)
15th July.

Appendix K.

Appendix
(Q. Q.)

15th July.

"not recollect to have attended any meetings of the High School since the meeting to which I have referred, where the subject of security to the Savings Bank formed part of the proceedings, until after it had been sold by Sheriff's sale."

The Committee of Directors of the High School not having recommended the execution of the deed of security submitted to them, a meeting of the Directors of the former institution was convened on 29th November, 1845, at which, with other members, were Messrs. Lunn and Murray, President and Directors of the Savings Bank. The following is extracted from the minutes;

"The Honourable G. Moffat in the Chair.—The Secretary stated that he had called the meeting for the purpose of giving him authority to complete the loan from the Savings Bank. The Chairman having expressed a doubt as to the power of the Directors to borrow money, it was resolved to call a general meeting for the purpose of passing a by-law, authorizing the Directors to do so. The Secretary was requested to take the necessary steps for calling the members together."

Mr. Director Murray says:

"I recollect having been present at a meeting of the Directors of the High School, which appears by the minutes to have been held on the 29th November, 1845, at which the Chairman, the Hon. George Moffat, expressed a doubt as to the power of the Directors to borrow money. It is more than probable, but I cannot say to a certainty, that I must have been aware at the time of this meeting that moneys had actually been advanced by the Savings Bank to the High School. I think it extremely probable that I must have heard of it either at the High School or at the Savings Bank. I did not consider myself qualified to judge whether the Directors of the High School were empowered to borrow money or not."

Soon after this meeting, and when it was evident that a doubt existed, both as to the power of the Directors of the High School to borrow money, and as to their willingness to become personally liable, a further sum was paid on account of the loan by the Savings Bank. The fourth instalment was paid on 4th December, 1845, at the following requisition from Mr. Secretary Davidson:

"MY DEAR SIR,—Mr. Murray will explain to you the cause of the delay in completing the security to be given by the High School: meanwhile I must pay some of the tradespeople, and will thank you to give me a cheque for £700.

"Yours faithfully,

(Signed,) "D. DAVIDSON,

"Secretary.

"John Eadie, Esquire.

Mr. Director Murray's evidence is as follows:

"Ques.—Did you, subsequently to a doubt having been expressed, as already mentioned, at the meeting of the 29th November, 1845, as to the power of the Directors of the High School to borrow money, authorize in any way the advancing, by the Savings Bank, of any moneys to the said High School?"

"Ans.—I have not the slightest recollection of having done so, and am inclined to believe I did not.

"Ques.—Please refer to No. 16 of the papers and records of this Commission, and say whether Mr. Davidson, the Secretary of the High School, had any conversation with you as to the cause of

Appendix
(Q. Q.)

15th July.

"the delay in completing the security to be given by the High School, prior to his obtaining a cheque for £700, which appears by the books of the Savings Bank to have been paid to him for the High School, on the 4th December, 1845?"

"Ans.—I have not the slightest recollection of any conversation with Mr. Davidson on the subject of these loans, except what may have taken place at meetings of the Board."

Following up the suggestion of the meeting of the Board of Directors of the High School, of the 29th November, 1845, a general meeting of the members of that Corporation was held on the 20th December, 1845. The only Director of the Savings Bank present was John Torrance, Esq. The following is a copy of the minute of the proceedings:

"The Chairman having stated that the object of the meeting was, as mentioned on the notices which had been sent to the members, for the purpose of authorising the Directors to give security on the property of the Corporation for money borrowed or to be borrowed; it was moved by Mr. John Leeming, seconded by Mr. Barrett, and unanimously resolved: That it shall be the duty of the Directors to make from time to time such arrangements as may be necessary for the obtaining delay, borrowing money, and giving security for the payment of the debts which had been or hereafter may be contracted for the erection of the school-house, and other works connected therewith, and for the purchase of the land upon which the said school-house has been erected; and the Directors are hereby (so far as may be needful) authorized to mortgage and hypothecate the real estate now belonging, or any real estate that may hereafter belong to the Corporation, for the purposes aforesaid, or any of them."

No further notice of this loan to the High School by the Savings Bank appear in the books of either Institution until the 10th August, 1847, when for the first time reference is made to it in the minute book of the Savings Bank in the following terms:

"After some conversation regarding the loan to the High School, the Actuary was directed to address a letter to Mr. Davidson, the Secretary, insisting upon having the security completed, and especially having the large amount of interest liquidated."

At this meeting were present Messrs. Lunn and Redpath. In the minute of that day, the following entry also appears:

"Mr. Elder, who was unable to attend, afterwards called and approved of what had been done."

On the same day Mr. Eadie addressed the High School as follows:

"PROVIDENT AND SAVINGS BANK,

"MONTREAL, 10th August, 1847.

"SIR—At a meeting of the Finance Committee of this Institution, held to day, the state of the debt due by the Trustees of the Montreal High School, was brought before them, and I was ordered to represent to you, that as the money advanced by the Bank is a heavy amount, viz:—

"1844. Feb. 3. Cash.....	£ 660 0 0
"Overdrawn on current account,	162 10 9
"Cash paid you at various times on	
"account of buildings, &c.,..	3700 0 0
"Making an amount of principal of	£ 4522 10 9
"Interest to 30th June, about....	538 0 0
"Making a total of.....	£ 5060 10 9

Appendix
(Q. Q.)

15th July.

" the Directors consider themselves compelled to
" call upon the Trustees, not only for a completion
" of the mortgage upon the High School property,
" and the other securities to which they are entitled,
" but particularly for an immediate settlement of the
" heavy amount of interest, no payment whatever
" having hitherto been made in liquidation of either.
" Will you be so good as to lay this matter before
" the general meeting, which I believe is to be held
" to-day, and let me know what resolution they came
" to thereon.

" I am, &c., &c.,

(Signed,) " JOHN EADIE,
" Actuary.

" David Davidson, Esquire,
" Secretary High School."

Mr. Eadie says:—

" Several communications took place verbally be-
" tween Mr. Davidson and myself and Mr. Lunn, on
" the subject of the High School loan;—but no
" thing tangible appears to have been done until 23rd
" October, 1847, when a meeting was held at the
" High School, at which were present, amongst other
" Directors, the following Directors of the Savings
" Bank: Hon. J. Ferrier, G. Elder, and W. Murray,
" Esquires. The following proceedings are extracted
" from the minute book of the High School:—

" A long conversation ensued on the debt and
" prospects of the School. A committee consisting
" of Messrs. Davidson, Day and Ramsay, was ap-
" pointed to confer with the Directors of the Savings
" Bank, to ascertain their views with respect to the
" furnishing of personal security for part of the debt,
" which Committee was appointed to report to a
" meeting of Directors to be held on Saturday next."

On the following day a meeting of the Finance
" Committee of the Savings Bank was held, and the
" following proceedings are recorded in the minute
" book:

" MONTREAL, 26th October, 1847.
" FINANCE COMMITTEE.

" Present: Messrs. Lunn, Redpath, Elder and
" Ferrier, also Mr. Cross, as Solicitor for the Bank,
" and the Actuary.

" The meeting was called in compliance with the
" following note from Mr. Davidson to the Actuary:

" SIR,—Will you have the goodness to arrange a
" meeting between the Finance Committee of the
" Savings Bank and the Directors of the High
" School, upon the subject of the debt of the latter
" Institution.

" I am, Sir, &c.,

" D. DAVIDSON.

" 25th October, 1847,"

" for the purpose of considering the present state
" of the High School account, and to receive certain
" propositions, which it was understood the Directors
" of that Institution intended to make to the Bank.
" On the part of the High School were present
" Messrs. Davidson, Ramsay and Day. The subject
" was discussed at considerable length. It was
" stated that the High School, when the ground and
" balances due on the building were paid, will cost
" about £12,000,

" That there is still unpaid of the price of the
" ground..... £2,300
" and balances to the extent of about 700

" In all about..... £3,000

Appendix
(Q. Q.)

15th July.

" Of this sum there is £400 required immediately to
" pay Mr. Lamothe, and the £700 of balances, being
" £1,100, and the balance of £1,900 may either be
" paid at once, or as the instalments become due.

" The proposal of the Directors of the High
" School is, in substance, that the Bank should
" pay off Mr. Lamothe and the balances of £700,
" take a mortgage on the property for that sum and
" for the existing debt, and that personal security
" shall be given for whatever amount the Com-
" mittee might think was not fully covered by the
" value of the ground and buildings.

" The debt due the Bank with interest to this
" date is nearly..... £ 5,200 0 0
" and it is proposed to increase it... 3,000 0 0

" Making in all..... £ 8,200 0 0

" Of this the Bank holds personal security for £660,
" and 3¼ years interest or £810.

" Under these circumstances the Committee were
" of opinion that if the Bank acceded to this pro-
" posed arrangement, a mortgage should be given
" for the whole amount, and that personal security
" should be found for £3000, including in that
" amount the £660, alluded to above. The security
" so given not to be jointly and severally, but each
" party for his portion of the amount. This arrange-
" ment appeared to meet the views of the gentlemen,
" representing the High School, who said they would
" submit it to the Directors at a meeting to be held
" on Saturday next."

The next recorded proceedings are to be found in
" the following minutes of a meeting at the High
" School, held on the 22nd November, 1847 at which
" were present, with other Directors of the High School,
" Messrs. Lunn, and Murray, Directors of the Savings
" Bank:

" The minutes of last meeting having been read
" and approved of, the Committee appointed to confer
" with the Directors of the Savings Bank, reported
" that they had met these gentlemen on the 26th
" ultimo, and that the result of the conference was
" embodied in a minute from the books of the
" Savings Bank, with a copy of which the Secretary
" had been furnished. The following paper was
" then read, with this explanation from the Reporting
" Committee, that they had made no proposal (having
" no power to do so) to the Directors of the Savings
" Bank, but that the arrangement of the terms, on
" which the debt should be guaranteed, proceeded
" from the Directors of the Bank themselves. At
" the same time the Reporting Committee thought
" the Bank was well entitled to have the account
" with the High School placed on a more satisfactory
" basis than that on which it now stood.

(Here follow copy minutes Savings Bank.)

" On considering the above minutes, the Directors
" of the High School approved of what their Com-
" mittee had done in the matter, and appointed
" Messrs. Ferrier, Davidson, Lunn, Allan, and Ram-
" say to digest a plan for securing the required
" guarantee to the Savings Bank."

A meeting was again held at the High School on
" the 2nd December, 1847: Present: Hon. James
" Ferrier, Messrs. Lunn, and Murray, Directors of both
" Institutions; at which the following appears to have
" been the course determined on:

" The Committee reported that the only way in
" which they thought the guarantee required by the
" Savings Bank could be obtained, was by the
" Directors themselves setting the example of sign-

Appendix L.

Appendix
(Q. Q.)

15th July.

“ ing a personal obligation for such amount as they
“ thought expedient, and then appointing a Com-
“ mittee to wait upon the Stockholders generally to
“ solicit their assistance in the same way. A length-
“ ened conversation ensued, which ended in the
“ meeting resolving to follow the opinion of the
“ Committee, and constituting the Board into a
“ Committee of the whole to wait upon the Stock-
“ holders.”

On the 6th December, 1847, the Managing
Directors of the Savings Bank were convened: the
following is an extract from the Minutes.

“ MONTREAL, 6th December, 1847.

“ MANAGING DIRECTORS.

“ Present—Messrs. Lunn, Anderson, Murray, Ma-
“ thewson, Elder, Torrance, Ferrier, Redpath and the
“ Actuary. The Minutes of 26th October read
“ regarding the High School, and it was reported by
“ Mr. Ferrier that they, the Directors of that institu-
“ tion, were making exertions to procure subscriptions
“ to secure the bank.”

Some progress however appears to have resulted
from these “ exertions to procure subscriptions,”
since at a meeting of the Directors of the High
School, held on the 26th February, 1848, present
the Hon. J. Ferrier and Mr. Lunn, Directors of both
institutions, the following is reported:—

“ Messrs. Murray, Elder, Dr. McCulloch, Dr.
“ Campbell, Dr. Crawford and Mr. Ramsay were
“ directed by the Board to take up further subscrip-
“ tions to the obligation in favour of the Provident
“ Bank, so as to hasten to a conclusion the arrange-
“ ment with that institution.”

What sum, however, if any, was raised, we had
no means of ascertaining. The next reference that
we find to the subject is in the following letter from
Mr. Davidson:—

“ BANK OF BRITISH NORTH AMERICA.

“ Mr. Davidson will be obliged to Mr. Eadie to
“ state the sum due by the High School, with interest
“ to this date; also the amount of the Promissory
“ Notes held by the bank with interest to date.

“ 6th April, 1848.

“ Mr. D. would wish this before 12.”

To this the following return was made:—

PROVIDENT AND SAVINGS BANK,

MONTREAL, 6th April, 1848.

“ HIGH SCHOOL ACCOUNT.

“ 1844.				
“ Feb. 3.—Cash advanced on				
notes,.....	£600	0		
“ 1848.				
“ April 6.—Interest 4 years				
63 days.....	165	4	8	
			825	4
				8
“ We hold two notes for this amt.				
“ bearing interest as above.				
“ 1847.				
“ Dec. 31.—Overdrawn on de-				
posit account... 172	5	2		
97 days interest	2	14	10	
			175	0
				0
“ Dec. 31.—Amount advan-				
ced on general				
account and int.				
to date.....	4211	8	4	
97 days interest				
on £3700.....	59	0	0	
			4270	8
				4
“ Total amount due by				
High School.....	£5270	13	0	
(Signed) JOHN EADIE, Actuary.”				

Appendix
(Q. Q.)

15th July

A meeting at the High School was held on the
same day, at which were present, with other Direct-
ors of that Institution, Messrs. Lunn and Elder,
Directors of the Savings Bank. The following
minutes are recorded:

“ A lengthened discussion then took place respect-
“ ing the condition and prospects of the School,
“ when it was resolved to renew the attempt to
“ furnish the required security to the Savings Bank,
“ and to place the School in an efficient state.”

The next reference to the subject is in the minutes
of the Savings Bank, where are recorded the follow-
ing proceedings of a meeting held on the 24th April,
1848:

“ FINANCE COMMITTEE,

“ MONDAY, 24th April, 1848.

“ Present—Messrs. Lunn, Redpath, Ferrier, Elder
“ and the Actuary.

“ HIGH SCHOOL.

“ The Actuary was instructed to write to Mr.
“ Ramsay, that upon the Directors of the High
“ School giving a mortgage on the property, and
“ personal security for the due payment of the in-
“ terest, the Bank will allow the debt to remain over
“ for twelve months, to enable the Directors of the
“ School to finally arrange the payment of the debt;
“ and request to have a reply thereto on or before
“ Friday next.”

On the same date in the minute book, the follow-
ing letter appears:

“ SIR,—At a meeting of the Committee of Direct-
“ ors of this Bank, held to-day, the unsatisfactory
“ position of the debt due by the High School was
“ taken into consideration, and I was instructed to
“ write you with the request that measures may be
“ adopted on the part of your Directors to have it
“ arranged. The Committee are willing to give the
“ School Committee twelve months to complete their
“ arrangements for the ultimate settlement, provided
“ the Directors of the School will give the Trustees
“ of the Bank a mortgage on the property, and per-
“ sonal security for the payment of the interest.

“ I am also desired to request that you will let
“ them have an answer to this on or before Friday
“ next.

“ I remain, &c.

“ Hew Ramsay, Esquire,
“ Secretary to the High School,
“ Montreal.”

To which the following reply from the Secretary
of the High School was made:

“ MONTREAL, 26th April, 1848.

“ JOHN EADIE, ESQUIRE,
“ Cashier, Provident Bank.

“ SIR,—I have to acknowledge receipt of your
“ favour of the 24th instant. The Directors of the
“ High School have been engaged for some time in
“ attempting to raise the amount of personal security
“ required by the Bank previous to the discharge of
“ the debts on the School. As yet, they have only
“ been able to procure a portion of the sum wanted;
“ but I trust, within fourteen days from this date, to
“ be able to make a more agreeable report to you of
“ their progress. I hope your Directors will concede
“ this further delay. I assure you, the Directors of
“ the High School are very anxious to place their

Appendix
(Q. Q.)

15th July.

" obligations to the Bank on a more satisfactory basis than that on which it now rests.

" I am, Sir,

" Your most obedient,

(Signed,) " HEW RAMSAY,
" Honorary Secretary High School."

The following further information respecting the action of the Directors, to the time of the suspension of the Bank, we extract from the evidence of Mr. *Eadie* before this Commission, which we verified by reference to the books and documents therein referred to:

" This offer on the part of the Directors of the Savings Bank to forego the personal claim which they had at all times made against the Directors of the High School, in consideration of a mortgage on the building, was a deviation from the original agreement, which was, that both a mortgage on the High School, and the personal security of its Directors, should be given for the amount of the loan. I think at that time it had become the impression of the Directors that the original agreement could not be carried out; because Mr. Davidson and the Directors of the High School refused to fulfil the conditions on which Mr. Davidson originally obtained the loans.

" On the 2nd May, the Finance Committee of the Savings Bank again assembled, and the following proceedings are recorded:

" Present—Messrs. Lunn, Ferrier, Redpath, Elder and the Actuary.

" The Actuary laid before the meeting a letter from Mr. Ramsay, requesting, on the part of the Directors of the High School, fourteen days to enable them to make such arrangements as would enable them to put the obligation to this Bank on a more satisfactory basis than it rests upon at present, which was agreed to."

" Nothing was done in the matter until the 14th June, 1848, when the following minute appears in the proceedings of a Board of Directors of that date, at which were present:

" Present—Messrs. Morris, Torrance, Badgley, Lunn, Murray, Ferrier, Redpath.

" The matter of the High School loan was then taken up and discussed; and it was resolved that the Directors of the High School be immediately called upon to complete the securities to the Bank: it was further resolved, that all receipts given for payment of loans, either capital or interest, be signed by the Actuary, or one of the other officers of the Bank, and also by one of the Trustees.

" Nothing further was done in the way of getting securities from the High School.

" The next notice is found in the minutes of the Directors on the 3d July, 1848;

" Present—Messrs. Morris, Redpath, Ferrier, Torrance, Murray, Badgley, Elder, Mathewson and Ramsay.

" The following letter was sent to the Directors of the High School:

" PROVIDENT AND SAVINGS BANK,
" MONTREAL, 3rd July, 1848.

" GENTLEMEN,—The Finance Committee of the Montreal Provident and Savings Bank beg leave to remind the Directors of the High School that the obligation and securities for the loan still remain uncompleted, and in a most unsatisfactory state.

Appendix
(Q. Q.)

15th July.

" Some of the Directors of the High School are no doubt aware that this loan was obtained by the then Secretary of the High School, Mr. Davidson, and some of the Directors who were connected with both institutions, and the money paid by the Actuary in perfect good faith that the securities would be immediately completed. But, although such has not been done, the Finance Committee cannot suppose but that the gentlemen, through whose intervention the money was obtained, will consider themselves morally bound to see that the Bank sustains no damage from the position in which they have placed it.

" The Finance Committee would further observe that from the unfortunate position in which the Bank is at present placed, they trust that the Directors of the High School will see the necessity of completing the securities without a moment's delay.

" I am, gentlemen,

" Your obedient servant,

(Signed,) " W. MORRIS, President.
" M. P. & S B.

" To the Directors of the
" High School, Montreal."

" The following was received in answer:

" HIGH SCHOOL,
" MONTREAL, 4th July, 1848.

" To the Hon. W. MORRIS.

" Sir,—I have the honour to acknowledge receipt of your letter of yesterday's date, which I lost no time in submitting to a meeting of the Directors of the High School. In reply, I am instructed to say, that the Directors, in security of the debt now due to the Provident and Savings Bank, are ready, with as little delay as possible, to execute a mortgage in favour of the latter; and this, with the addition of personal security for £600, appears to have been the mode of settlement contemplated by the parties when the debt was contracted. For your information I enclose excerpts from the minute book of the school, having reference to this subject.

" Respecting the personal bond which some time ago was in course of execution, I am instructed to say that its completion and delivery to the Bank was contingent on a further advance of £3,000 being made to the school, and as in the present state of affairs, it is improbable that so large a sum would be made, it is deemed unnecessary in the meantime to proceed farther in the matter. That this was the view of both parties will appear manifest to you on referring to the minute of 26th October last, which was drawn up by the Actuary of the Bank.

" I have the honour to be, &c.,

(Signed) " HEW RAMSAY,
" Hon. Secretary."

The Hon. W. Morris, who was elected President of the Bank, on 6th May, 1848, gives the following evidence with relation to the foregoing letter, and on the subject of the loan to the High School:

" The loan to the High School occupied my attention particularly. I was not aware of it until I became an officer of the Savings Bank. Mr. Redpath detailed the circumstances of it to me, and expressed strong disapprobation of the manner in which it had been contracted. Some of the Trustees of the High School, which had obtained the money, were also Directors of the Savings Bank. I have no doubt that all those gentlemen, who acted in the double capacity of directors of these two institu-

Appendix
(Q. Q.)

15th July.

" tions, had approved of the loan when made. None of them ever disclaimed such approbation, to my recollection. Both Mr. Redpath and myself considered these gentlemen in honour bound to see that the Savings Bank should be protected from loss by that loan, and we expressed that opinion. We called upon the High School Directors repeatedly to fulfil their obligation to the Savings Bank. I recollect having written, in my capacity of President of the Savings Bank, in July, 1848, to the Directors of the High School, calling their attention to this loan, and urging the fact that some of the Directors of the High School were aware that the loan had been obtained through Mr. Davidson, the Secretary, and some of the Directors of the High School, who were at the same time Directors of the Savings Bank. I think the Trustees I referred to were Messrs. Ferrier, Lunn, and Murray, as members of both boards. When I was aware of this loan to the High School, and of other irregularities in the management of the Savings Bank, I would have instantly resigned, had it not been from a fear that my resignation would injure the credit of the institution, and cause a further run upon it. I therefore felt it my duty to give my best assistance towards putting the Bank in a more favourable position."

The peculiar circumstances of this loan, and the large amount involved, must plead our justification for entering upon it at such length, by inserting so much of the evidence taken before us. After a careful examination of that evidence, we feel bound to draw your Excellency's attention to the following indisputable facts. That at a Meeting of the High School, then an incorporated body, held on 5th June, 1845, it was determined on a motion, seconded by Mr. Lunn, a Director, both of the High School and of the Savings Bank, to form a Committee, of which Mr. Murray, also a Director of both bodies, should be one, to raise the necessary funds for paying for the High School property, and for the erection of suitable buildings thereon. That a loan was negotiated by the High School with the Savings Bank, and in consequence of that resolution—since the first two instalments of the loan, of £1,200 each, were paid on 25th July and 30th August, 1845, prior to any further meeting of the High School; the next meeting not being held until the 9th September following. That the cheques for these two instalments were signed, respectively, by J. Redpath, Esq., and the Hon. James Ferrier; the latter a Director both of the Savings Bank and of the High School. That a meeting was again held on the 9th September at the High School, at which Mr. Ferrier, the Director, who had signed the cheque for £1,200, and thus authorized the payment of that amount, and Mr. Murray, also a Director of both institutions, and one of the Committee, authorized to negotiate the loan of the previous meeting, were present; that at this latter meeting, financial statements were exhibited, reference made to the necessity of borrowing the sum of four thousand pounds, and a Resolution passed to apply to the Savings Bank for a loan of that sum, on the personal guarantee of the Directors; that subsequent to this meeting, namely, on 10th October, 1845, a further instalment of £600 was paid on account of this loan, the cheque in this instance being signed by Mr. Murray, Director both of the Savings Bank and High School. That on the 10th October, 1845, another meeting was held at the High School, and a Committee appointed for the purpose of revising the form of security to be given to the Provident and Savings Bank, for the loan of £4000, for which the previous meeting had authorized an application to be made. That a deed of security was drawn out, but was never executed, because it involved that personal responsibility of the Directors, which had been promised at the meeting

Appendix
(Q. Q.)

15th July.

of the High School of the 9th September previous. That another meeting of the Directors of the High School was held on 29th November, Messrs. Lunn and Murray, Directors of that institution and of the Savings Bank, being again present, at which "doubts of the power of the Directors of the High School to borrow money" were expressed. That on 4th December, 1845, after a doubt had been expressed, as to the power of the Directors of the High School to borrow money, the further sum of seven hundred pounds was advanced on account of this loan on a cheque, signed by Hon. James Ferrier, Director of both institutions, on a requisition of the Secretary of the High School, stating that the cause of the delay in completing the security would be explained by Mr. Murray, Director of both institutions. That no progress appears thus to have been made in completing the security, and the matter was suffered to remain unsettled, no attempt being made either to secure the principal, or to collect the interest, for upwards of two years after the loan being entered into. That during those two years, whilst the recovery of this large amount was so doubtful, two annual statements were made by the Directors of the Savings Bank, namely, for the years 1845 and 1846, at both of which occasions the securities of the Bank were stated to have been examined, and to be in a satisfactory position. That no reference whatever occurs in the records of the Bank, further than the entries of the moneys having been paid, until the 10th August, 1847, when for the first time the subject of these loans appears to have been formally taken up by the Directors, and a decision come to that some steps were necessary to secure the institution. That the next action on the matter appears to have been by the High School, the Directors of which at a Meeting, held on 26th October, 1847—present and assenting, Messrs. Ferrier, Elder and Murray, Directors of the Savings Bank—decided to ascertain the views of the Savings Bank "with respect to the furnishing of personal security for part of the debt." That a Committee of the High School accordingly met the Directors of the Savings Bank on 26th December, 1847; present, Messieurs Lunn, Elder and Ferrier, Directors of both institutions, when the latter body proposed a certain form of security, altogether different from and inferior to that originally agreed on, at the time the loan was contracted. That the Directors of the High School assembled on the 22d November, 1847—Messrs. Lunn and Murray present, confirmed the proceedings of the High School Committee, and appointed another Committee, of which Messieurs Ferrier and Lunn, Directors of both bodies were members, "to digest a plan for securing the required guarantee to the Savings Bank." That at the next meeting of the High School, held on 2nd December, 1847, present, Messieurs Ferrier, Lunn and Murray, Directors of both bodies, it was decided that the only way in which "the guarantee required by the Savings Bank could be obtained, was by the Directors themselves setting the example, for such amount as they thought expedient," and appointing a Committee to obtain the assistance of the other stockholders generally: and finally that no evidence has been adduced to shew whether the Directors of the High School did "set the example" recommended, except that on the 6th December following, Mr. Ferrier, Director of both institutions, informed his colleagues of the Savings Bank, that exertions were making to procure subscriptions to secure the Bank, and that at a meeting of the High School, held 26th February, 1848,—present, Messieurs Ferrier, Lunn and Elder, Directors of both institutions, it was determined to "take up further subscriptions," which would seem to imply that some amount had been previously subscribed. Certain however it is, that no portion of the amount, either principal or interest, had been paid, or in "any way

Appendix
(Q. Q.)

15th July.

“secured at the time of the suspension of the Savings Bank, nor has any part since been paid.”

We feel ourselves almost relieved from the necessity of commenting on this transaction; a mere recapitulation of the salient points suffices to shew the culpable irregularity of the whole proceeding. The plea of ignorance, set up by the Directors of the Savings Bank, cannot avail them, since the connection of one or more of them with every stage of the progress, is so distinctly proved. Mr. Director Murray was one of the Committee originally appointed to negotiate a loan. Directors Ferrier, Redpath and Murray, respectively, signed the cheques for the amount of the loan; and Directors Lunn, Ferrier and Murray, repeatedly attended the meetings of the High School, when these loans again and again formed the subject of discussion. To suppose that any one of these gentlemen was ignorant of these loans at the time of their being contracted, almost passes credibility, and it is a matter of certainty that all of them (except Mr. Director Redpath, who left the city shortly afterwards, and was absent some time) were informed of the loans very shortly after they were made. They knew, moreover, very early that the proper security had not been taken for the re-payment of these loans; and being the guardians alike of the funds of the borrowing and of the lending institution, it surely was their duty to take active measures to compel the former to indemnify the latter. But the case is even stronger: the loans were actually made by themselves to themselves; they were taken from moneys, the little property of the poor man, or the hard earnings of the mechanic, deposited with them for safe keeping, and applied to the benefit of themselves, with other wealthy co-proprietors in purchasing property and rearing a costly edifice. On every principle of honour and integrity, then, they were responsible for the punctual re-payment of the moneys so appropriated.

The circumstance of the same gentlemen being members of the Board of Direction, both of the High School and of the Savings Bank, probably did, in the first instance, prevent that rigid and careful exaction of security that in ordinary cases would have been insisted on, in a loan of such magnitude, before the Bank should have divested itself of its funds. Doubtless also the same cause did operate in causing greater forbearance, after the moneys had been paid, than would have been accorded to other borrowers. It is quite evident, however, that the Actuary of the Savings Bank conceived he was paying the money with the full sanction of the Board of Directors. He informed individual Directors that he had paid the money on the authority of other Directors, and he never was charged by the Board with having paid the money without the proper sanction. The only question that ever appears to have arisen was, who the instructing Directors really were. Dissatisfaction was expressed, not at the Actuary, but at their own members, and really, from the participation which all had in the transaction, we should be at a loss to say which of them is the most culpable.

One of the extraordinary facts connected with this extraordinary loan is, that no record should have been made of it in the minutes of the Board of Directors, for fully two years after it was made; another, that after the refusal on the part of the proprietors of the High School to become personally responsible for the debt, the matter should have remained in abeyance, without, so far as we can find, any trouble being taken to secure the Bank for upwards of a year and a half. No valid reason that we can imagine could be given for such negligence, nor has any cause whatever been attempted to be assigned.

There cannot be the least doubt that all the Directors of the High School, and still more particularly such of them as were Directors of the Savings Bank, were under the strongest moral responsibility adequately to secure the latter institution from loss by the loans; nor have they ventured to deny that responsibility, since they distinctly admit their duty to “set an example” to their co-proprietors by subscribing to repay the sum borrowed. It is a pity, however, that they did not strengthen the example they appeared so anxious of setting by actually paying back into the chest of the Savings Bank some portion of the sums they were the means of abstracting therefrom, to put into the coffers of their own institution, the High School. Their philanthropy and love of justice, however, unfortunately for the Depositors of the Savings Bank, did not carry them so far.

We have already extracted from the evidence of the Hon. W. Morris,—the President of the Savings Bank, elected in May, 1848,—some remarks on the subject of this loan, and we further insert his letter to the Secretary of the High School, written on the day of the suspension of the Savings Bank, which completes the history of the transaction up to that time.

“MONTREAL PROVIDENT AND SAVINGS BANK,
“MONTREAL, 14th July, 1848.

“HEW RAMSAY, Esq.,

“Secretary Montreal High School.

“SIR.—I beg to acknowledge receipt of your letter of the 4th, in reply to my communication of the 3rd instant, regarding the loan to the High School.

“Your letter has been laid before the Finance Committee, and, although the answer is not at all satisfactory, yet they think it their duty in the meantime, to request that the mortgage to the Bank, as you propose, may be completed without delay.

“You state that the proposal, made by you, appears to have been the mode of settlement contemplated by the parties when the debt was contracted, and refer for proof of this to your own minutes.

“To show you that such could not have been the case, one of the invariable rules of this Bank, in making loans to Trustees of Schools, Churches, &c., has been to have the personal security of every individual composing each trust. And further, they would beg to remind the then Secretary of the High School, by whom the money was withdrawn from the Bank, that a deed of mortgage was actually drawn out by the Notary, in the usual form, holding all the parties personally responsible, which was communicated to that gentleman, and corrected by himself or by his legal adviser, and actually signed in pencil by himself individually; and the reason of its non-completion appears to have been the refusal of some of the other Directors, intended parties to the Deed, to sign the same. This incomplete document still remains in the hands of the Notary, with all the names of the Directors of the High School written in pencil, in the handwriting of the Secretary, where each person was to sign. Independent of these circumstances, the Finance Committee have good grounds to believe that there was an irregularity in the way of obtaining this loan, and that it did not come before the Board in the usual way of application by letter. Under such circumstances, it became the special duty, both of the President of this Bank, who was also a Director of the High School, and who authorized the payment of the money, and of the Secretary of the

Appendix
(Q. Q.)

15th July

Appendix
(Q. Q.)

15th July.

" High School, who received the advances, to have
" seen that the Bank was perfectly secured.

" The Finance Committee have no hesitation in
" reiterating their former opinion that these parties
" are morally and in honour bound to see that the
" Bank is not made to suffer any loss in the result of
" this transaction.

" I am, Sir,

" Your obedient servant,

(Signed,)

" W. MORRIS, Pt.

" P. & S. Bank."

The answer to the foregoing we insert here in
order that the defence of the Directors of the High
School may be fairly represented, although, from its
date, it perhaps would come in more properly in
that portion of our Report, which treats of the
management of the Bank subsequent to its suspen-
sion:—

" GREAT ST JAMES STREET,
29th July, 1848.

" Sir,—Your letter of the 14th inst., addressed to
" the Secretary of the High School, has been brought
" under my notice from the circumstance of my be-
" ing a Director of that Institution.

" There are some expressions in that letter which
" I feel called upon to notice, and I shall take the
" opportunity of explaining my views, with regard to
" the transaction which has given rise to the cor-
" respondence between the Savings Bank and the
" High School.

" Your letter states that 'the deed of mortgage
" was actually signed by me.' This is an error; my
" name merely appears there in a pencilled memo-
" randum of those gentlemen who formed the Direc-
" tion of the High School at that time.

" Your letter further states that there was an
" irregularity in the way of obtaining the loan, and
" that it did not come before the Board in the usual
" way, and that therefore it becomes the special duty
" of the President of the Bank, who authorized the
" payment of the money, and of the Secretary of
" the High School, who received the advances, to
" have seen that the Bank was properly secured.

" Permit me to say that I was not before aware
" that there was any particular form of application
" for loans of money from the Savings Bank, and
" was until very recently in ignorance that there had
" been any want of formality or due observance of
" the Rules of the Savings Bank, with regard to the
" one in question. There was no want of formality
" on the part of the High School, as the resolution to
" apply, for a loan, to the Saving's Bank, is regularly
" entered upon the Minutes of the Directors. And
" surely when the payment was authorized by the
" President of the Savings Bank, I had no reason to
" doubt that the matter had been regularly brought
" before and sanctioned by the Directors of that in-
" stitution. If the officers of the Savings Bank are
" chargeable with neglect, it appears to me out of
" place to refer to their conduct in a letter addressed
" to the Secretary of the High School, and still more
" so to connect me with the alleged irregularity as if
" I had been cognisant of its having taken place.

" As to the time the money was received from the
" Savings Bank, three members of its Finance Com-
" mittee were Directors of the High School, and one
" of these gentlemen was upon a Committee appoint-
" ed in June 1845, (before any money was received
" from the Savings Bank) for the purpose of provid-
" ing funds for paying the instalment on the property
" of the High School, and for building.

Appendix
(Q. Q.)

15th July.

" That these gentlemen believed that security
" would be given to the satisfaction of the Savings
" Bank, I entertained no doubt; otherwise I am satis-
" fied they would not have sanctioned the payment of
" the money. My impression, as is evidenced by the
" draft of the Bond referred to in your letter, was, the
" personal security of the Directors was to be given
" in addition to the mortgage over the property.
" This remark, however, will only apply to the £2400
" advanced previous to October 1845, when it was
" known that the Directors would not become parties
" to the Deed drawn by Mr. Pelton; at the same time
" I believe that the sums subsequently received, were
" given in the full belief that the Savings Bank
" would be secured, if not in the form which was
" first intended, in some other having the same effect.
" When the money was borrowed, it was not antici-
" pated that so large a sum as £4000, would be re-
" quired as a permanent loan, because it was not
" supposed that nearly so large a sum as £7000,
" would be expended in the execution of the School
" House, and therefore there was less room for
" anxiety as to the security of the Savings Bank,
" or as to the safety of those who might make them-
" selves personally responsible for the sum borrowed.
" You are already in possession of the extracts from
" the minute of the High School, subsequent to the
" date to which I have alluded; and from these it
" would appear that the idea of a personal responsi-
" bility had been at least lost sight of, and that no
" thing beyond a simple mortgage was contemplated.
" But my belief is, that had the matter been then
" pressed to a settlement, personal security would
" have been given; although not perhaps in the form
" prepared by the Notary of the Saving's Bank,
" which made each Director liable for the whole
" amount of the loan. The settlement, however, did
" not take place; and in the following spring, the
" position of the High School was entirely changed,
" from the large sum expended on the School House,
" as well as from other causes. It has been asserted
" that frequent application was made to the Direct-
" ors of the High School to have the security com-
" pleted, but I have no recollection of any demand
" of the kind until the autumn of last year. I have
" then given what I believe to be a correct statement
" of the circumstances connected with the loan from
" the Savings Bank. A simple mortgage would
" not, there is reason to fear, now secure the Savings
" Bank from loss; and therefore the question natu-
" rally suggests itself, being, in my capacity of
" Director of the High School, one of the recipients
" of the money, have I incurred the moral responsi-
" bility alluded to at the close of your letter?

" However unwilling I may be to incur any further
" obligations connected with the High School, I at
" once admit that I am called upon to bear my pro-
" portion of any loss which may be sustained by the
" Savings Bank, but I must at the same time limit my
" admission of liability to the amount which was re-
" ceived previous to the refusal of the Directors of
" the High School to sign the deed prepared by Mr.
" Pelton. Up to that time, the money was received
" without any objection being raised to the nature of
" the security which the Savings Bank was wont to
" require, and therefore I conceive the obligation to
" give that security to be binding upon the Directors.
" I feel strongly that the moment the Directors of the
" Savings Bank found any hesitation on the part of
" the Directors of the High School to incur a per-
" sonal responsibility, no farther advances should have
" been made. It may be true, as I have already
" stated, that the Directors of the Savings Bank
" trusted on the one hand to the position of the High
" School as then involving little risk, and on the other
" to a hope, that if necessary, the Directors of that
" Institution would see the Savings Bank put right.

Appendix
(Q. Q.)

17th July.

" But I have many reasons for believing that had a personal liability of even a modified character been incurred by the Directors of the High School, there would have been to-day a different state of things as regards that Institution, and very probably no difficulty would exist in its meeting all its engagements without the necessity for any extraordinary assistance.

" In admitting any personal responsibility, I might perhaps say that there is, strictly speaking, no greater moral claim upon me than upon any other shareholder of the stock of the High School. It was well known that money had been borrowed from the Savings Bank, and every shareholder had as much interest in the application of the money as I had, and therefore the obligation to shield the Savings Bank from loss, if it exist at all, must be equally applicable to all; but I think it would not be proper in me to take advantage of this position, because it was with the Directors of the High School that the transaction took place: and I feel therefore that it is their especial duty to see that what is right, is done, seeking a remedy for themselves, from the shareholders whose interest they represent.

" I am, Sir,

" Your obedient servant,

(Signed.)

" D. DAVIDSON.

" The President of the Montreal
" Provident and Savings Bank."

" We apprehend there can be no difficulty in coming to the conclusion that, in the whole matter of the loan to the High School, there was so systematic a disregard of all precautions that the law and the rules of the Bank enjoined, as to take from the Directors of the Savings Bank any shadow of a plea of exemption from personal liability. That the money of the depositors lent to the High School, should be restored to its owners, is unquestionable; and we think equally so, that the persons through whose instrumentality it was lent, should be compelled, in the first instance, to repay the amount; leaving them to recover it or not, as the law would permit, from the parties to whom they so uncautiously—to use the mildest terms—entrusted it.

" To shew how utterly destitute of weight is the quasi defence set up by the Directors, that the action of Mr. Eadie, in giving the money to the High School, was unauthorized, as well as contrary both to the rules and practice of the Bank—and that they are therefore not responsible—it suffices to state, that the Directors countenanced, nay, compelled, on other occasions, similar alleged irregularities and infractions of law. Several of them, such as unauthorized loans to Directors, will appear in the course of this Report; but we would at present request your Excellency's attention to some of a very gross character, and which offer striking points of analogy to the loan to the High School. It is true that they terminated without ultimate loss to the Bank, but this does not do away with their irregularity; the hazard to the Savings Bank was of a precisely similar character to that incurred by the High School loans, from which so serious a loss resulted. We allude to the manner in which several loans by the Savings Bank to the Montreal Insurance Company were authorized and conducted: the particulars will be found in the following evidence given by Mr. Murray, who, it will be remembered, was both Director of the Savings Bank and Manager of the Insurance Company. He says:

" The Montreal Fire Insurance Company had several loans from the Savings Bank. The first loan was on the 11th April, 1842. I forget whether

Appendix
(Q. Q.)

15th July.

" any security was lodged with the Bank or not. I cannot state with whom I negotiated the loan, but I was a party. There appears no record of the loan in the minutes of the Board of Directors. That loan appears by the Savings Bank ledger now produced to me to have been repaid, with interest, on the 12th June, 1843. I have no doubt that this loan was arranged for with the approbation of some of the Directors of the Montreal Fire Insurance Company. On the 7th May, 1844, I see by the Savings Bank ledger, a loan of £500 was made to the Montreal Insurance Company, which is stated in the cash book to be per note. I have no recollection of any note having been given. On the 18th October, 1845, the Savings Bank made a loan to the Montreal Insurance Company of £1,677 15s. 3d. This loan is recorded in the cash book of the Savings Bank as having been 'agreed upon by Mr. Lunn, Mr. Ferrier and Mr. Murray.' No record of the loan appears in the minute book of the Savings Bank. I believe there was a meeting of the Board, at which the loan was determined on. I do not recollect who were present at such meeting.

" Ques.—Previous to this £1,677 15s. 3d. being paid by the Savings Bank, were any securities lodged with the Savings Bank for the loan?

" Ans.—There was not.

" Ques.—Did the Montreal Insurance Company subsequently, and if so, at what time, lodge with the Savings Bank any security for the said loan of £1,677 15s. 3d.?

" Ans.—I believe there was security lodged for a time.

" Ques.—When was that security first lodged with the Savings Bank?

" Ans.—I think it was immediately after the transaction.

" Ques.—For how long a space of time did that security remain lodged in the Savings Bank?

" Ans.—I think they did not remain one year in the possession of the Savings Bank.

" Ques.—Was any security substituted for that withdrawn from the Savings Bank?

" Ans.—No.

" Ques.—What was the nature of the security lodged for a time with the Savings Bank by the Montreal Insurance Company, for this loan of £1,677 15s. 3d.?

" Ans.—Corporation bonds to the amount of £2000—

" Ques.—Was there any other security lodged?

" Ans.—None. The whole transaction was of this nature. Mr. Munro, one of the Contractors of the New Market, had obtained a loan on the same bonds from the Bank of Montreal, and being unexpectedly called upon to pay the amount to that Institution, he was put in a situation of great difficulty, and the progress of building of the Market must have been stopped. It was first proposed, to the best of my recollection, to the Savings Bank to purchase the Corporation bonds, and relieve Mr. Munro, when, I think, it was suggested that, if the Insurance Company bought the bonds, the Savings Bank would advance the amount due to the Bank of Montreal. This was done, the Insurance Company paying Mr. Munro the difference. The bonds are still on hand, and I exhibit them to-day. They are held by me as Manager of the Insurance Company.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" Ques.—Do you mean to say, from your explanation, that the loan by the Savings Bank of £1677 15s. 3d., was to the Montreal Insurance Company, or to Hector Munro ?

" Ans.—It was to the Insurance Company, with the view of obliging the Corporation of Montreal and Mr. Munro.

" Ques.—Why, then, did the Montreal Insurance Company hold the Corporation bonds which were given as security instead of the Savings Bank holding them ?

" Ans.—To the best of my recollection, they came into my hands for the purpose of collecting the interest.

" Ques.—For whom did you collect the interest ?

" Ans.—For the Insurance Company, as the Company had to pay the interest to the Bank.

" Ques.—How were the Insurance Company entitled to collect interest on securities the property of the Montreal Provident and Savings Bank ?

" Ans.—The Bank had perfect good faith in the Montreal Insurance Company, and therefore confided the bonds to me, being a Director of the Bank, to prevent confusion. The Company had to collect interest on £2000 from the Corporation, and of course were accountable to the Bank for the interest on £1677 15s. 3d.

" Ques.—Did you pay over to the Savings Bank the interest on the amount of their loan, say £1677 15s. 3d. ?

" Ans.—I did not. Had the Bank made demands for the interest as we collected from the Corporation, we should have paid off the whole amount at any hour, rather than have been troubled in that manner.

" Ques.—Was it the Rule of the Savings Bank that the interest on loans made by it should be paid at certain stated intervals ?

" Ans.—The rule was to the best of my recollection that interest should be calculated on the 30th June and 31st December in each year. I do not know whether, but I think the rule was that the interest should be payable half-yearly.

" Ques.—Was there any Resolution or authoritative declaration by the Savings Bank, excepting the Montreal Insurance Company, from the application of the general Rules under which loans were granted with regard to the payment of interest ?

" Ans.—There was no exception in favour of the Montreal Insurance Company that I recollect, or that I am aware of, made by the Directors of the Savings Bank, and the Bank was due the Insurance Company for rents, taxes, and other charges, and any interest would have been paid had the Actuary presented an account for interest, which was never done.

" Ques.—Be good enough to refer to the books and say, at what period of time the Savings Bank was indebted to the Montreal Fire Insurance Company for rent, to an equal amount to that for which the Montreal Insurance Company was indebted to the Bank for interest ?

" Ans.—It never was to an equal amount.

" Ques.—Can you show any authority for withdrawing from the Savings Bank the securities of £2,000, which had been lodged there by the Montreal Insurance Company, for the loan of £1,677 15s. 3d. granted to them ?

" Ans.—I recollect no authority. It must have been one of those transactions based on good faith between the Actuary and myself.

" Ques.—Was it known to the Directors of the Savings Bank, that this portion of the securities had been withdrawn by their debtors, the Insurance Company ?

" Ans.—I cannot say; I had no object in secrecy, and the Directors of the Savings Bank would have considered the Montreal Insurance Company perfectly good without any security.

" On the 4th July, 1846, I find by reference to the books, that £650 was paid on a note of Bryson & Ferrier, to me. The note was at ten days, and the money was advanced for their accommodation. The Actuary being made aware that I had the control of ample security for the amount, I find by the books of the Bank, that it was transferred to the Montreal Insurance Company, on the 31st December, 1846.

" On the 20th of August, 1846, I find on reference to the books of the Savings Bank, that £300 is charged to James Ferrier, and on the 21st, £400 to the same party, being amounts paid Bryson & Ferrier for a note in my favour, and endorsed by me. At the time, I did not know that the money for this note was obtained from the Savings Bank. This sum appears to have been transferred on the 31st December, 1846, to the debit of the Montreal Insurance Company, without my knowledge at the time.

" Ques.—Was it customary for the Savings Bank to make up an annual statement of its accounts with the Montreal Insurance Company ?

" Ans.—There was an occasion where two years elapsed, but on other occasions, I think it was done annually.

" Ques.—Was a statement rendered for the year 1846 ?

" Ans.—It must have been rendered in the course of 1847.

" Ques.—Did that statement include the sum of £1,350, transferred on 31st December, 1846, from the debit of James Ferrier, to Montreal Insurance Company ?

" Ans.—It did.

" Ques.—Did the Bank hold any security for that loan of £1,350, and if so, what security ?

" Ans.—There was ample security lodged with me, and the amount was allowed to remain at the debit of the Insurance Company.

" Ques.—When you speak of the security so lodged with you, was it in your capacity as Manager of the Montreal Insurance Company, or as Director of the Savings Bank ?

" Ans.—The parties giving me the security did it, to me, as Manager of the Insurance Company, or as an individual.

" Ques.—Was the Montreal Insurance Company debtor to the Savings Bank for this loan, and if so, when and in what manner did they become so ?

" Ans.—They were from the time that Mr. Ferrier sanctioned the transfer, which I understand he did."

" Ques.—Did Mr. Ferrier in his capacity of President of the Montreal Insurance Company, ever, and if so, when, authorise or instruct you, on behalf of the Montreal Insurance Company, to as-

Appendix
(Q. Q.)
15th July.

"sume the responsibility of the sum of £1,350, advanced by the Savings Bank, and charged to him in July and August, 1846?"

"Ans.—He was perfectly aware of it. He must have done so, but I cannot recollect the precise time.

"Ques.—Please refer to the books of the Savings Bank, and say, whether any, and if so, what portion of the various loans which you have enumerated, as having been made by the Savings Bank to the Montreal Insurance Company during the years 1844, 1845, and 1846, and whether, and if so, what portion of the interest accruing thereon, had been repaid to the Savings Bank up to the 31st December, 1847?"

"Ans.—On the 31st December, 1846, £500 were paid on account, and £89 6s. 8d., which must have been in liquidation, both of principal and interest.

"Ques.—What was the balance at the debit of the Montreal Insurance Company with the Savings Bank, on the 31st December, 1847?"

"Ans.—By the Bank ledger it appears to be £5,597 8s. 9d.

"Ques.—Were there any other securities for this debt, than those you have already enumerated?"

"Ans.—There were not.

"Ques.—At the time of the suspension of the Savings Bank, say, on the 14th July, 1848, what was the balance due by the Montreal Insurance Company to the Savings Bank?"

"Ans.—It appears by the Bank book to have been £2,745 3s. 3d.

"Ques.—Has that balance since been paid?"

"Ans.—It has.

"Ques.—What sum was the Montreal Insurance Company indebted to the Savings Bank according to the books of the latter Institution, on the 31st December, 1848?"

"Ans.—£2,317 5s. 8d. That balance was subject to considerable reductions, for rent and other charges.

"Ques.—What was the amount of these deductions?"

"Ans.—Probably about £300.

"Ques.—The balance then on the 31st December, 1848, must have been about £2000, when was that balance repaid?"

"Ans.—On the 20th July, 1849, £500 was paid. On the 23d October 1849, £1000 was paid; and on the 31st July, 1850, £400 was paid.

"Ques.—Why was not the balance due by the Montreal Insurance Company to the Savings Bank paid sooner?"

"Ans.—At the time of the suspension of the Savings Bank, a dividend of twenty per cent. was paid to the depositors, and I considered that it would be sufficient, if this balance was paid previous to any other dividend being declared.

"Ques.—When was the dividend of twenty per cent. paid?"

"Ans.—From the 15th July, to the 24th August, 1848.

"Ques.—Why was not this balance due by the Montreal Insurance Company paid in, to form part of that dividend?"

Appendix
(Q. Q.)
15th July.

"Ans.—A large loan had been obtained from the British Bank, and the Bank of Montreal to meet that dividend, and had I considered it of importance that this balance should have been paid, there is no doubt, that the British Bank would have transferred that amount to the credit of the Savings Bank, and to the debit of the Insurance Company.

"Ques.—Was not the borrowing by the Savings Bank of money from the Montreal Bank and Bank of British North America, owing to the difficulty of collecting outstanding debts due to the Savings Bank?"

"Ans.—It was.

"Ques.—Did not the Savings Bank deposit shares or other securities with the Banks from whom they borrowed the money?"

"Ans.—I think they deposited Government securities or debentures. The Montreal Bank had the security of its own stock also.

"Ques.—Is it to your knowledge that any of the securities given by the Savings Bank to the Banks from whom they borrowed money as above mentioned, were sold at a loss, to repay the loan?"

"Ans.—I have no doubt that stocks were sold at a loss, with a view of repaying the Bank, and under the apprehension that they would still go lower.

"Ques.—Have you any knowledge of either of the Banks from whom the Savings Bank borrowed money, being urgent for the sale of the stocks which they held on security for the loans made by them to the Savings Bank?"

"Ans.—I think the British Bank was rather urgent.

"Ques.—When was the British North American Bank urgent?"

"Ans.—I cannot say precisely: I think it must have been about the end of 1849, or early in 1850.

"Ques.—Was the balance due by the Montreal Insurance Company at the time of the suspension of the Savings Bank, all paid in cash?"

"Ans.—It was all paid in cash with the exception of a sum which was transferred, belonging to the trustees of the burying ground, amounting to £427 17s. 7d., which the Insurance Company took at the full sum allowed, for the protection of the trustees, I being one of them. The transfer was made at ninety per cent. in the Savings Bank Books, as in "other transfers."

Had the Montreal Insurance Company become insolvent, as did the High School, there can be no doubt that its debt to the Bank might have been evaded or repudiated, with at least an equal semblance of propriety as has been the debt due by the High School. The foregoing evidence conclusively demonstrates that the fault was in the general system of management of the Savings Bank, still more than in the particular features of the case of the High School, and for this loss from that mismanagement, we hold the Directors of the Savings Bank, as already remarked, responsible.

Another transaction which terminated in extensive loss to the Savings Bank, was in a loan to Mr. Arthur Ross.

The evidence of Mr. Ross is as follows:—

"I was formerly City Treasurer to the Corporation. I resigned that Office, I think in May, 1847.

Appendix
(Q. Q.)

15th July.

" I obtained a loan from the Savings Bank in the years 1846 and 1847. I received it in various payments ranging from the commencement of 1846 to June, 1847. The total amount of the loan was £1000. I sent in a written application for the loan prior to my receiving any portion of it. The application for the loan must have been in 1845. My impression is that several months elapsed between that application and my receipt of the first instalment of the loan. I have not kept a copy of that application. My impression is, that in my letter of application, I offered to the Bank to give them a mortgage on my seigniority whenever they required it. I have no knowledge whether my application was formally laid before the Board of Directors. I have no recollection of having had any conversation with any of the Directors, on the subject of the loan prior to the application being made. I do not know when I was first informed that the loan had been granted: I presume I must have derived my information from Mr. Eadie. Prior to receiving any instalments on my loan, I had not executed any security to the Bank. I continued to receive payments from the Bank, without giving any security whatever except my own receipt; and up to the time of the receipt of the last instalment, I had not still executed any security whatever to the Bank further than my own acknowledgement for the moneys. I never was called upon to give any security whatever until in the summer or towards the fall of 1847, when Mr. Eadie called upon me to give security. I then gave him two obligations of £500 each in favour of the Bank with, as sureties, my brother, Mr. John Ross, of the firm of Messrs. Ross, Shuter & Co., of Quebec, and Mr. Edward Pooler, who was then my agent in carrying on the lumber business. This obligation conveyed a mortgage on my seigniority at St. Giles, in the District of Quebec. There were some prior mortgages on that seigniority, the *constituts* and my wife's dower, and one lyled by the Crown in the summer of 1847, for the accruing rent on the mills at St. Nicholas; and one to Ross, Shuter & Co., of Quebec for £3000. The amount of the capital of the *constituts* was about £4,800. My wife's dower on the seigniority and on my other property was £1000. There is also a mortgage on the seigniority for the amount of £100, per year, jointure to Mrs. Walter Davidson during her life. These, I believe, are the principal incumbrances on the seigniority up to the time of my granting a mortgage on it to the Savings Bank. I consider the gross income of that seigniority, at the time of my granting the mortgage to the Savings Bank, to have been between £800 and £900 per annum; partly taken from tenants in work, from persons who were too poor to pay in money.

" Ques.—Did you receive at the time, or about the time, of the mortgage to the Savings Bank, any returns whatever from you seigniority, in money ?

" Ans.—From the year 1844, the bulk of the moneys, and work representing moneys, were laid out first in the parish of St. Giles, and afterwards on the Queen's domain at St. Nicholas, in the seigniority of Lauzon. The accounts were kept by my agent and by my brothers. I am not able to say what amount was paid in cash, and what in work, without reference to the books, which are in the hands of Mr. Webster, the accountant.

" Ques.—Have you any knowledge when the mortgage on your seigniority, in favour of the Savings Bank, was registered in the public Registry Office ?

" Ans.—I have not.

" Ques.—Can you say what the annual income of your seigniority was, prior to 1844, estimating it in net cash ?

" Ans.—I am not able to say.

" Ques.—Can you say whether the income in cash from that seigniority, prior to 1844, was more than sufficient to pay the expenses of collection, and the amounts payable on the *constituts* ?

" Ans.—I only became possessed of Mr. Robert MacKay's share in 1844. It was more than sufficient; we must have received something, but I am not able at this distant period, to say how much.

" Ques.—When was the obligation in favour of Messrs. Ross, Shuter & Co., to which you have referred, given ?

" Ans.—I do not remember the exact month.

" Ques.—Was it given prior to the loan being obtained from the Savings Bank ?

" Ans.—It was long subsequent to that loan being obtained. I believe it was in the fall of 1847.

" Ques.—Was the mortgage in favour of Ross, Shuter & Co. executed prior to that to the Savings Bank ?

" Ans.—It was."

Mr. Eadie's testimony is as follows:—

" In page 235, ledger account, ' Arthur Ross, ' I find particulars of various sums paid to him: viz, " 6th January, 1846, cash, £200, entered in cash book, ' paid him to account of loan on mortgage of seigniority, &c.' 2nd February, 1846, £200, ' paid him further to account of loan.' February 25th, £200, do. do. March 4th, £50, ' paid his order further to account of loan to him.' March 28th, £71 16s. 0d., ' paid do. do. do.' May 15th, £100, ' paid him further to account of loan of £1000.' June 25th, 1847, £154 8s. 5d., ' paid him balance of loan on seigniority.' No security whatever was given for these sums at the time they were paid, except Mr. Ross' receipt or orders for the amount. These sums were paid on the authority of the Directors of the Savings Bank. A formal application was, I believe, made to them for a loan of £1000, on the security of a mortgage on a seigniority belonging to Arthur Ross, and his brother, Thos. Ross. The application was sanctioned by the Board, but no security was taken for at least eighteen months afterwards. The first entry in the minute book of the Board of Directors of the Savings Bank, relative to this transaction, appears in the proceedings of the Finance Committee, at a meeting held 27th May, 1848, at which were present, Messrs. Morris, Elder, Murray, Redpath, Ferrier, and the Actuary."

The following is the minute there made:

" The matter of Arthur Ross was brought before the meeting, and Mr. Lunn having been requested to attend, it was explained that this loan was agreed to at a meeting of the Directors; but as it was at the time uncertain when the money might be required, or whether it might be required at all, no record of the application was made. That at the time Mr. Ross and his brother were considered wealthy and highly respectable."

" I speak from recollection; but, I think that the time between the application for the loan and the first portion of that loan, being paid was about two or three months. I think it could not be more, but it might be less. I speak from recollection, but I think that this loan was made about the time of

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" Mr. Ferrier's election to the mayoralty of Montreal.
 " Mr. Ross, the party to whom the loan was made,
 " was at the time the Treasurer of the Corporation
 " of the City. Mr. Ferrier, and, I believe Mr. Lunn,
 " were the parties through whose instrumentality
 " these loans were obtained. The only record that
 " I find in the proceedings of the Board of Directors
 " of the Savings Bank, relating to the loan to Arthur
 " Ross is that which I have extracted from the
 " minutes of 27th May, 1848. I think in about May,
 " 1848, or perhaps a month or two earlier, some
 " security, viz: the obligation of John Ross of Que-
 " bec, and of another person of Quebec, whose name
 " I do not recollect, was taken. At the time I left,
 " no portion of this sum had been paid. The sum
 " at the debit of Arthur Ross, on the 30th June,
 " 1848, was £1060 6s. 3d."

Mr. Ferrier says:

" Ques.—Have you any recollection of having
 " been present at any meeting of the Board of Di-
 " rectors of the Savings Bank, either at the close of
 " 1845, or in 1846, at which any loan was author-
 " ized to Arthur Ross ?

" Ans.—I do not recollect at what date, but I was
 " present at a meeting of the Board of the Savings
 " Bank when an application was made by Mr.
 " Arthur Ross for a loan of money, offering for secu-
 " rity a mortgage upon his seignior, and my im-
 " pression is, that his brother and Mr. Wicksteed's
 " personal security was offered with the mortgage.
 " I do not recollect whether the application was
 " granted or not at the time.

" Ques.—Did you ever sanction personally the
 " payment to Mr. Ross of any moneys on account of
 " the loan prior to proper securities being executed
 " in favour of the Bank ?

" Ans.—I have no recollection of ever having done
 " so, and do not believe I ever did."

The facts in this case lie in a nutshell. In 1845, Mr. Ross made application for a loan of £1000, which was agreed to on the part of the Bank, with the understanding that the seignior of the borrower should be hypothecated for the amount. No precaution whatever was taken to ascertain the value of the seignior; what income was derived from it, nor what incumbrance, if any, was on the property. It is plain, from the evidence, that the seignior was of little value, produced no income, and was deeply mortgaged. The money was, however, paid deliberately, in instalments ranging over a whole year, without even the poor security that had been offered being taken. The transaction was not even recorded in the minute books of the Savings Bank, and no allusion made to it until 27th May, 1848. This, however, is no extraordinary instance; for we find, by reference to the books, that not one-third of the loans authorized by the Directors ever found a place there.

Not until 16th September, 1847, nearly two years after the loan was granted, was security applied for. In the interim, two separate mortgages, one for £3000, the other to the Crown for the accruing rents of the seignior had been granted on the property, which, according to the original agreement, and to the rules of the Bank, should have been hypothecated to the Bank, before any money was advanced. The security, bad enough in the first instance, was thus rendered worse. As if to add irregularity to irregularity, the mortgage deed thus taken at last was never, we have good reason to believe, registered.

The first notice of this loan, we have already mentioned, appears in the minute book under date 27th May, 1848. The remarks in that minute are deserv-

ing of particular notice for the attempt at palliation of error, which they are evidently intended to convey. But, admitting even the validity of the kind of excuse offered for the original loan, the objections to the subsequent want of precaution remain untouched, nor do the Directors explain how they could have given forth their annual statement of 1846, made after examination of the investments, securities, &c., on which this loan was deliberately described to the public and the depositors of the Bank, as granted on mortgage, with security.

All that has been received on account of this loan is £42 8s. 6d., interest due to 31st December, 1846; the rest, amounting to £1060 6s. 3d., on 30th June, 1848, is unpaid. After the suspension of the Bank, suits were instituted, and judgment obtained in July, 1849. The parties to the deed had then become insolvent, and the security itself, being over mortgaged, was valueless. The amount is set down as a total loss.

Comment is unnecessary.

Certain loans, granted by the Savings Bank to Messrs. John and Michael Kelly, and to Mr. Daniel O'Connor, were brought under our notice, and we deemed it our duty fully to investigate the circumstances connected with them. The particulars of these transactions are of a complex character, and we shall give so much of the evidence as may throw light on them. It appears that on the 21st January, 1846, Mr. Daniel O'Connor, shoemaker, obtained a loan from the Bank of five hundred pounds currency, giving as security for the repayment of the loan, Mr. Robert Cooke, also shoemaker, and Messrs. John and Michael Kelly, builders, both of the said sureties mortgaging to the Bank certain properties owned by them, designated in the deed.

On the 6th February, 1846, Mr. Daniel O'Connor obtained the further sum of two hundred and fifty pounds, giving the same sureties, and mortgaging the same properties.

On the 14th April, 1846, Messrs. John and Michael Kelly became borrowers from the Bank, obtaining the sum of one thousand pounds, on the security of Mr. Robert Cooke, who acknowledged himself debtor to the Bank for the amount of the said loan, transferring, as further security, a deed, by which Messrs. Kelly had pledged to him, the day previous, certain property, including that mortgaged to the Bank, for the loans to Mr. Daniel O'Connor. The Hon. Mr. Director Ferrier and J. M. Tobin, Esquire, merchant, also became security to the Bank for this loan.

We may here mention that the last named deed was not registered until May, 1846, and those for the loans to Mr. Daniel O'Connor not until 10th June, 1846.

Messieurs Kelly and O'Connor both became bankrupt a few months after the loans, as did Mr. Cooke shortly after. The realization of the property has been attended with much difficulty; it is not yet completed, (about eleven hundred pounds being unpaid on 30th September, 1850, the date of the statement in Appendix,) and a loss is anticipated of about three hundred pounds through these loans.

As the sum likely to be lost by the Bank is not large, we might not have felt it necessary to investigate the circumstances very minutely, had not evidences been tendered to prove that these moneys had been lent to certain favoured individuals, in doubtful circumstances, as a requital for political services, and not as a judicious and prudent investment of the funds of the Bank. The evidence adduced on the subject is as follows:

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Mr. Robert Cooke says:—

“Some time in the month of December, eighteen hundred and forty-five, to the best of my belief, at the last time when the municipal elections were held under the old law, I assisted in negotiating with the Savings Bank a loan for John Kelly and Company of one thousand pounds; and, about a fortnight before, I had also assisted in negotiating with the same institution a loan for Daniel O'Connor, of five hundred pounds, and, a few days after, of two hundred and fifty pounds for the same party. The loans from the Savings Bank were on the following terms: That to John Kelly and Company was given on a mortgage on his property and on my property. Mr. Ferrier and Mr. J. M. Tobin were security on a notarial deed passed before T. Pelton and colleague, Notaries, to the best of my belief, that I should not be a loser by the transaction. The security on which the loans to Daniel O'Connor were granted, was a mortgage on my property, and John Kelly was jointly and severally bound with me on a mortgage on a part of his property. For the security which I gave, for five hundred pounds for Daniel O'Connor, I had only his promise to keep me harmless; he said that the Hon. Dominick Daly and Mr. Higginson, private Secretary to the then Governor General, would see that I should sustain no loss, and that the Hon. James Ferrier knew the transaction. When the application was made to me for the further security on the two hundred and fifty pounds, I felt uneasy at the responsibility I had incurred without any tangible guarantee from the parties, whose names Mr. Daniel O'Connor had mentioned, and I said so to him. Shortly after, I met the Hon. James Ferrier, who spoke to me about the loan: he asked me why I refused to become security for Mr. O'Connor. I said I had already given security for too much, and, if I had the thing to do over again, I would decline. Mr. Ferrier then told me to go security again with John Kelly and Company for Mr. Daniel O'Connor, and he, Mr. Ferrier, would see me harmless, for the loan of two hundred and fifty pounds. When Mr. Ferrier applied to me to become security to the Bank for John Kelly and Company, I asked him why he wished me to be security. He replied, that he did not wish his name to appear as security directly to the Bank, as he was one of the Directors, and it would have a political appearance. I had several conversations with the Hon. Mr. Ferrier about the time of these loans, wherein I mentioned that Kelly and Company and Daniel O'Connor were then deprived of those facilities, which they formerly had, with the Bank of Montreal and the People's Bank, in consequence of their having changed sides in politics, and that I thought that it would be a great shame to the Conservative party to let them fall. Mr. Ferrier replied that it would. The loans were negotiated after these conversations which I had with Mr. Ferrier. Mr. John Kelly was returned to the Corporation as Councillor for the St. Lawrence Ward, at the election alluded to in the foregoing part of my examination, with the understanding that he should vote for Mr. Ferrier, as Mayor of the City, and he did so vote. I consider that all the mortgages given to the Bank as security for the sums to which I have referred, as lent to John Kelly and Company and Daniel O'Connor, were quite sufficient in amount at the time to save the Bank from loss. I do not know whether the Bank has sustained loss from the securities or not. I cannot get my account from them, though I have applied several times for it. At the times that the loans alluded to were made to Daniel O'Connor, I was aware that he was not able to meet his payments. Mr.

Appendix
(Q. Q.)

15th July.

“Ferrier asked me about his standing, and I said I knew he was embarrassed. Mr. Ferrier said if he, O'Connor, cannot stand, it is better to let him fall and set him up again. I communicated this to O'Connor, as Mr. Ferrier's opinion; he said that a loan of five hundred pounds would make him quite easy, but as already mentioned, after he got the five hundred, he required two hundred and fifty more. At the time also that the loan was made to John Kelly and Company, Mr. Ferrier knew that they were in embarrassed circumstances. I had told him so, and that they could not stand without assistance. Both Daniel O'Connor and Kelly became bankrupt in a short time, say within a year of their obtaining these loans, to the best of my belief, and my property has been sold by the Savings Bank on account of my security to the former.”

“When I spoke yesterday of the dates of my transactions with the Savings Bank, relative to the loans to O'Connor and Kelly and Company, I gave the dates from recollection, only coupling them with the municipal election, which I was aware was held about the time of those loans, and it is very possible that I was in error as to the precise dates. The conversations that were held between me and Mr. Ferrier were generally in his own house, and sometimes in the street; but I never, to my knowledge, had any conversation with him in the Savings Bank. I never made any formal application to the Bank respecting these loans; nor had I ever any communication about them with any of the other Directors. I cannot say whether I have ever been called upon by the Bank to pay the amount of my indebtedness on account of the loan to Kelly and Company. Mr. Freeland, the actuary that succeeded in the management of the Bank after the failure, informed me that I should suffer no loss on account of that security. The Bank had proceeded against me for the amount of the two obligations which I came under for Daniel O'Connor, and have sold the property that was mortgaged for that and other debts I owed them. My fixed property, that was mortgaged to the Bank, was sold at Sheriff's sale, that is to say, a certain lot of ground, situated in Lagachetière street, with three brick houses; they were bought in by Mr. Freeland, in the name of Mr. Redpath, for one hundred and twenty pounds in all. This lot originally cost me about sixteen hundred pounds. The other property belonging to me in Mountain street, containing eleven wooden tenements, was also sold at Sheriff's sale to William Rodden, for one hundred and twenty pounds; he bought them in for all parties concerned: this property cost me four hundred pounds.”

“Since the failure of the Savings Bank I have had conversations with Mr. Ferrier, with respect to his liability to me, and he has acknowledged that he is liable to me for a hundred and twenty-five pounds, being the half of the two hundred and fifty pounds, for which I became security for O'Connor with Kelly, and for which Mr. Ferrier promised to indemnify me; but he has not paid me any thing.

Mr. Daniel O'Connor's statement:

“I cannot state the precise time I obtained two loans from the Savings Bank, amounting together to seven hundred and fifty pounds. The first loan was for five hundred, the second loan for two hundred and fifty.”

“My first application was to Mr. Ferrier. It was out of the Bank. I think it was in the street, he told me some time after that I could have five hundred pounds, providing I could find security. I afterwards applied to Mr. John Kelley

Appendix
(Q. Q.)

15th July.

" and Mr. Robert Cooke to become security, and they
 " agreed to become so. I think I then made appli-
 " cation to the Bank. The security of Cooke and
 " Kelly was accepted, and I got the five hundred
 " pounds from the Bank. I had no conversation with
 " any other of the Directors of the Bank, about the
 " loan, that I recollect; I think that when I con-
 " versed with Mr. Ferrier, he understood I was em-
 " barrassed at the time. I was in difficulties; I am
 " not sure whether any of my paper was under pro-
 " test. I cannot say precisely how long, but it may
 " be from a fortnight to a month after, I got a second
 " loan from the Savings Bank, of two hundred and
 " fifty pounds. On that occasion it was through Mr.
 " Ferrier, whom I met in the street, and who told me
 " I could have two hundred and fifty pounds more.
 " I know it was given on the same persons' security,
 " but I do not remember whether that was men-
 " tioned at the time or not. I did not give any fixed
 " property as security on that occasion, nor do I re-
 " collect whether my name was included in the obli-
 " gation that was taken or not. Mr. Ferrier did
 " not for either of the above, loans desire me to ap-
 " ply on his behalf to Mr. Cooke or Mr. Kelly to
 " become security for me. I never assigned to Mr.
 " Ferrier any other reason why I should obtain a
 " loan from the Savings Bank, except that I needed
 " the money for my business. I never said to Mr.
 " Ferrier that in consequence of my supporting the
 " Conservative party, that I had been deprived of
 " facilities I had formerly obtained at the Banks, and
 " that I ought to be assisted by the Conservatives.
 " Mr. Ferrier never promised to me to hold my se-
 " curities harmless from any loss from their becom-
 " ing liable for me at the Bank. Mr. Ferrier never,
 " to my recollection, told me that he would ask any
 " one to become security for me. I may have said
 " in conversation with Mr. Ferrier, that Mr. Kelly
 " needed assistance. I stated as the cause, that he
 " wanted it, and that he was a good generous man.
 " I assigned no other reason, to my knowledge. I
 " did not speak of any political services rendered by
 " Mr. Kelly. I did not speak of the circumstances
 " of Mr. Kelly at the time, because I did not know
 " them. I did not promise to Mr. Ferrier, either
 " political support or assistance, in consideration of
 " obtaining a loan myself, or of his obtaining it for
 " other people; nor did I ever authorise any other per-
 " son to make such an offer. I became a bankrupt
 " some months after the loans were made to me; it
 " could not have been later than August, forty-six. I
 " am not sure, but I do not think the Bank has sus-
 " tained loss by its loans to me. At the time I
 " offered Messrs. Cooke and Kelly as my securities,
 " I considered them perfectly good."

Mr. John Kelly's statement.

" I believe in the beginning of April, eighteen hun-
 " dred and forty-six, I had a loan of one thousand
 " pounds from the Montreal Provident and Savings
 " Bank. I gave as security a mortgage on the pro-
 " perty of John Kelly and Company, the firm of
 " which I was the principal; the property consisted
 " of houses, and is described in a deed passed be-
 " fore J. Pelton, Notary; as further security were
 " mentioned in the deed Messrs. James Ferrier
 " and the Honourable James Ferrier and Mr. To-
 " bin, both of this City, who thus became person-
 " ally liable, as mentioned in the deed. My
 " name, I believe, did not appear in the deed as
 " borrower, though the loan was actually to me as
 " member of the firm of John Kelly and Company.
 " The reason why my name did not appear as bor-
 " rower, was to prevent cavil at that time. There
 " was a set made against me to ruin me in my busi-
 " ness, and injure my reputation, and therefore the
 " name of Mr. Robert Cooke was substituted instead
 " of mine as the borrower. I do not remember whether

Appendix
(Q. Q.)

15th July.

" I made any formal written application to the Di-
 " rectors, but I think I did. I do not remember ever
 " making any verbal application in the Bank for
 " such a loan. I never myself personally made ap-
 " plication out of the Bank to any of the Directors
 " for a loan from the Bank, but a person suggested
 " to me that he would make a personal application
 " for me to Mr. James Ferrier for a loan from the
 " Bank, and I authorized him to do so; I think for a
 " thousand pounds. It was in my own house that
 " this proposition was made to me by the person to
 " whom I have alluded. We had had some convers-
 " ation together on the state of my affairs, and I had
 " mentioned to him the withdrawal of the accommo-
 " dation from me of late by the Montreal and Peo-
 " ple's Bank, where I had done my business. The
 " party understood well enough that that withdrawal
 " arose from political reasons; that is, because I had
 " voted for Mr. Ferrier as Mayor of Montreal, whom
 " I considered the most competent person at the time,
 " and that got me ill will from those who entertained
 " different opinions. The person whom I authorized
 " to apply for a loan for me had no connexion with
 " the Bank, nor did he give any security for me. I
 " would not have made an application personally
 " myself; I would have shrunk from doing so, for
 " I considered the party, whose political views I was
 " deemed to espouse at the time, would think that I
 " had some ulterior motive in the course I had pur-
 " sued, and therefore I would have suffered all
 " inconveniences rather than have made an applica-
 " tion myself. The party who made this application
 " did not profess to have any power or influence over
 " the Bank, but he seemed to be under the impression
 " that Mr. Ferrier would exert himself in order to
 " obtain the loan. I do not know any reason why
 " he should suppose that Mr. Ferrier would so exert
 " himself, except from that feeling that is natural to
 " every man to sympathize with one who had suffered
 " some odium in connexion with his name. The
 " person with whom I had this conversation to which
 " I have alluded, was Mr. Daniel O'Connor. I never
 " had any other loans from the Bank but the thou-
 " sand pounds to which I have already alluded; nor
 " have I ever had any notes discounted there. I was
 " security for two loans by the Bank to Mr. Daniel
 " O'Connor, amounting together to seven hundred
 " and fifty pounds. My fixed property, or rather that
 " of my firm, was mortgaged to the Bank on both
 " these occasions. The loans to Mr. O'Connor, on
 " which I was security, were prior to the loans to
 " me. My fixed property was free of all incumbrance
 " in the way of mortgage, except that of the *Baillieur*
 " *du fonds*, besides those to the Bank, which I have
 " specified. The claim of the *Baillieur du fonds* was
 " about twelve or thirteen hundred pounds. The
 " value of the property altogether I consider about
 " seven or eight thousand pounds, at a very low esti-
 " mate, as property then stood rated. It produced a
 " rental of six hundred and seventy pounds, including
 " property occupied by the members of my firm,

" I became insolvent, and a Commission of Bank-
 " ruptcy was issued against me on the twenty-ninth
 " of August, eighteen hundred and forty-six. The
 " loans already mentioned, for which I was security
 " to the Bank, were then unpaid, and the Bank
 " claimed on my estate for the amount. I do not
 " know the exact sum for which my property was
 " sold, but I believe it did not produce enough to pay
 " the *Baillieur du fonds* and the Bank: the Bank had
 " therefore a claim against my general estate for the
 " balance. I do not remember any particular con-
 " versation that occurred between me and Mr. Cooke,
 " relative to my obtaining in his name a thousand
 " pounds from the Bank. I promised however to
 " hold him harmless, and I performed that promise
 " by the security which I obtained, namely, the per-
 " sonal security to him of Messrs. James Ferrier and

Appendix
(Q. Q.)

15th July.

" J. M. Tobin, besides the mortgage on my property.
" I have never since made any promise to Mr. Cooke,
" that he should be held harmless."

Mr. Director *Ferrier* gives the following testimony:

" Ques.—Have you any recollection of a loan
" by the Savings Bank to John Kelly and Company
" of £1,000, granted either late in December, 1845,
" or early in 1846?

" Ans.—I cannot exactly say the date, but know
" that there was a loan, having been one of the se-
" curities myself.

" Ques.—Is that loan recorded in the minute book
" of the Savings Bank?

" Ans.—I do not find it recorded.

" Ques.—Have you any recollection who were the
" parties who made application for this loan?

" Ans.—I think it must have been Mr. Kelly; I
" have no recollection.

" Ques.—What security was given for this loan?

" Ans.—It was on Mr. Kelly's property situated in
" the St. Lawrence suburbs. I remember requesting
" that the documents connected with that property
" should be submitted to the lawyer of the Bank, to
" see that everything was right, which, I believe, was
" done. Myself and Mr. Tobin were also personally
" responsible, and joined in some deed to that effect.

" Ques.—Is the debt to the Bank for this loan now
" liquidated?

" Ans.—I believe not.

" Ques.—Why have you not liquidated this debt
" under the obligation to which you were a party?

" Ans.—The matter has stood over on account
" of the Bank having taken from the assignees of
" Mr. Kelly's estate certain properties and cash, and
" having given a discharge to the estate of Mr. Kelly.
" These properties that the Bank assumed were at
" the time ample in value to cover the whole amount
" of the debt, but have since been destroyed by fire,
" and the managing authority of the Bank had neg-
" lected to have insurance effected upon them. If I
" am legally bound for the balance due the Bank on
" this loan, I am willing to pay it.

" Ques.—Has the Bank ever applied to you for
" payment of the amount of the balance of this
" Kelly loan?

" Ans.—Mr. Redpath has, and I stated to him
" what I have done here.

" Ques.—Have you any recollection of two loans
" made to Daniel O'Connor; one of £500, and one
" of £250, early in 1846?

" Ans.—I find by the Minute Book of the Savings
" Bank, that a loan of £500, was made in January,
" 1846 and I know there was some time after a further
" loan of £250, which does not appear to be re-
" corded in the Minute Book.

" Ques.—Do you recollect at whose application
" these loans were obtained.

" Ans.—I do not recollect, but I know I recom-
" mended the loan.

" Ques.—Do you recollect the security on which
" the two loans to Daniel O'Connor were granted?

" Ans.—I believe it was on the fixed property of
" Cooke and Kelly, with their personal guarantee.

" Ques.—Did you undertake in any way to the
" Savings Bank to become responsible for the re-

" payment, either of the whole or of any part of
" these loans?

" Ans.—No.

" Ques.—Have these loans been repaid to the
" Savings Bank?

" Ans.—Not in full, but I believe the securities are
" bound for them."

The only record respecting the granting of these
loans is the following Minute, relative to the first
named loan, made in the minute book of the Direct-
ors, under date of the 20th January, 1846:

" On the representation of the Mayor, and after a
" good deal of discussion and consideration, it was
" agreed to grant a loan of five hundred pounds to
" Daniel O'Connor, on the security of certain pro-
" perty of Robert Cooke and John Kelly, and upon
" the personal guarantee of the same, and the ne-
" cessary bonds were ordered to be prepared and
" executed."

Mr. *Eadie* says, with reference to the proceedings
of this meeting:

" I think a written application had been made by
" Mr. O'Connor previously. The transaction was
" gone into with considerable reluctance. Both Mr.
" Lunn and Mr. Brondgeest, if I recollect right, ex-
" pressed doubts of the propriety of the transaction.
" I think they did not consider the parties very good.
" I do not think that any of the parties were in ac-
" tual difficulties at the time."

The second loan to Mr. Daniel O'Connor, and the
loan to Messrs. J. and W. Kelly, are not mentioned
in the Directors' minute book.

There seems little difficulty in arriving at the con-
clusion that the disposition of these funds of the
Bank was, to use the mildest terms, highly impru-
dent; the same parties being sureties to the three
loans, and the same properties being mortgaged for
each, gave to the whole a suspicious aspect. That
some of the parties also were notoriously in embar-
rassed circumstances at the time, is also proved. We
cannot of course pretend to offer an opinion, as to
whether there was or was not favouritism in the
transactions, but that there was a want of precaution
there can be little doubt. No means were adopted
to ascertain to what extent the properties mortgaged
were incumbered with prior responsibilities, nor
were even the registrations of the claims of the Bank
attended to with sufficient promptitude. Messrs.
Ferrier's and *Tobin's* liability on account of the loan
to Messrs. Kelly appears also not to have been suffi-
ciently pressed, or to have been rendered doubtful
by the ulterior proceedings of the Bank.

Waiving all question of corrupt motives, we have
no hesitation in expressing the opinion that due re-
gard was not paid in these investments to the inter-
est of the Depositors.

The Bank indeed, at about that time, appears to have
been singularly unfortunate in its disposition of the
funds entrusted to its care. Not only were they
locked up in the very questionable loans to Messieurs
Kelly and O'Connor, to which we have already ad-
verted, but Mr. *Robert Cooke*, security for these par-
ties got a loan of five hundred pounds on his own
account. His evidence is as follows:

" In addition to my liabilities to the Bank for secu-
" rity already mentioned, I got, on my own account, I
" think, in the spring of forty-seven, the sum of five
" hundred pounds advanced on a mortgage of my
" fixed property already specified. I gave also as
" security, by a notarial deed, the names of J. B.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" Smith, S. Frost, D. P. Janes, William Rodden, John Holland, and W. W. Janes; this is the sum for which I was sued by the Bank; this last loan to me was granted on an application that I sent in to the Bank. Before sending in this application to the Bank, I spoke to Mr. Ferrier, either in his house or the street, or in the hall of the Bank, I am not sure which. I asked him if I could have a loan of five hundred pounds. He asked me what I was going to do with it, and how apply it if I got it. I told him that I was going to refund it to the above named securities on the loan to me; that they obliged me with paper to retire the notes of John Kelly and Company; and on this explanation Mr. Ferrier was satisfied, and told me he would use his influence to get me the required amount. Mr. Ferrier's name was not on that paper, which I wanted to withdraw, but it was at the instance of Mr. Ferrier that I endorsed John Kelly and Company's paper, which I had been obliged to withdraw with the paper of the above named gentlemen. I consider Mr. Ferrier was bound to indemnify me for endorsing Mr. Kelly's paper, as I did it without any interest of my own, at the representation of Mr. Ferrier, and without which recommendation I should not have incurred the responsibility. When I first mortgaged my property to the Savings Bank, it was clear of incumbrances, except to the *Baillieur du fonds*, of about two hundred and eighty pounds, and a dower of twenty-five pounds on the property in Mountain-street. After my mortgages to the Savings Bank, I granted a mortgage to J. B. Smith and others, already named, in consideration of a loan to be furnished by them to assist me from my liabilities on account of Kelly, and Company. Smith and others agreed to rank after the Savings Bank's claim for the five hundred pounds last borrowed from them.

" Ques.—Is it not then the fact, that the five hundred pounds of the Savings Bank money was borrowed by you from that institution, for the purpose, and was paid by you for the liquidation of your debt to J. B. Smith, N. S. Frost, D. P. Janes, William Rodden, John Holland, and W. W. Janes?

" Ans.—Yes.

" Ques.—Is it or is it not true that you explained to the Hon. James Ferrier, one of the Directors of the Montreal Provident and Savings Bank, that you required to borrow from that institution the said sum of money, for the purpose of liquidating your debt to J. B. Smith and others, enumerated in the last interrogatory?

" Ans.—Yes.

" Ques.—What security did you give to the Savings Bank for the said loan?

" Ans.—A notarial obligation, with a general mortgage on my property, and the securities of J. B. Smith and others above named."

Nearly the whole amount, with the interest accrued thereon, continues unpaid.

Mr. James Court, Actuary of the Bank, says:

" Page 282, account, Robert Cooke. The balance will shortly be recovered. The sureties of this loan were not all of them urged for payment until certain accounts were adjusted with Robert Cooke, and a dividend received from the estate of Messrs. Janes. When those are regulated, which will be immediately, the balance will be paid by the sureties."

We can see no good reason why, in the peculiar circumstances of the Savings Bank, a loan made on

the guarantee of names of such undoubted respectability, as some of those to Mr. Cooke's obligation were, should be allowed to remain unliquidated for so long a time after the default of the principal borrower to make payment.

We find in the minute book of the Directors, a loan to Mr. John Tully, sanctioned on the 20th Jan., 1846, at the same meeting at which was sanctioned the first loan to Mr. Daniel O'Connor. With reference to the loan to Mr. Tully, Mr. *Eadie* gives the following testimony:—

" Ques.—Please turn to ledger, page 239, account, 'John Tully,' and say under what circumstances that debt to the Bank was contracted?

" Ans.—The particulars of this loan will be found detailed in the minute book of the Savings Bank, under date 20th January, 1846. The following is a true extract:—'An application from Mr. John Tully, dated 19th instant, was laid before the meeting, requesting a loan of £1000, and offering certain securities, as specified in the letter. After considering the same, the Actuary was authorized to accede thereto, to the extent of £500, as soon as he considered the funds would admit of it; the remainder to lie over for future consideration.' On the 6th February following, John Tully was paid £500 under this minute.

" Ques.—Had any property been mortgaged to the Bank prior to this payment of £500?

" Ans.—There had been.

" Ques.—Of what did that property consist?

" Ans.—I do not recollect the particulars. It was some property situated in Griffintown.

" Ques.—Was that property free of incumbrances?

" Ans.—I am not quite sure; we made some attempts to ascertain that point at the registry office, at least, I believe Mr. Lunn did, but I believe he could get no satisfactory information.

" Ques.—Was the claim of the Savings Bank on this property registered prior to the payment of the loan?

" Ans.—It was registered, but I do not recollect the date of registration.

" Ques.—Was any portion of the principal or of the interest paid during the time you were in the Savings Bank?

" Ans.—The amount of debit of the account, on 30th June, 1848, was £571 19s. 2d."

Mr. Director *Ferrier* says:

" Ques.—Do you recollect having been present at a meeting of the Board of Directors which appears by the minute book to have been held on the 20th January, 1846, at which a loan was conditionally sanctioned of £500 to Mr. John Tully?

" Ans.—My name appears in the minutes of that day as having been present at that meeting.

" Ques.—Have you any knowledge that the loan was made?

" Ans.—It appears by the cash book to have been paid on the 6th February, 1846.

" Ques.—Do you know what security was given for that loan?

" Ans.—I do not know the nature of the security. I can give no further information than is contained in the books."

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

A mortgage of a lot in Fief Nazareth, Griffintown, with five stone and brick houses erected thereon, was taken, with the personal securities of Messrs. P. Drumgoole and Denis Cotterell. The mortgage was not registered until 24th March, 1846, two months after the loan was granted. The property was destroyed by fire on 15th June, 1850, and no insurance had been effected from the date of the obligation to the time of the destruction of the property. It will be observed, by the blank form, in the Appendix, of obligations given to the Savings Bank in cases of loans, that a provision is therein made for the insurance from fire of the property mortgaged: but that provision was utterly disregarded in this as in many other instances.

The loan has resulted in a total loss to the Savings Bank. The property, after the destruction of the houses, would not realize sufficient to pay prior incumbrances, and none of the parties to the deed appear to have been sued for the debt.

Another loan, on what ultimately proved to be very insufficient security, is that to Arthur Perry.

Mr. *Eadie's* evidence is as follows:

" Ques.—Please turn to ledger, page 188, account 'Arthur Perry,' and state the particulars connected with that account?

" Ans.—On 8th October, 1844, Arthur Perry is charged in the cash book with 'Loan to him per minute, of 1st instant £200.' The Board of Directors, at their monthly meeting, held on 1st October, 1844, sanctioned this loan, as appears by the following extract from the minute book of the Savings Bank:—'Arthur Perry, for £200, per his letter, on certain property described therein.'

" Ques.—Was any property mortgaged to the Savings Bank on account of this loan, either before or subsequent to its payment?

" Ans.—There was an obligation drawn out, to the best of my recollection, previous to the payment.

" Ques.—Do you know whether the property offered was sufficient in value to repay the amount of the loan?

" Ans.—My impression is that it was not, and that there was some radical defect in the security, which made it unavailable for the purpose of liquidating the debt.

" Ques.—Who was security on the deed of obligation?

" Ans.—I think they were Mr. Perry's brothers.

" Ques.—Did Arthur Perry subsequently receive further sums of money from the Savings Bank?

" Ans.—He did, viz., on the 28th November, 1845, as appears by the following entry in the cash book: 'By Arthur Perry, Montreal, paid him on account of loan as arranged with Mr. Ferrier and Mr. Murray.' He received the further sum of £42; and on the 3d December, 1845, he received £58 additional, which is thus charged in the cash book: 'By Arthur Perry, Montreal. Paid him further to account of loan to him, £8. Paid him per Mr. Ferrier, £50.'

" Ques.—Was this loan of £100 sanctioned by the Board?

" Ans.—I have no recollection of its being so, and there is no record of it in the minutes?

" Ques.—What security did Mr. Perry give for this loan of £100?

Appendix
(Q. Q.)

15th July.

" Ans.—I cannot say positively, but my impression is, that he gave no security. I have no recollection of his giving even a note for the amount; but there may be some security which I do not recollect.

" Ques.—Had any portion of that loan been repaid when you left the Bank?

" Ans.—No.

" Ques.—Can you recollect any conversation between yourself and Mr. Ferrier, or between yourself and Mr. Murray, on the subject of the loan of £100 to Arthur Perry?

" Ans.—I recollect distinctly that Mr. Ferrier mentioned to me, at the time I paid him the £50, that Arthur Perry owed him that sum for rent of premises belonging to Mr. Ferrier, occupied by Perry.

" Ques.—Have you any recollection of any other conversation between you and Mr. Ferrier, or between you and Mr. Murray, on the subject of this loan of £100?

" Ans.—I have no distinct recollection. My impression is, that something was said by one or other of these gentlemen regarding Perry's usefulness as a fireman, which seemed to influence them in giving him the loan.

" Ques.—Did any other deserving firemen obtain loans at the same time on account of their utility?

" Ans.—I have no recollection of any.

" Ques.—Is it to be understood from your remarks that the moneys of the Savings Bank were lent to Mr. Arthur Perry on the ground of his usefulness as a fireman only, and not as the best and surest means of investing these moneys?

" Ans.—I have no doubt whatever that the loan was made on some proposed security, but cannot at this moment state what security.

" Ques.—Was the loan to Arthur Perry a matter of special favour, or of ordinary business?

" Ans.—My impression always has been that it was more of a special favour than of ordinary business.

" Ques.—Have you any grounds for that impression further than you have already stated?

" Ans.—I have no particular grounds for that impression further than those I have already stated.

" Ques.—What was the balance due by Arthur Perry on the 30th June, 1848?

" Ans.—£370 3s. 7d."

Mr. Director *Ferrier* says:

" Ques.—Have you any recollection of loans made by the Savings Bank to one Arthur Perry, in 1844 and 1845?

" Ans.—I observe by the minute book of the Savings Bank that a loan was made to Arthur Perry by order of the Directors, at a meeting held on 1st October, 1844. I was not present at that meeting. I am aware that the security given for that loan was a double two story brick house in St. Alexander street, with the personal security of John Tully and two brothers of Perry. A further loan of £100 was given to him in November and December, 1845, as I find by the cash book of the Savings Bank. For this further loan of £100, the same security was given, to the best of my recollection, as for the £200 lent to him in 1844.

Appendix
(Q. Q.)

15th July.

" Ques.—Are you aware that the security given for those loans to Arthur Perry has been found insufficient, and that the whole amount of these loans is expected to prove a total loss to the Bank?

" Ans.—I am aware that the houses given for security by Arthur Perry have been sold by public sale. I was absent at the time of such sale. I understood, on my return, that the amount they brought was £350, which I considered a complete sacrifice. I expressed to Mr. Eadie my dissatisfaction that that sale had not been attended to on behalf of the Bank, and the property saved from being sacrificed. I consider the value of that property, at the time it was sold, at least from £600 to £700. I am in the house and lot. The amount for which this property was sold, I believe, left nothing to go towards the payment of the loan to the Bank. I have no knowledge what incumbrances were on the property at the time of the sale.

" Ques.—Are you aware whether the sanction of the Board of Directors of the Savings Bank was obtained for the loan of £100, made in November and December, 1845, to Arthur Perry?

" Ans.—I cannot positively say, but I believe it was, the same securities being taken for it as for the former loan. I say so from seeing the names of the same securities standing opposite both loans in the books of the Savings Bank.

" Ques.—Did you yourself receive a portion of this loan of £100 to Arthur Perry?

" Ans.—Yes. I received £50, as it stands recorded in the books of the Savings Bank. Arthur Perry was indebted to me for that sum.

" Ques.—Did you consider the security offered by Arthur Perry for the loans of 1844 and 1845, if given,—as you state you suppose them to have been,—ample for the liquidation of the loans, say £300, and for any other incumbrances that you were aware of, as being on the property?

" Ans.—I did. I believed Mr. Tully, one of the securities, who interested himself in obtaining the loan, at that time to have been good security for £300; and I also believed that there was ample security on the property itself.

" Ques.—Did you consider that Mr. Eadie, in neglecting to attend the sale of the Perry property, willfully and culpably compromised the interest of the Bank.

" Ans.—It was Mr. Eadie's duty to look after all the securities which the Bank had, and it was his duty to have acquainted the President or Board of the day when the property was to be sold; and when I charged him with neglect, to the best of my recollection, he said it had been overlooked.

Mr. Director Murray says:

" Ques.—Have you any knowledge of the circumstances connected with a loan of £200 by the Savings Bank to Arthur Perry, in 1844, and of £100 in 1845?

" Ans.—I am aware that on the 1st October, 1844, a loan of £200 was authorized at a meeting of the Board of Directors, upon the security of certain property. I also am aware that the property was insured in the Montreal Insurance Company, in the name of the Savings Bank, to the amount of £300. I also recollect Mr. Eadie, and, I think, Mr. Ferrier, asking my concurrence to a loan of £100 to Arthur Perry, on a mortgage, and on the personal security of Mr. John Tully. Considering the security ample, I concurred. I am not aware whether it was formally brought before the Board of Directors or not."

This again resulted in a total loss to the Bank.

Two loans to Messrs. McDougall and Morrison remain unadjusted, and loss will result. The particulars are given in the following evidence of Mr. Court, Actuary of the Bank.

" This balance is composed of two items, a sum of £300, paid 11th February, 1845, and of £200, paid 18th October, 1845. This loan is recorded in the minutes of the Savings Bank, under date, 16th January, 1845. The securities were Messrs. Munro, Dougall, Kershaw, and Rodd. There was also certain property mortgaged. I understand the then Actuary neglected to register the mortgage, and another mortgage was subsequently granted, by which means, I understand, the Bank lost its recourse on the property mortgaged. Proceedings were instituted against the securities and principal, and owing to a special clause in the obligation, Mr. Cross gave it as his written opinion that the claim of the Bank on the securities was of a doubtful character, and recommended a compromise. Messrs. Munro and Dougall have paid each £75 cash, for which the Bank has released them from further liability. This compromise was pending the suit. Judgment has since been obtained, but no further sum received. For the second sum of £200, the same property, I understand, was mortgaged as for the £300, and became valueless from the same cause. The sureties were Messrs. Ferrier and Murray.

" Ques.—Are the Messrs. Ferrier and Murray whom you mentioned, the Directors of the Savings Bank of that name?

" Ans.—Yes.

" Ques.—Have Messieurs Ferrier and Murray yet paid the amount for which they became sureties to the Bank on this loan?

" Ans.—They have not. I have several times applied to Mr. Murray for the amount; he promises to pay immediately, and I have no doubt it will be paid. Mr. Murray, in his remarks, speaks for Mr. Ferrier as well as for himself. Neither of them object to their liability."

This is the only explanation afforded to us to account for the non liquidation of this loan.

Another of the unadjusted loans of the Bank is one of £650 to Mr. P. McNie.

Mr. Eadie gives the following testimony respecting this loan:

" On 15th November, 1845, a loan was made to Peter McNie, of Sorel; it is thus charged in the cash book of that date: 'To account of Peter McNie, paid Mr. Lunn on account of loan to him, £480.' On 28th *idem*, a further sum of £70 is charged as paid to Mr. Lunn for P. McNie; and on the latter date, a further sum of £100, to P. McNie himself. I have no recollection whether other members of the Board of Directors, besides Mr. Lunn, expressly authorized these loans, but of course, they must have been aware of them, as they were regularly entered in the books. There is no minute of them in the proceedings of the Board of Directors. The only security we held for these loans was originally either P. McNie's note, favour Mr. Lunn, or Mr. Director Lunn's note, favour P. McNie. There was to have been a mortgage on P. McNie's property, at Sorel, but to the best of my recollection it was never completed. I am certain no security was taken up to the end of 1847, and I do not recollect its being taken in 1848. The original condition, if I remember right, was—Mr. Lunn promised that the money should be refunded in six

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

"months from the time of the loans. No portion of the principal or of the interest accruing had been paid up to the time of my leaving the Bank. The balance of the debt of P. McNie in the Savings Bank ledger, page 229," on 30th June, 1848, was £752 1s. 0d. The loan to P. McNie was, during the latter part of my connexion with the Bank, frequently discussed at the Board of Directors. I think Mr. Lunn was blamed for making a loan under such circumstances; I mean, without taking proper security, and without having a proper sanction. I do not recollect that any thing was said about holding Mr. Lunn liable."

There is some error in this statement of Mr. Eadie. Certain property was mortgaged on 28th November, 1845, but we cannot learn that it was registered until judgment was obtained in 1848,—to the Bank as security for the loan; there was only one surety on the deed of obligation, namely, Mr. Lunn, President of the Savings Bank. The property has been sold, the borrower having become a bankrupt.

The position of this account, at present, is thus described by Mr. Court, Actuary of the Bank, who says:

"The balance due is £512 15s. 11d., besides interest, £100 at least. About £270 is expected to be received in November next from the assignee of the estate. I believe Mr. Lunn was one of the sureties for that loan. I understand that a portion of the real estate, formerly owned by Mr. Lunn, may be made responsible for the balance; I cannot however speak definitely."

Another loan, of which a small part only has as yet been recovered, is one on fixed property to Donald Murray. The only information we have respecting it, is the following evidence by Mr. Court, Actuary of the Bank:

"This sum is in litigation. Colin Russell, one of the sureties for the loan, has made a tender, in deposit books, of the amount less the sum of £126 0s. 1d., which stands as an item in dispute, whether to be placed to his credit, or to that of Mr. Ferrier, from W. S. Macfarlane's estate."

The balance unpaid is £438 17s. 2d.; £115 has been paid in deposit books.

A loan to James Knapp of £250, made in June, 1844, has to this time remained unpaid. Mr. Court thus describes the nature and position of the loan:

"This balance remains unpaid. I understand an obligation was given by Mr. Knapp, secured on certain property, and the promissory note of William Bradbury and Augustus Scriven. I do not know whether any judgment has been obtained against the principal or not. Proceedings have been taken, and an opposition has been filed by the Bank against moneys realized from property belonging to Mr. Knapp. The Bank may or may not participate in the distribution of the moneys arising from the sale of this property. A dividend is also likely to be received from Mr. W. Bradbury's estate."

The property mortgaged to the Bank for this loan, was previously incumbered beyond its real value, and the security was therefore perfectly worthless.

We have laid before your Excellency the particulars of a number of loans, on which serious losses have accrued to the Bank, and it is perfectly clear that in the majority of cases, if not in every single case adduced, there has been a gross want of precaution, such as we can scarcely consider any private individual, of ordinary prudence and capacity, would have shewn in disposing of his own funds. The accounts we have detailed, it will be observed, comprehend nearly all those on which considerable

loss is expected to arise, according to the statement furnished by the Directors of the Bank, which will be found in the Appendix, and about fifteen thousand pounds of the funds of the Bank is thus shewn to have been lost to the institution, owing to the negligence or mal-administration of the Directors of the Bank. These losses, with those on railroad stock, to which we have already adverted, and the large sums locked up in loans of a questionable character, sufficiently account for, and were the prime causes of the suspension of the Bank, and of its inability to meet its engagements.

There is one point also of considerable importance, as it shews the utter want of care in the direction, that is, the neglect to collect the interest due on loans granted by the Bank. It will be observed by the form of obligation given in the Appendix, that the interest was payable half-yearly; yet in none of the accounts that we have enumerated, nearly all of which, it will be noticed, are of several years standing, was any interest ever collected, except one single amount from McDougall and Morrison. The inability or neglect of the parties to pay the interest, should surely have led to an examination of the security given for the loan. The remarks we make on these particular cases, are indeed applicable to all other loans granted by the Bank. The collection of interest in all cases appears to have been systematically disregarded.

By the 13th section of the Savings Bank Act, 4 and 5 Vict., chap. 32, it is enacted, "That within the first fifteen days of each Session of the Legislature, the said Trustees shall lay before the three branches thereof, a detailed account of the number of depositors; the total amount of deposits; the amount invested in Bank Stock, specifying the names of such Banks; the amount deposited with Banks on interest; the amount secured by Bank Stock, specifying the name of such Banks; the amount vested in public security, or loaned on the pledge of such public security, specifying the nature of such public security; the amount of cash in hand; the total accrued interest for the year, and the annual amount of the expenses of the institution: all of which shall be sworn to by the Treasurer; and the Trustees, or a majority of them, shall make oath that the said return is correct according to the best of their knowledge and belief." On the 8th October, 1850, we called upon the Actuary of the Bank to furnish us with "copies of all the returns made to the three Branches of the Legislature," under the above Act. On 2nd April last, we were furnished with the following reply:

"PROVIDENT AND SAVINGS BANK,
"MONTREAL, 2nd April, 1851.

"Sir—In reply to your communication, requesting certified copies of all returns made to the three Branches of the Legislature, since the formation of the Bank, I beg to state that the Journals of the Legislative Council or Assembly appear to contain all such returns as have been transmitted. I may add that in addition to the returns to the Legislature, the annual statements were regularly published in the newspapers of this City, and since the Bank's suspension, statements of its affairs have from time to time been presented to the public through the same medium.

"I am, Sir,

"Your obedient servant,

"J. REDPATH,

"President.

"William Bristow, Esq.,

"Chairman Commission of Inquiry."

Appendix
(Q. Q.)

15th July.

Appendix F.

Appendix G.

Appendix
(Q. Q.)

15th July.

Appendix M.

On searching the Journals of the Hon. House of Assembly, we find that the only returns that have been made, are up to the respective dates of 31st December, 1845, 31st December, 1846, and 31st December, 1848. On reference to the copies of these returns, which will be found in the Appendix, it will be seen that no returns were made for the years 1843, 1844, and 1847; and that the information conveyed in the returns actually furnished was deficient in the requirements of the Act, in the following respects: 1st.—They convey no "detailed account of the number of depositors," except on a single occasion, that for the year 1845; 2nd.—They do not specify the names of the Banks in which the Bank funds are lodged, whether as investments by the Bank, or on loans granted by them; and 3rd.—The accounts are not "sworn to by the Treasurer," nor do "the Trustees or a majority of them" (or indeed any one of them) "make oath that the said return is correct, according to the best of their knowledge and belief."

Mr. Ex-President *Jann* gives the following testimony with respect to the returns made to the Legislature:

"An account was rendered to the Legislature of the affairs of the Savings Bank under the provisions of the 13th section of the Act 4 and 5 Vict., chap. 32. I believe this account was regularly furnished, but I may be mistaken. It was a general statement that was made out and sent. I cannot say how far the particulars enjoined by the 13th section of the Act were given. I do not recollect whether the account was sworn to by the Treasurer, but I fancy it was. I cannot recollect whether the Trustees, or a majority of them, made oath to the correctness of the statement."

We have, in an earlier portion of this Report, had occasion to advert to the erroneous character of the statements made up for the annual meetings of the Savings Bank; and as the returns when made to the Legislature, were merely an abbreviated copy of those annual statements, they, of course, were equally erroneous.

We have exhibited to Your Excellency the thorough state of disorganization in which the affairs of the Bank had been thrown in 1847 and early in 1848, in consequence of the reckless manner in which it had been managed. After the annual meeting, held on 4th May, 1848, when the Hon. W. Morris was elected President, every possible effort was adopted to arrive at a clear appreciation of the actual condition of the Bank, and every exertion made to introduce something like order out of the chaos previously subsisting. Each day's developments must, however, have more clearly satisfied the Directors of the very hazardous condition in which the Bank was placed. To meet the impending crisis, attempts were made to call in loans, and collect moneys, but little progress was really made.

At a meeting of the Finance Committee, held on 12th May, 1848, it was determined to make the following application to the Bank of Montreal:—

"TO THE CASHIER OF THE BANK OF MONTREAL.

"SIR,—The Finance Committee of this institution find, that from the depressed state of trade, the sums withdrawn from the Bank for some time past have been greater than the deposits, in consequence of which it has become necessary to realize part of their investments, either by sale, or by loan upon their Bank stocks, that being the only property immediately available. But as this is a time when sales cannot be effected without considerable sacrifice, the Committee are desirous of obtaining

"a loan of £15,000 from the Bank of Montreal, upon the pledge of its own stock, so as to obviate such sacrifice on the part of the Provident and Savings Bank, and thus prevent the depreciation of the stock, by its being forced into the market. The money to be drawn for as it may be required, to meet any deficiency, which there may be in the deposits, as compared with the sums withdrawn from day to day; this arrangement to take effect from the date of the proposed loan. The loan to be at the legal interest, and to be repaid at such time and in the manner that the Bank of Montreal may agree to.

"WILLIAM MORRIS.

"President P. & S. Bank.

"12th May, 1848."

To which the following was the reply:—

"HON. WILLIAM MORRIS.

"President Provident and Savings Bank.

"SIR,—I have to acknowledge receipt of your letter, dated 12th instant.

"The same was laid before the Board of Directors at their last meeting, and in reply I am directed to state, that, while they cannot comply with the proposed terms for a loan to the extent of £15,000 upon the security of Bank stock held by your institution, the same being contrary to the provisions of the charter, they have no objection to grant an open credit to the extent named, payable at the rate of 6 per cent., upon the understanding that the amount so drawn shall be reimbursed with interest within a period not exceeding three months.

I remain, &c., &c.,

A. SIMPSON, Cashier.

"15th May, 1848."

This loan to the Bank only supplied its wants for a short time, since we find at a meeting of the Finance Committee, held on the 29th June, 1848, the following decision come to:

"As the drain upon the Bank still continues, the Committee considered it advisable to make an application to the City Bank to ascertain whether they would accommodate this institution with a loan of £5,000, on terms similar to those on which the loan from the Montreal Bank was obtained. The President accordingly addressed a letter to the Cashier, similar to that addressed to Mr. Simpson on the 12th May last.

"For the same reason, the Actuary was desired to make up a statement of the various debentures, guaranteed by the Province, the property of the Bank, stating the rate of interest and the time when payable, for the purpose of negotiating through the Bank of Montreal, a loan upon the same in England."

On the 1st July, 1848, at a meeting of the Managing Directors, we find the following proceedings:—

"The Finance Committee, finding that a run on the Bank had commenced yesterday, informed the meeting that they deemed it prudent to restrict the payments to deposits not exceeding £10, according to the fourth regulation, and they also considered it necessary to prepare an address to be published, which they now submit for the consideration of the meeting. The address was read and approved of, and ordered to be printed in the shape of hand-bills, as well as in the public prints.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

"It was resolved not to open the Bank this evening, in order that the address may be read and considered by the public.

"It was ordered that parties having sums in the Bank exceeding £10 be allowed to draw to that extent without giving 10 days' notice, but not to be entitled to any further sum till the expiration of that time. This order to apply to parties who made application for that sum this day, and who did not receive payment thereof.

"It was also ordered, in the event of the closing of the Bank, that all deposits made since the morning of Friday, the 30th June, be returned in full without delay."

On the 3rd July, 1848, a meeting was again held of the Board of Managing Directors. The following is an extract from the proceedings:—

"The following notice of a public meeting of the depositors was presented to the Board:

"To the Directors of the Provident and Savings Bank.

"The undersigned, depositors in the Provident and Savings Bank, feeling the importance of publicly discussing the present state of the institution, beg the Directors will attend a meeting of depositors, this evening, at seven o'clock, at the Old News Room, St. Joseph Street."

(Signed by twenty-eight depositors.)

"Monday, 3d July, 1848."

"To which the following answer was immediately returned:

"PROVIDENT AND SAVINGS BANK,
MONTREAL, 3d July, 1848.

"GENTLEMEN,—The Directors of this institution, in reply to your request that they will attend a meeting this evening, at seven o'clock, for the purpose of explaining the state of its affairs; beg leave to inform you that, if the depositors at that meeting think proper to depute three or five of themselves to make the desired investigation, the Directors will be happy to receive them at the Bank Chamber, to-morrow, at eleven o'clock, when every information will be readily furnished.

"I am, Gentlemen,

"Your most obedient servant,

(Signed,) "W. MORRIS,
"President Provident and Savings Ban."

On the following day, the managing Directors assembled to receive the deputation, and the following is recorded:

"A deputation, consisting of the following gentlemen:—Hon. Adam Ferrie, Messrs. Prentice, Gault, Andrew McFarlane, Leed, and Town Major McDonald,—appointed by the meeting of depositors held last evening, waited on the Board at eleven o'clock, when a full explanation of all matters connected with the interests of the Bank was given. The Directors entered minutely into the nature of each of the securities held by the Bank, going over the name of each party to whom money was lent, and the kind and extent of security taken for it. After several hours investigation into the matters laid before them, and having received from the Directors a detailed statement of the funds of the Bank, the deputation retired, to prepare a report on everything which they had learned from the Directors, bearing on the points on which the depositors desired information."

On the subject of this deputation, Mr. Eadie gives the following testimony:

"I was not present during the whole of the conference which took place on this occasion, but was called in when information was required which I could give. The Directors went into very full details of the position of the Bank, and exhibited a statement of the assets. They also read over a list of the loans made by the Bank, on real estate, and on personal security, which had been prepared previous to the annual meeting, and on which explanatory memoranda had been made by Mr. Redpath and other of the Directors."

Mr. A. McFarlane, one of the deputation, says:

"After the stoppage of the Bank, which occurred in the summer of forty eight, a public meeting of depositors and others was called. I was present, and was appointed one of a Committee, consisting of five persons, namely, John Greenshields, Town Major McDonald, Edward Prentice, myself, and some one else, whose name I do not recollect. We went to the Bank, in pursuance of the duty to which we were appointed, which was to investigate its affairs. We met there the following Directors:—the Hon. W. Morris, John Redpath, Esquire, the Hon. James Ferrier, I think William Murray, Esquire, and perhaps some others. We examined, in the first instance, the securities, particularly, I remember, those relating to Mr. Footner, Mr. Eadie, and Mr. Lunn's account; and we subsequently made a report to the depositors of our proceedings, which was published. There was a statement exhibited by the Directors, but I cannot state its purport. We did not carefully examine the books: it would have taken us months to examine them thoroughly. A balance sheet, I think, was exhibited to us; and from that, and the remarks of the Directors, we came to the conclusion that a loan should be recommended to be obtained to assist the Bank, and that it should freely pay all demands upon it by depositors. I think the statement exhibited to us shewed a considerable surplus."

As no reference to the defalcation of Mr. Eadie appeared at the time in the books of the Bank, neither were any losses apparent on the surface, the accounts exhibited to the deputation from the Depositors could not be otherwise than satisfactory. Public confidence, however, was not restored; the run continued, and the stoppage of the Bank, which, so early as the 1st July, had been considered a possible event, was evidently regarded, a few days after, as nearly inevitable.

On 10th July, 1848, a meeting of the managing Directors was again held, when the following proceedings were adopted, as appears by the minutes:

"It was the opinion of the Board that, in order to meet the demands of the depositors who gave notice of their intention to withdraw the sums at their credit on and after the 11th instant, an advance of £30,000 be from the several chartered Banks of this City, on the security of certain bonds and debentures, to be lodged with them by this Bank.

"The Directors were of opinion that all the demands of withdrawal on notices falling due to-morrow, amounting to about £3000, be paid off at once, and on the following morning (Wednesday) that a like attempt be made to discharge the demands of which notice had been given on Saturday, the 1st July, amounting to about £15,000; and in the event of there appearing to be a run during the day to a very large amount, that the doors be

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" closed, but not until seven or eight thousand pounds had been paid at the counter in satisfaction of such demands. The Directors agreed to lodge securities with the Banks to an amount exceeding the loans of £30,000, in order to leave a sufficient margin to cover any depreciation of the securities.

" The President, together with Messrs. Redpath, Murray, Badgley and Torrance, proposed, that instead of paying off such large demands, absorbing the convertible securities of the Bank, to the probable injury of those who confided in the solvency of the institution, recommended that the loan should be applied to the payment on demand of 20 or 25 per cent. of all deposits above £10, until the loans on real estate could be collected, and that payment in full should continue to be made of sums under that amount, and also that all deposits made on and after Friday, 30th June, when the run on the Bank commenced, should be paid as formerly, and not be subject to that restriction. But upon consulting with the cashiers of the several Banks, and also with the gentlemen who had acted as a deputation from the meeting of depositors, they appeared to think that any such partial payment would be regarded by the public as a suspension, which would have the effect of closing the doors. Whereupon the above named gentlemen agreed to waive their proposition, for the purpose of trying the experiment of paying off all claims to a limited extent, without, however, being convinced of the propriety of that attempt.

" The President was instructed to transfer to the Montreal Bank £15,000 of their stock to cover the loan of that amount agreed upon on the * day of * last. The stock to be sold at such time as may be agreed on, according to purport of the following letter:—

(No letter inserted in minute book.)

Not doubting the propriety of the intention of the Directors, we may be permitted to question the policy of their thus paying out, as they did, the entire available assets of the banks to satisfy the more clamorous of its creditors; many of whom were of a class for whose benefit the Savings Bank was never intended, and who had deposited sums beyond the amount which the law authorized the Bank to receive.

A loan was effected with the banks, of about fourteen thousand pounds, and the further payments made, instead of being limited to seven or eight thousand pounds as determined on, amounted to £13,929.

Mr. Eadie's evidence respecting the circumstances of this additional loan, and the continued run on the Bank, is as follows:—

" Ques.—Was an advance of about £30,000 obtained subsequently to the meeting of the 10th July, 1848, from the chartered Banks of this city for the Savings Bank?

" Ans.—A proposition was made to the Banks and agreed to, but not to the extent, I believe, of £30,000. £13,000 or £14,000 were obtained from the Banks of Montreal and of British North America; about £7,000 from the former, and £6,300 from the latter.

" Ques.—Were bonds and debentures lodged by the Savings Bank as security to these banks for the repayment of the loans made by them?

" Ans.—I cannot speak from my own knowledge.

" Ques.—Was the sum obtained from these Banks

*Blanks as in minute book.

Appendix
(Q. Q.)

15th July.

" applied to the payment of claims made by depositors in the Savings Bank?

" Ans.—Yes.

" Ques.—What amount was paid out of the Bank between the 11th and 14th July, 1848, both days inclusive?

" Ans.—About £13,929.

" Ques.—Was the regular notice, stipulated for in the regulations of the Savings Bank, given by all the parties who drew money out of the institution during the whole of the time of the run on the Bank, and especially between the 11th and 14th July, 1848?

" Ans.—Very soon after the run commenced, we demanded notice from all depositors, whose amounts, required to be withdrawn, were above £10, and to the best of my recollection no sums were paid during those four days except in accordance with the regulations of the Bank?

" Ques.—Prior to the period of your demanding notice for all sums over £10, as mentioned in your last answer, was the Bank in the habit of allowing sums over £10 to be withdrawn from the Bank without notice?

" Ans.—It was, with very few exceptions.

" Ques.—At what time did you commence to demand notice from depositors of their intention to withdraw from the Bank?

" Ans.—It must have been on the 1st July, 1848.

" Ques.—Did you act on the rule invariably?

" Ans.—I believe we did.

" Ques.—Was there a run on the Bank on the 11th and 12th July, 1848?

" Ans.—There was.

" Ques.—Did the run continue during the whole of the latter mentioned day, namely, the 12th July, 1848?

" Ans.—I cannot answer the question absolutely, but my impression is that it did.

" Ques.—Please turn to the cash book and say whether there was not a very large sum paid that day?

" Ans.—There was upwards of £6,000.

" Ques.—According to the resolution passed at the meeting of the Directors of the 10th July, 1848, should not the Bank have been closed on the 12th July, 1848, provided the run should continue to a large amount during the whole of that day?

" Ans.—The regulation implies that it should have been closed on the 12th July, 1848.

" Ques.—Have you any recollection of any reasons which induced the Directors of the Savings Bank to keep open and continue to pay depositors on the 13th and 14th July, 1848, in contravention of the resolution of 10th July, 1848?

" Ans.—I have no recollection of any reasons that induced the Directors to keep the Bank open.

" Ques.—Was a large amount paid out to depositors on the 13th and 14th July, 1848?

" Ans.—There were about £6,500 paid on those days.

" Ques.—By whose orders was the Bank kept open on the 13th and 14th July, 1848?

Appendix
(Q. Q.)

15th July.

" Ans.—By authority of the Directors. Mr. Morris
" and Mr. Redpath, and probably some others, in-
" structed me daily.

" Ques.—Was any formal meeting of the Board
" held, and was the resolution of the 10th July, rela-
" tive to the closing of the Bank, rescinded ?

" Ans.—I am not aware of any formal meeting of
" the Board being held, or of the resolution being
" rescinded."

On the 14th July, 1848, it was determined to sus-
pend all further payments in full.

Having thus brought down the history of the Sav-
ings Bank to the time of its suspension, we feel
bound to express our conviction that that unfortu-
nate event was entirely occasioned by the gross
mismanagement, which it has been our duty to bring
under Your Excellency's observation. No losses
worthy of record other than those to which we have
adverted, had occurred at the time of the failure ;
and if the public confidence in the stability of the
Bank had been shaken, it was probably on account
of the notoriety which some of the irregularities in
its management had obtained. It is true that at the
time, the commerce of the country was prostrated ;
but had the Bank been conducted in accordance
with the provisions of the law, it could, by a judi-
cious pledge of its assets with some of our monetary
institutions, have got through without much either
of difficulty or of loss. Unfortunately it was not so.
A large portion of its funds had been dissipated be-
yond the power of recovery, and another portion had
been locked up in unavailable securities, which could
only be realized after long delay, and with heavy
ultimate loss. These two causes combined, led to
its inability to fulfil its engagements to the deposi-
tors ; and for both causes, we conceive the Directors
to be clearly responsible.

We now proceed to pass under review the manage-
ment of the affairs of the Bank subsequent to its
suspension.

On the 14th July, 1848, the Board met. The
following is a record of the proceedings extracted
from the minute-book :

" Present—Messrs. Morris, Redpath, Murray,
" Badgley, Torrance, Lunn, Ramsay.

" When the continued pressure on the Bank was
" again taken into consideration, together with the
" daily increasing notices of withdrawals by the
" Depositors, and foreseeing, that, to continue the
" payment in full of deposits to those who would
" seem to have lost confidence in the institution,
" would have the effect of absorbing the whole of
" the present available funds, and thereby do in-
" justice to such of the depositors as had forborne
" to withdraw the money at their credit. It was
" resolved to proceed no further in paying in full, but
" to tender to all the depositors 20 per cent. of the
" amounts at their credit, according to the following
" notice, which was ordered to be published in the
" morning papers:—

" *Montreal Provident and Savings Bank.*

" The Directors of the Provident and Savings
" Bank that their endeavour to pay all
" demands made by the depositors since the 30th
" ultimo, would have allayed the panic which un-
" happily occurred ; but they regret to find, from the
" large daily demands made at the counter, and from
" the increasing amount of notices of the withdrawal
" of deposits at the expiration of ten days, that the
" Bank's most easily convertible securities will be

" insufficient to meet the pressure, which is still
" continued, without the prospect of any immediate
" diminution.

" Shortly after the last public meeting, the Di-
" rectors thought it prudent to advise with the Com-
" mittee of depositors, and also with the cashiers of
" the chartered Banks, as to the course which should
" be adopted by them. It was resolved that the
" Bank should continue to pay all demands as they
" were presented, in the hope that such a plan would
" speedily and effectually restore public confidence.
" Very many of the original notices of withdrawal
" were not acted upon, but new ones to a large
" amount were lodged, and these are now rapidly
" maturing. In these circumstances, the Directors,
" acting with the approval of the same committee,
" think it but just to the general body of depositors,
" who have forborne to press their demands, to dis-
" continue paying in full, so as to avoid the heavy
" sacrifice which would be entailed by forcing their
" securities at once on the market.

" The Directors purpose to pay twenty per cent.
" on the amount of all deposits now in the Bank, in
" the following manner :

" On sums of £50 and under, on and after this
" day, the 15th July.

" On sums of £100 and under, on and after the
" 25th July.

" On sums of £200 and under, on and after the
" 4th August.

" On sums of £300 and under, on and after the
" 14th August.

" On sums of £300 and all over, on and after the
" 24th August.

" The smaller depositors, being the most numerous,
" are to be paid off first in order.

" All deposits made since the commencement of
" the run on the Bank, as well as such as hereafter
" may be made, will be kept apart from the general
" deposits, and be paid in full on demand.

" The Directors have given their unwearied at-
" tention to the affairs of the Bank, in the hope of
" their being able to restore it to public confidence,
" but, they deeply regret, without success. They
" cannot close this notification without repeating
" their formerly expressed opinion, that but for the
" severe and continued pressure on the institution,
" there was nothing in its position to prevent its
" being carried on with perfect safety and advantage
" to the public.

" By order of the Directors.

" WM. MORRIS, President.

" Montreal Provident and Savings Bank,
" 15th July, 1848.

" The Board also resolved to accept from the
" Banks of Montreal and British North America,
" funds to the extent of £22,000 or thereabouts, on
" the security of the bonds and debentures lodged
" with the cashier of the Montreal Bank as per
" statement in the safe.

" The President informed the Board, that, upon a
" further investigation of the accounts of the Actuary,
" Mr. Eadie, it would seem that he had used the
" funds of the Bank for his own private purposes,
" and for the accommodation of his friends, to an
" extent that may cause a loss of perhaps £3,000,
" after realizing the value of property mortgaged by
" him and them as security to the Bank, and also
" besides the amount of personal security given by

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" Mr. Eadie for the correct discharge of his duties:
" whereupon it was resolved that the following letter
" be addressed and delivered to the respective secu-
" rities :—

[Blank in the Minute Book.]

" It was also the opinion of the Board that after
" these highly improper transactions, a statement of
" which follows, it is their painful duty to acquaint
" Mr. Eadie that his further services are dispensed
" with from this date.

" The Board were of opinion that it would be
" satisfactory to some of the large depositors to
" receive transfers of mortgages on real estate held
" by the Bank as security on loans, and it was there-
" fore ordered that facilities for that purpose be made
" by the Board to an extent not exceeding 90 per
" cent. on the amount of any such deposits, leaving
" the remaining ten per cent. to be accounted for,
" when the affairs of the Bank were finally closed.

[Blank in the Minute Book.]

We have in the former part of this Report advert-
ed to the fact, that the first recognition, through the
books of the Bank, of Mr. Eadie as a defaulter, is
the above record.

We have given entire the minutes of the above
meeting; and it is on the resolutions then adopted,
that all the subsequent proceedings in the winding
up of the Bank are stated to have been based.

It will have been observed that the whole of the
depositors, without exception, were to be publicly
notified, through the City papers, that they would be
paid in a very short time an instalment of four shil-
lings in the pound, or twenty per cent. on the amount
of their claims,—the means being provided through
a loan of about twenty-two thousand pounds, effect-
ed with the Montreal and British North American
Banks, on certain debentures and other securities
lodged with those Institutions.

But it will also have been noticed in the above
minutes, that an additional resolution was adopted,
that as " the Board were of opinion that it would be
" satisfactory to some of the large depositors to re-
" ceive transfers of mortgages, &c., that facilities for
" that purpose be made by the Board to an extent
" not exceeding ninety per cent. on the amount of
" any such deposits, &c." No instructions are con-
veyed in the resolution that it also be made public
through the press.

On attentively considering the purport of the re-
spective resolutions, adopted at the above meeting,
we were impelled to inquire: Why " the Directors
" should have deemed it necessary in their arrange-
" ments to consider what would be satisfactory to
" some of the large depositors," rather than to con-

sider what would be satisfactory to all the depositors?
Why should " some of the large depositors" have
" facilities" granted to them at once to receive ninety
per cent. in mortgages on real estate, on the amount
of their claims; and at the same time all other de-
positors be permitted only to receive twenty per
cent., in cash, on the amount of their claims? And
why was the dividend to the general creditors of the
Bank made public, and the " facilities" allowed a
certain class of the creditors, not made public also?

Into these points we examined minutely, and we
give the evidence received.

Mr. President *Redpath*, on whom has devolved the
heaviest share of the burden of the management of
the Bank, since its failure, says, in answer to the
question whether he concurred in the resolution au-
thorizing the transfer of mortgages to certain of the
creditors of the Bank to the extent of ninety per cent.
of their claims:

" I must have concurred in it. I recollect, how-
" ever, having stated that I thought ninety per cent.
" was rather too much; others thought that the re-
" serve of ten per cent. would be ample to cover any
" losses.

" Ques.—Was general publicity given to the de-
" positors of the Bank of this resolution having been
" come to; if so, when and in what manner?

" Ans.—I do not know whether it was advertised
" at the time the resolution was come to, but it was
" made known over the counter of the Bank, and I
" believe it was generally known by the depositors;
" and I know that it was specially noticed in the first
" statement published by the Bank on the 31st Octo-
" ber, 1848, and all depositors were then requested
" to avail themselves of the opportunity thus afforded.

" Ques.—Is that notice of 31st October, 1848, to
" which you allude, the first public notification that
" mortgages of real estate would be transferred to
" depositors to the extent of ninety per cent.?

" Ans.—I cannot say; but I know that there was
" a large amount then on hand.

" Ques.—When was that notification, dated 31st
" October, 1848, published?

" Ans.—Shortly after that time, say about the
" 10th of November, 1848.

" Ques.—Between the 14th July and the 10th
" November, 1848, the day about which you men-
" tion a public notification having been given to
" depositors that transfers of mortgages would be
" made to applicants, had or had not large amounts
" of mortgages been actually transferred to certain
" depositors?

" Ans.—I should say very considerable amounts
" had been transferred. I see by the account pub-
" lished, that up to 31st October, £37,943 9s. 5d.,
" had been so transferred."

" Ques.—Had the resolution of the 14th of July,
" 1848, authorizing transfers of mortgages, the effect
" of paying dividends to the larger depositors in the
" Savings Bank more promptly than to the smaller
" depositors?

" Ans.—I should think not, as it was a mutual
" arrangement between the parties to give a consi-
" derable length of time for the payment of the
" principal, which time was entirely regulated by
" themselves.

" Ques.—Did not the large depositors, on the
" transfer being made, receive, by such transfer, a
" dividend on the debt due to them by the Bank?

Appendix
(Q. Q.)

15th July.

Appendix P.

Appendix
(Q. Q.)

15th July.

" Ans.—So far as the Bank was concerned, they received it as a dividend on their claim; but they did not receive money from the parties, having agreed to give ample time to the parties owing money.

" Ques.—Were these transfers of mortgages securities to the larger depositors for the amount of the debt due to them by the Bank?

" Ans.—They were securities to all depositors who accepted transfers, to the amount of ninety per cent.

" Ques.—Were the depositors who received these securities the larger depositors in the Savings Bank?

" Ans.—I should think generally they were, although there are numbers of large depositors who preferred to wait.

" Ques.—When did the small depositors receive any dividend from the Savings Bank?

" Ans.—All depositors received twenty per cent., or were entitled to receive that amount, within about a month after the stoppage of the Bank, and they were entitled to receive seven shillings in the pound additional on the first of November last.

" Ques.—Are these the only dividends paid to the smaller depositors up to this time?

" Ans.—These are the only dividends paid to the smaller depositors, and all who did not previously avail themselves of the transfers.

" Ques.—Were some of the mortgages held by the Savings Bank preferable, or more easily made available than others?

" Ans.—I have no doubt that the securities of some might be considered better than others?

" Ques.—To all persons applying for transfers of mortgages, were the whole of the mortgages submitted for them to select from?

" Ans.—The Actuary, Mr. Freeland, was instructed to give every facility to persons applying for mortgages, by exhibiting to them the different loans, but leaving it with the parties to make their own arrangements. The resolution was intended to place all applicants for transfers of mortgages on an equal footing.

" Ques.—You have stated in your evidence given before this Commission yesterday, that between the 14th of July, 1848, and the 31st October, 1848, £37,943 9s. 5d., were transferred in the shape of mortgages. Does not that sum comprise the whole or the greater part of such mortgages held by the Savings Bank of an eligible description at the time of its suspension of payment?

" Ans.—I think, by a statement given me from Mr. Court, that about the same amount has since been transferred. These latter transfers were considered equally eligible with the former. As I have stated before, the arrangement depended upon persons having loans to make their own bargains for time, as they were only obliged to pay the Bank within a period of six months from the time of their notification, so that depositors could not in such cases choose their loans."

Mr. Director *Murray's* evidence is:

" I recollect having been present at the meeting of the Directors of the Savings Bank, held on the 14th July, 1848, at which it was determined for the Bank to suspend payments. It was then deter-

Appendix
(Q. Q.)

15th July.

" mined, as appears by the minutes, to pay a dividend of twenty per cent. to all depositors, at certain dates, as specified in a statement which was published on behalf of the Savings Bank.

" Ques.—Was any resolution adopted at the Board authorizing transfers of mortgages to the extent of ninety per cent. on the amounts due by the Bank to some of the large depositors?

" Ans.—There was such a resolution passed. It was considered that the ten per cent. would have been more than sufficient to cover any loss.

" Ques.—Was the resolution relative to the transfers of mortgages, published along with the statement relative to the payment of the dividend of twenty per cent?

" Ans.—I do not recollect.

" Ques.—Was publicity given in any form to the resolution authorizing transfers of mortgages?

" Ans.—It was certainly given verbally to the depositors, if not in the public papers.

" Ques.—How do you know that such information was given verbally to the depositors?

" Ans.—I have again and again heard it explained to depositors in the Bank, by the officers of the Bank, as also by the Directors. I have done it frequently myself. The thing was quite notorious.

" Ques.—Were you constantly in the Bank during the hours that it was open for business?

" Ans.—I was not; but at any time that I happened to be in the Bank about that period, I saw depositors looking over a list of mortgages, with a view of making transfers.

" Ques.—How frequently did you attend, and for what space of time on each occasion that you visited the Bank at that period?

" Ans.—I presume I would be at the Bank almost daily, but not long at a time.

" Ques.—When you say that information was verbally given to depositors, do you ground your assertion merely on the facts you have already detailed, or have you any other grounds?

" Ans.—I have no other grounds.

" Ques.—Will you state positively the first occasion on which you were aware of any depositors in the Savings Bank knowing that they could obtain transfers of mortgages to the extent of ninety per cent. on the debt due by the Bank to them?

" Ans.—I cannot say to the date, but I am convinced that it must have been immediately after the resolution had been come to.

" Ques.—Can you state that any public intimation was given, in any form, prior to the 31st October, 1848, the day on which the Directors of the Montreal Provident and Savings Bank made a report, that transfers of mortgages, to the extent of ninety per cent. were authorized?

" Ans.—My impression formerly was, that some public notice had been given prior to 31st October, 1848, but from what I have since heard, I have my doubts."

Mr. C. Freeland, (Actuary from 25th July, 1848, to 31st August, 1850,) says:

" Ques.—Was any other payment made to depositors in the Savings Bank at or about the time of your becoming Actuary, than the dividend of 20 per cent. to which you have alluded?

Appendix
(Q. Q.)

15th July.

" Ans.—Some depositors received transfers of mortgages, held by the Bank in security for moneys loaned to an extent not exceeding 90 per cent. on the amount of the balances of their deposit accounts at the time of the suspension of the Bank, in cases where the dividend of 20 per cent. was not drawn, or to an extent not exceeding 70 per cent. of the balance in cases where the dividend had been drawn.

" Ques.—Could all depositors receive transfers of mortgages to the extent of 90 per cent. on the amount of the debt due to them by the Bank, at the time of its suspension?

" Ans.—Yes, provided among the mortgages held by the Bank they found any that they would take.

" Ques.—Under what authority were transfers of mortgages made to creditors of the Bank?

" Ans.—Under the authority of the Directors. A minute to that effect appears in the minute book, under date of 14th July, 1848.

" Ques.—Please refer to that minute in the minute book, now before you, and say whether it authorizes the transfer of mortgages to all the depositors in the Savings Bank or not?

" Ans.—In the minute, the words used are, 'that it would be satisfactory to some of the large depositors to receive transfers of mortgages.' I would consider that, under that minute, transfers might have been made to any depositor, although large depositors only are mentioned. At that time it could not be known to what an extent transfers would be accepted by depositors, and it might fairly be presumed that depositors of large amounts would be the only parties who would avail themselves of the privilege."

" Ques.—How were creditors of the Bank made aware that they could receive transfers of mortgages to the extent of 90 per cent. on the amount due to them by the Bank?

" Ans.—By all depositors who came to enquire about the affairs of the Bank, being invited to avail themselves of this mode of reducing their claims.

" Ques.—Was any public notification given, and if so, when and in what manner, that creditors of the Bank could receive transfers of mortgages on account of the amount due to them?

" Ans.—I am not aware that there was any announcement by advertisement, prior to the 31st October, 1848, but it was made as public as it could be at the counter, and I am confident that no depositor, resident in the city, could be ignorant of it. There was no intention whatever to conceal it, or to show favoritism; and all depositors, without exception, were invited to avail themselves of the opportunity. At the time the Directors adopted the course of permitting transfers of mortgages, they could not tell to what extent it might be desirable to pursue it. It was evidently the best course to be adopted at the time, but much dissatisfaction would have been caused, had the Bank been bound by public advertisement to a course from which it might afterwards be found necessary to recede.

" Ques.—When you speak of the time that the Directors adopted the course of permitting transfers, to what time do you allude?

" Ans.—I allude to the time when the resolution to adopt such a course was passed, but more particularly to the time of the carrying out of that resolution. Very few transfers were made before

" my connection with the Bank, but soon after, very many were effected.

" Ques.—Were transfers of mortgages allowed, or were they not, in pursuance of the resolution adopted at the meeting of the Board of Directors of the 14th July, 1848?

" Ans.—No doubt they were. I was never specially referred to this Minute for authority. My authority was direct from the Directors themselves, in frequent conversations.

" Ques.—You were not an officer of the Bank at the time the resolution of 14th July, 1848, was passed. Is this not the case?

" Ans.—It is the case. As I have already stated, my connection with the Bank commenced on the 25th July, 1848.

" Ques.—How then can you undertake to state the reasons which induced the Bank to adopt the course of permitting transfers of mortgages to depositors, creditors of the Bank?

" Ans.—I have not given the reasons which actuated the Directors; I have merely stated that in my opinion, with the knowledge possessed by them, it was the best course to be adopted.

" Ques.—On what grounds, since you were not an officer of the Bank, at the time of the resolution being passed, authorizing the transfers of deposits, do you state that the Directors could not tell to what extent it might be desirable to pursue such a resolution?

" Ans.—On the general grounds of the circumstances of the Bank, and the position of its affairs at the time. The course adopted was an experiment. Difficulties, not then known of, might arise to interrupt its free working. The intention might be misunderstood, and dissatisfaction thereby be raised among the generality of depositors; with many other uncertainties which time alone could remove. The Directors could not bind themselves to transfer every mortgage; there were some that from a certainty that they could be rapidly realized, it was not the interest of the Bank to transfer.

" Ques.—Then were not all the mortgages held by the Bank offered to be transferred to creditors of the Bank?

" Ans.—No: Those, which it appeared probable might soon be realized in cash, were not offered.

" Ques.—Have you any recollection of any particular mortgages that were not offered to creditors of the Bank?

" Ans.—At this moment I cannot specify all the mortgages that were so withheld, but I particularly remember that of N. G. Reynolds, of Belleville, for £1,250,—Knox's Church, Hamilton, £750,—J. P. Wells, £500.

" Ques.—Were a number of mortgages, to which Directors of the Savings Bank were parties, either as principals or as securities, transferred to creditors, of the Bank?

" Ans.—Yes; there were a number.

" Ques.—Were any Directors of the Bank securities to the mortgages given by the Wesleyan Church, Montreal; and were such mortgages transferred, and if so, to what amount?

" Ans.—The Honourable James Ferrier, one of the Directors of the Bank, was a security on that mortgage: I believe the amount was about £3500, the whole of which, I think, was transferred.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" Ques.—Were any Directors of the Savings Bank security on any or on all of the following loans made by the Savings Bank at the time of its suspension, and were any or the whole of these mortgages transferred to creditors of the Bank, viz. :—

" J. Dyde,	£1000
" P. Reynolds,.....	200
" A. Connolly,.....	130
" Congregational Church, Brockville,	180
" Dr. G. W. Campbell,.....	1000
" J. Hutchinson, about.....	1000?

" Ans.—I believe some one of the Directors was security upon each of those loans. The loans were all transferred, with the exception of that of Dr. Campbell.

" Ques.—You have stated that the transfer of mortgages was evidently the best course to be adopted at the time: on what do you ground your opinion?

" Ans.—On several grounds. 1st:—The unavoidable difficulties and delays in the realization of mortgages and claims connected with real estate. It is well known that in our courts of law, a suit to recover on even a simple mortgage, may with ease be resisted for two years or longer, and after judgment obtained, a sale of the property may be resisted for a further considerable period, perhaps another year. 2nd:—Grave doubts existed as to the immediate success of any legal proceedings instituted to enforce payment of loans on mortgage. From the uncertain wording of the "Savings Bank Act," it was feared that debtors, particularly sureties, might, if no more, at least protract to an indefinite period, the obtaining of judgments against them. All these doubts have since been removed, by the results of those suits which were instituted, but at the time of the suspension, the Bank was advised by counsel to settle all claims by amicable arrangement, if possible; and this was the course pursued during the period of my holding office. 3rd:—The extraordinary commercial and monetary depression that existed at the time of the suspension, rendering the realization of any large amount, from even the best securities, next to an impossibility, and making it certain that the bringing of so large an amount as £70,000 or £80,000, of real estate into the market would cause a ruinous depreciation, and produce great loss to the Bank. I am convinced that all parties were benefited by the arrangement to transfer; for if it had been attempted to realize all the assets in cash prior to division, depositors would not get so much as they are now certain of receiving. No doubt some of the transferees have already recovered the amount of their transfers; but many to my knowledge, will not be paid for some years to come, and some may perhaps sustain loss. I think the result has fully proved the correctness of the principle of the arrangement."

Mr. Cox, (Teller) says:

" Ques.—At that meeting of the Directors, held on the 14th July, 1848, was any resolution passed, authorizing the transfers of mortgages to some of the larger depositors, to the extent of 90 per cent. on the amount of their claims on the Bank?

" Ans.—There was.

" Ques.—Was that resolution published in any, and if so, in what manner and when?

" Ans.—It was made public by myself and Mr. Sharrocks at the counter, to all who came in. A list of the mortgages was made out and placed on

" the counter for general information. This list must have been made up and exhibited within a day or two after the suspension of the Bank.

" Ques.—Was any official notification stuck up in the Bank, that such transfers of mortgages were sanctioned by the Trustees of the Bank?

" Ans.—No, I think not, but I was specially instructed to communicate the fact to all depositors.

" Ques.—Was any public notification given through the newspapers or by any public documents, that such transfers were sanctioned by the Directors?

" Ans.—I believe it was noticed by the Herald in an editorial, shortly after the stoppage of the Bank, but I cannot distinctly charge my memory as to the time, or the precise character of the editorial remarks. I believe this editorial was published at the suggestion of a Committee of depositors, who had waited upon the Directors. The first official notification, that I am aware of, made by the Directors themselves, that such transfers were allowed, is in their report of 31st October, 1848.

" Ques.—Were transfers of mortgages made shortly after the suspension of the Savings Bank?

" Ans.—Yes, the first transfer took place, I believe, on 19th July, 1848.

" Ques.—Were all depositors without exception, allowed to receive transfers of mortgages, and were the whole of the mortgages submitted to them for selection?

" Ans.—Yes. No distinction was made."

Having given due consideration to the various circumstances connected with this transfer of mortgages to "some of the larger depositors," we cannot but express our opinion, that it was an unjustifiable act; a preference to one class of creditors over other classes of creditors, such as in an insolvent estate,—as was the condition of the Bank,—would be regarded by the law as fraudulent. Both depositors of sums exceeding five hundred pounds,—who had certainly no legal claim on the Savings Bank funds,—and other large depositors, thus at once received eighteen shillings in the pound or ninety per cent. on the amount of their claims, whilst the small depositors only received four shillings in the pound, or twenty per cent. This last class only received a second dividend of seven shillings in the pound in November, 1850, and a third dividend of five shillings in the pound in April last, so that its dividends have amounted to two shillings less in the pound, besides interest, than the dividends of the larger creditors. We cannot allow that the Directors had any right to grant a preference to one over another class of creditors, still less to that class, who never ought to have been allowed to use the Savings Bank as a place of deposit, over the class for whose express use the Savings Bank was established.

No doubt it was a convenient arrangement for the debtors of the Bank,—and it appears in evidence, that to about one-third of the loans by the Bank, Directors stood indebted either as principals or sureties,—not to be called upon to refund loans made to them; but surely it was the paramount duty of the Directors to watch over the interests of the creditors, to collect as speedily as possible the moneys due, and distribute them without delay equally amongst all; not to give them to a part only of the claimants.

The omission also publicly to notify these transfers of mortgages is, in our opinion, not satisfactorily explained. We cannot understand why, of two resolutions affecting the payment of dividends

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)
15th July.

to creditors of the Bank, passed on the same day, at the same meeting, the one should be published at once, and the other not published for at least three months. If all creditors of the Bank were to be allowed transfers of mortgages, why should not all have an equal chance of selecting their mortgages? Whatever may have been the intention, certain it is that the course adopted opened the door to favoritism, since it gave a chance to those in the secret to secure the mortgages most easy of realization.

It has been shewn in evidence, that these transfers of mortgages were matters of notoriety in the Bank, and doubtless they were so to those who were concerned in them. But it has not been shewn, nor could it be shewn, that it was a matter of equal notoriety to the creditors out of doors. That class had not the means of profiting by them; and they, we do not think, would, had they been aware of the fact, have patiently submitted to their assets being paid over to others.

What makes this payment to "some of the large depositors" still more improper, is the fact proved in evidence, that they were actually allowed to receive transfers of mortgages to the extent of seventy per cent., in addition to the cash dividend of twenty per cent.

The reasons assigned,—not by the Directors, for they give none,—but by the Actuary, Mr. Freeland, who was not employed by the Bank at the time of passing the resolution, appear altogether destitute of weight. As to the difficulties and delays in the realization of the mortgages, they would not have extended to more than a few months. Now, more than two years elapsed before the second dividend was made. As to the doubts of the legality of the security, it is very unlikely that the creditors of the Bank would have accepted mortgage deeds that did not confer a valid title. It is not true, as Mr. Freeland alleges, that the securities could "protract to an indefinite period." The sureties were made principals to the deed, (as will be observed by the form in the Appendix), and could be proceeded against as such, immediately on default of the principal to pay on a notice of six months given to him to refund the loan. The commercial pressure at the time would doubtless have caused the property to have realized a smaller amount than it would produce in times of commercial prosperity, but that was a consideration for the owners of the property, not for the Directors of the Bank, except in those few cases where the security held was weak or insufficient. But our observation satisfies us that few, if any, of the mortgages transferred were of that class, on the contrary they were of valuable properties, secured by the names of the wealthiest and most respectable inhabitants of Canada, including, in many of them, the names of Directors of the Savings Bank.

We can have no hesitation in recording our conviction, that this transfer of mortgages was a most unjust preference to "some of the large depositors" over the rest of the creditors of the Savings Bank.

Another measure adopted by the Directors of the Savings Bank, about the same time with that relative to the transfers of mortgages, was the reception in payment, from some of the debtors of the Bank, of deposit books at the rate of eighteen shillings in the pound on the balance of such deposit books. At what time this procedure was determined on, and whether it was in pursuance of any formal minute of the Board or not, are, strange to say, points on which the Directors are unable to give any precise information.

Mr. President *Morris*, who was chairman at the meeting of the Board of Directors of the 14th July,

1848, and who attended many of the subsequent meetings to the 12th October, 1848, when his active connexion with the Bank ceased, says:

"Ques.—Have you any recollection of any other resolution passed at that meeting of the Board relating to payments to depositors, besides those you have already enumerated?"

"Ans.—I have not.

"Ques.—From your recollection, do you think that any resolution authorizing transfers of deposit books was passed at the meeting of the Board already referred to?"

"Ans.—I have no knowledge of any such resolution, nor do I think that such a resolution could have passed without my remembering it.

"Ques.—Have you any recollection that a resolution was passed at any time authorizing the transfers of deposit books?"

"Ans.—I have no recollection of any such Resolution having, at any time, been passed."

Mr. *Redpath*, Vice-President in 1848, but since President, gives the following testimony:

"Ques.—At the meeting of the Board of Directors of the Savings Bank, held on the 14th July, 1848, at which it was determined for the Bank to suspend payments, was any resolution passed under which the depositors in the Bank, prior to its suspension, could receive dividends of more than twenty per cent., except by taking transfers of mortgages on real estate, to the extent of ninety per cent., in the manner already described by you?"

"Ans.—Either at that time, or almost immediately afterwards—to the best of my recollection, it was at a subsequent meeting—it was further agreed, in order to facilitate the winding up of the affairs of the Bank, that it would be advantageous to the general interests of the institution to give persons indebted to the Bank an opportunity of paying their debts in transfers of deposit books, at ninety per cent., and such was agreed to be accorded to all who should not put the Bank to the necessity of taking legal steps to recover the amount."

Mr. Director *Lunn* (also present at the meeting of the 14th July, 1848) says:—

"In addition to the transfer of mortgages to which I have already alluded, I am aware that the Directors sanctioned the transfer of deposit books to the extent of ninety per cent., that is a party debtor to the Bank could have ninety per cent. of the balance due to any depositor at the time of the stoppage of the Bank, whose deposit book might be transferred to such debtor applied to the payment of his debt to the Savings Bank. I believe in all these cases of transfer of deposit books, the claimant on the Bank received his twenty per cent., the first dividend in cash from the Bank, and merely transferred seventy per cent. I am not aware of any resolution of the Bank sanctioning these transfers of deposit books. It was never made public to my knowledge that such transfers were sanctioned by the Board. I know they were sanctioned by the Board, or the transfers could not have been made. I never was at a meeting of the Board where the subject was discussed to my recollection, but it may have been incidentally mentioned at the meeting of the Board on the 14th of July, 1848, when the transfers of mortgages were sanctioned."

Mr. Director *Ferrier* (who was not present at the meeting of the 14th July, 1848), says:—

Appendix
(Q. Q.)
15th July.

Appendix G.

Appendix
(Q. Q.)

15th July.

" Ques.—Are you aware of any resolution having been adopted by the Directors of the Savings Bank, and if so, at what time, authorising debtors to the Bank or any of them to pay their debts to Savings Bank in deposit books, at the rate of ninety per cent.?

" Ans.—I do not find any resolution in the minute book authorising debts to the Bank to be paid in that manner; but I believe that the Board did resolve to do so, from the conversation I distinctly remember at the Board, that depositors were selling their books at a very low rate; and it was thought if debtors were allowed to pay what they owed in books at ninety per cent., that this would raise the value of deposit books, and prevent the depositors from parting with their books without obtaining their proper value.

" Ques.—Do you mean to be understood then, that in consequence of the low rate at which deposit books were selling in the market, a resolution was passed by the Directors sanctioning the payment of debts to the Bank in deposit books?

" Ans.—I think that is what led the Directors to that resolution.

" Ques.—Were you present when any such resolution was passed?

" Ans.—Finding no minute in the book of such a resolution, I cannot say positively whether I was present or not, but I know that I concurred with the Board in the propriety of allowing debts to be paid in Bank books.

" Ques.—When did the Board determine to receive Bank books in payment of debts to the Bank?

" Ans.—I do not recollect the date.

" Ques.—When were you first aware that debtors of the Bank were allowed to pay in Bank books?

" Ans.—I am unable to say.

" Ques.—When you say that you concurred in the opinion of the Board as to receiving Bank books in payment from debtors, do you mean to say that you expressed that opinion prior or subsequent to the passing of a resolution authorising such Bank books to be received in payment?

" Ans.—I may actually have been present when this resolution was passed, or I may not; I cannot say which. If I was present I must have expressed a favourable opinion, for the reasons already stated, to wit: that it would give greater value to the deposits.

" Ques.—Can you state positively whether the resolution authorising payment of debts to the Bank in deposit books was, or was not passed on the day of the suspension of the Savings Bank, or within a very few days after?

" Ans.—I was not present at the meeting at the time of the suspension of the Savings Bank, as appears in the minute book; my impression is, speaking from recollection, that it was some time subsequent.

" Ques.—Are you prepared to say, that the time at which it was determined to receive Bank books in payment of debts due to the Bank, was subsequent to its having been known at the Board of Directors that depositors were selling their books under par value?

" Ans.—As far as my memory serves me, the determination to receive Bank books in payment, was made subsequent to the time when the Board

" were informed that deposit books were selling under their proper value."

On the other hand, some of the witnesses who were examined late in the investigation, appear to have gained new lights on the subject.

Mr. Director *Murray*, who was present at the meeting of the 14th July, 1848, deduces the reception of deposit books in payment of debts to the Bank, as a corollary from the resolution authorising the transfer of mortgages to some of the large depositors. His reasoning is as follows:—

" Ques.—Was any resolution affecting the payment of dividends or transfers of debts due by the Savings Bank, that is not other than those you have already referred to, passed at the meeting of the Directors of the 14th July, 1848?

" Ans.—I know of none.

" Ques.—Are you aware that debtors to the Bank have paid the whole or a portion of their debts to the Bank in the form of transfers of deposit books?

" Ans.—I am.

" Ques.—Under what sanction has this payment by debtors in deposit books, been made?

" Ans.—By the sanction of the Directors of the Savings Bank, I should say.

" Ques.—Did you ever sanction the payment by debtors of their debts to the Bank, in deposit books?

" Ans.—I did.

" Ques.—In what manner did you sanction it?

" Ans.—I concurred in a resolution passed on the 14th July, 1848, which is in the minute book of the Savings Bank.

" Ques.—Be good enough to cite the resolution which authorises the payment by debtors of the Savings Bank of their debts, or of a portion of them, in transfers of deposit books?

" Ans.—The following: 'The Board were of opinion that it would be satisfactory to some of the large depositors, to receive transfers of mortgages on real estate held by the Bank as security on loans, and it was therefore ordered that facilities for that purpose be made by the Board, to an extent not exceeding ninety per cent. on the amount of any such deposits, leaving the remaining ten per cent. to be accounted for, when the affairs of the Bank were finally closed.'

" Ques.—Where do you find in that resolution an authorization of debtors of the Bank paying their debts in transfers of books?

" Ans.—I consider that that resolution gives the power to depositors to receive mortgages.

" Ques.—Does that resolution give to debtors that power to pay in transfers of books?

" Ans.—I really think it does.

" Ques.—Where do you find in that resolution the power given to debtors of the Bank to pay their debts in books?

" Ans.—In these words, 'that facilities for that purpose be made by the Board to an extent not exceeding ninety per cent.'

" Ques.—Are the debtors of the Bank mentioned at all in that resolution?

" Ans.—The debtors are not. When debtors of the Bank had obtained books, they became credit-

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

"ors of the Bank, and I should say were entitled to that privilege."

Mr. *Coë*, (Teller of the Bank.) says:

"Ques.—Are you aware of any resolution having been adopted at any meeting of the Directors of the Savings Bank, and if so, when and in what form and under what conditions, authorising the reception of deposit books in payment of debts due to the Bank at the time of its suspension?"

"Ans.—There was a resolution to that effect, but I cannot remember the date at which it was agreed upon, in order to facilitate the settlement of mortgages due to the Bank, to receive deposit books at the rate of 90 per cent. of the amounts due on the face of the books of deposit.

"Ques.—Can you say whether that resolution was passed at the meeting of the 14th July, 1848, or whether it was subsequently to that date?"

"Ans.—The Board sat daily, and I think it was a day or two afterwards; and was understood to be carrying out the spirit of the resolution of the 14th July.

"Ques.—When did the Bank commence to receive deposit books at the rate of 90 per cent. in payment of debts due to the Bank?"

"Ans.—I believe on the 19th July, the date that I have already mentioned, the first transfers of mortgages were made.

"Ques.—Were all debtors to the Bank at liberty to pay their debts in deposit books at the rate of 90 per cent?"

"Ans.—I believe they were."

Mr. *Freeland*, (Actuary from the 25th July, 1848.) says:

"Ques.—Are you aware of any resolution having been adopted by the Directors of the Savings Bank, subsequent to its suspension of payment, authorising the reception of deposit books in payment to the Bank by debtors to the Bank?"

"Ans.—I know of no formal resolution to that effect passed at a meeting, other than of the 14th July, 1848.

"Ques.—Does that resolution of the 14th July, 1848, and which is now before you in the minute book of the proceedings of the Board of Directors, authorise the reception of deposit books in payment of debts to the Bank?"

"Ans.—Unquestionably it does.

"Ques.—Please state the reasons on which you swear that unquestionably that resolution does authorise the reception of deposit books in payment of debts to the Bank?"

"Ans.—The object being to afford facilities for the settlement of loans on mortgage, by offsets of the claims of depositors, of course any party, whether a debtor to the Bank or otherwise, who proposed to discharge the amount of any loan in the terms of the resolution, would be allowed to do so, the party so paying the loan would be entitled to a transfer; but a transfer to himself of his own debt, would be a simple absurdity.

"Ques.—Do you state positively that under the resolution recited in your last answer, every debtor to the Savings Bank was entitled to pay his debt to such Bank in deposit books?"

"Ans.—Every debtor to the Bank becoming possessed of the claims of depositors, was of course

Appendix
(Q. Q.)

15th July.

"entitled by the resolution to all the privileges which by it, were intended to be given to depositors. A depositor had an undoubted right to dispose absolutely of his claim to whom he pleased, and I could only treat with the actual owner and possessor of that claim."

We shall not at present stop to consider how far the determination to receive deposit books in payment of debts due to the Bank is logically deducible as a consequence of the resolution of the 14th July, 1848, relating to transfers of mortgages, but shall proceed with our narration. The reception of deposit books in payment, was acted on at once, to a large extent, much to the advantage, it is clear, of such debtors of the Bank as could find the means of purchasing in the market those books at the depreciated value to which they immediately fell. Brokers were busily engaged in every direction buying on behalf of Directors of the Bank, and of other debtors to the institution, the deposit books of creditors who distrusted the management of the Bank, or who were either forced by necessity, or willing to sacrifice their claims for a trifling sum, rather than undergo the long anticipated delay in winding up the affairs of the Bank.

So important a decision as that of receiving deposit books in payment from some of the debtors of the Bank, ought certainly, both to have been formally recorded in the minute book of the Bank, and to have had full publicity given it, if for no other reason, at least, that such as were disposed to sell their claims, might be aware, that they had an opportunity of doing so. The course adopted by the Directors was, however, of a totally opposite character, as will appear by the following testimony.

Mr. President *Redpath* says:

"Ques.—Was a resolution to that effect ever recorded in the minute books of the Savings Bank?"

"Ans.—I do not think that such a resolution was ever recorded, but it was generally made known to all persons that made application at the counter.

"Ques.—Were the other resolutions to which the Directors of the Savings Bank came, on the subject of dividends or payments to depositors regularly recorded in the minute book?"

"Ans.—I think they were regularly recorded.

"Ques.—Was the resolution sanctioning the payment by persons indebted to the Bank of the amount of their debts in deposit books, a public or a private act on the part of the Directors?"

"Ans.—It was a public act inasmuch as it was made known to all applicants, and was I believe notorious throughout the City.

"Ques.—Were the other resolutions affecting payments of dividends and transfers of mortgages, public in their character also?"

"Ans.—I conceive they were.

"Ques.—Why were the resolutions affecting dividends and transfers of mortgages regularly recorded in the minute book, and the resolution authorising transfers of deposit books to debtors of the Bank not so recorded in the minute book?"

"Ans.—I cannot say at this distance of time the particular reason why it was not so recorded, but my impression is, that it was one to which the Bank could not become a third party, but that the matter must be left entirely to the parties themselves. I would not have considered the Directors warranted in inviting depositors to dispose of their books at any thing below ninety per cent.

Appendix
(Q. Q.)

15th July.

" Ques.—Did not the Bank by authorising the transfer of deposit books in payment of debts become a party to the transaction so expressly authorised by them ?

" Ans.—I do not think they became any party to it, so far as any of the depositors were concerned ; to the best of my recollection it was suggested by some member of the board in consequence of reports being abroad, that some of the depositors were disposing of their claims to speculators for a very small amount, and at a great sacrifice, and that this arrangement would have a tendency to prevent such sacrifice.

" Ques.—Did not the Bank by so authorising the transfers by debtors of deposit books become parties to the transaction as regards such debtors ?

" Ans.—They did.

" Ques.—Were these buyers of deposit books made aware, and if so, in what manner, that they could transfer their debt to the Bank by such deposit books to the extent of ninety per cent. of the balance of such deposit books ?

" Ans.—They were made aware over the counter, and I believe it was generally known to every debtor.

" Ques.—Was any notice given by public advertisement or stuck up in the Bank, that transfers of books would be received to the extent of ninety per cent. in payment of debts due to the Bank ?

" Ans.—I am not aware of any.

" Ques.—Is it your belief that any public notice of any description was ever given, that transfers of books would be received in payment of debts, or in part payment of debts due to the Bank ?

" Ans.—My belief is that there was no public advertisement, and I am not aware of any other public notification.

" Ques.—How then could it become notorious to debtors of the Bank, since no public notice was given to them, that transfers of deposits would be received in payment of their debts to the Bank ?

" Ans.—From the circumstance that almost every debtor to the Bank had some communication with the Actuary or with some person belonging to the Bank, on the subject of the liquidation of their debt, and from various other sources of information.

" Ques.—To what various other sources of information do you refer ?

" Ans.—I refer to the continual application to buy books, both privately and through the agency of Brokers.

" Ques.—Was the arrangement by which debtors to the Bank were allowed to pay in deposit books beneficial to such debtors ?

" Ans.—I should think so.

" Ques.—Did it enable them to purchase books at a price lower than the sum for which they stood in debt to the Bank ?

" Ans.—It did not enable them, but it had that effect to those who availed themselves of it, inasmuch as books were generally below their real value in the market.

" Ques.—What steps were taken to inform sellers of books, by which is understood creditors of the Bank, that their books would be received in payment by debtors of the Bank ?

Appendix
(Q. Q.)

15th July.

" Ans.—No other steps that I am aware of but such as I have already referred to, in giving information at the Bank when applied for.

" Ques.—Can you state positively, from your own knowledge, that the Actuary (or other officers of the Bank,) was instructed to inform creditors of the Bank that their deposit books would be received in payment of debts due to the Bank ?

" Ans.—I can state positively that the Actuary was instructed to give every information to depositors relative to all their interests, and further that he was instructed to inform all applicants to retain their books, not to sell them at a low value, as, that if they would wait a little the Bank would ultimately be able to pay them in accordance with the published statement, and that the loss would not be great, and I personally gave the same information to every applicant. I cannot say positively that the Actuary or other officers of the Bank was instructed to inform creditors of the Bank, that their deposit books would be received in payment of debts due to the Bank, but I conceive that to be fully included in his general instructions.

" Ques.—How could it become a matter of notoriety to creditors of the Bank without any public or official notification, through public channels being given to them, that their books would be received in payment of debts due to the Bank ?

" Ans.—From the circumstance of almost daily advertisements appearing in the papers.

" Ques.—How could public advertisements for books appearing in the papers be the means of informing creditors of the Bank that their books would be received in payment for debts due to the Bank, unless those advertisements stated such to be the fact ?

" Ans.—I cannot define to you how such advertisements would be the means of giving such information, but the obvious inference is that these public advertisements would convey that information.

" Ques.—Is it not possible that persons might wish to buy books on speculation, without any view of their being received at once at the Bank in payment of debts due to the Bank ?

" Ans.—It is possible that such might be the case.

" Ques.—Have you any other reason than those you have already given, to suppose that it was a matter of notoriety to creditors of the Bank, that their books would be received in payment of debts due to the Bank ?

" Ans.—None, except that during my experience I have never met with a person, nor had any conversation with any person, to my recollection, who did not know the fact.

" Ques.—How soon was this fact so generally known as to become a matter of notoriety ?

" Ans.—Within two or three months after the suspension.

" Ques.—How soon did the purchase of books by debtors to the Bank commence ?

" Ans.—I cannot say, but as every transaction is noted in the books of the Bank, those books will show.

" Ques.—You have stated that the effect of the resolution which enabled debtors to the Bank to pay in bank books was beneficial to the debtors. Was it equally so to the creditors of the Bank ?

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" Ans.—I conceive it was beneficial, but not equally so, and that but for that opening, sales of books would have been made at a much lower rate, and also from the fact that whenever it appeared that there was more than one person in the market purchasing books, prices immediately rose.

" Ques.—Were the sales of bank books usually made at their full par value, that is to say, the same rate at which the debtors to the Bank were credited in the books of the Institution?

" Ans.—I think they were generally sold very considerably below their value, and that was the reason why the Directors did not consider it right to encourage the sale of books.

" Ques.—If it was, as you say, beneficial to make sales of books to debtors to the Bank under the resolution which authorised the transfer of books, why did the Directors not consider it right to encourage the sale of books?

" Ans.—Because, while it was the duty of the Directors to endeavour to collect the debts due to the Bank, it was equally evident that it was their duty to protect the interests of the depositors, and to advise them to retain their books if possible.

" Ques.—How was it the duty of the Directors to advise the creditors of the Bank against a course which they considered beneficial to the interests of such creditors of the Bank?

" Ans.—From the circumstance of the books being so much below par in the market, and inasmuch as there is always a number of persons under such circumstances, who are disposed or necessitated to sell their books, and it was beneficial to such to receive the higher price, than I conceive the other way would have been obtained, if there had been none but speculators in the market."

" Ques.—Have you any knowledge of about the ordinary rate at which bank books were sold to debtors to the Bank?

" Ans.—I cannot state positively what were the ordinary rates where the transactions were between debtors and creditors to the Bank; but, to the best of my recollection, I have heard that the ordinary prices made by brokers sales, were about eleven and three pence, or twelve shillings in the pound of the balance of ninety per cent. I cannot say positively, having had no transactions of the kind myself.

" Ques.—Did not debtors to the Bank, by these purchases of books, realize a profit, according to the rates at which you state books were usually purchased, of fifty to sixty per cent. on the amount of their purchases?

" Ans.—They did; in some cases, I should rather say, they were saved from so much loss,—it enabled them to pay eighteen shillings, with eleven and three pence to twelve shillings.

" Ques.—From whom were these profits derived?

" Ans.—They were derived, no doubt, from those who sold the books."

Mr. Director *Murray* says:

" Ques.—Were debtors of the Bank, or any portion of them, and if so, what portion of them, informed, either publicly or in any manner, and if so, in what manner, that they could pay their debts to the Bank in bank books?

" Ans.—I cannot say; but it was generally known.

" Ques.—Were creditors of the Bank, or any por-

tion of them, informed on behalf of the Bank, and if so, in what manner, that the debtors of the Bank, or any of them, would be allowed to pay their debts to the Bank in transfers of bank books?

" Ans.—I am not positive; but I believe the officers of the Bank told creditors of the Bank, that debtors of the Bank would be allowed to pay their debts to the Bank in transfers of bank books at ninety per cent.

" Ques.—On what do you ground your belief that the officers of the Bank gave this information to the creditors of the Bank?

" Ans.—I was informed by Mr. Redpath that it was done.

" Ques.—When did Mr. Redpath inform you that this information had been communicated to the creditors of the Bank?

" Ans.—I think it was two or three months since.

" Ques.—Have you any knowledge that, at any time since the suspension of the Savings Bank, public intimation in any way has been given that debtors of the Bank, or any portion of them, have paid, or been allowed to pay, their debts to the Bank or any portion of them, in transfers of deposit books?

" Ans.—I am not aware of any public intimation except those which refer to transfers of mortgages which I have already referred to, and I considered that that embraced a notice both to debtors and creditors. I do not suppose that there was ever any public notification that the Directors had received deposit books in payment of debts."

Mr. Director *Lunn* says:

" I approved of these transfers and deposits. No means that I am aware of were taken to apprise creditors of the Bank that such transfers of deposit books were admissible; but I should think they must have been aware of it. The debtors of the Bank who purchased these books must have been aware of it, I presume, or they would not have bought them. The transfer of deposit books appears to have been adopted immediately after the 14th July, at a meeting at which I have already stated I was present, and where I presume this transfer was sanctioned. I believe these transfers were made to a very large amount about that time, and afterwards large numbers of books were sold to debtors of the Bank."

" At this time, and since the payment of the first instalment of twenty per cent., up to last week, any person applying at the Bank, for any portion of the amount at his credit (and I have no doubt many have made application at the Bank,) would have been refused any portion of the sum due to him. I do not know that any of such applicants were ever informed at the Bank that, by communicating with debtors of the Bank, they could get seventy per cent. transferred. But as I have not taken an active part in the management of the Bank since that time, I cannot say what was done there. I never recommended or ordered that a notification should be given to depositors that such transfers were admissible. I recollect two parties who spoke to me in the Montreal Insurance Office, who had pass books, and one of them offered me his book at a large discount. I told him I was not purchasing; that he could sell it in the market to debtors of the Bank, making the best bargain he could, debtors being credited to the Bank seventy per cent. I do not recollect with whom I had this conversation."

" I do recollect that the subject of transfer of deposit books was mentioned at the meeting of the

Appendix
(Q. Q.)

15th July.

" 14th of July, 1848 ; but I do not recollect whether it was determined then to sanction it. I do not recollect myself to have expressed any opinion. I have never expressed to the Board of Directors any opinion against the sale of bank books.

" Ques.—Is the effect of the sale of bank books to benefit the debtors of the Bank, at the expense of those creditors of the Bank who sell their books ?

" Ans.—That has been the result.

" Ques.—Were bank books allowed in all cases to be transferred in debts to the Bank ?

" Ans.—I can only speak as to my own knowledge in my own case.

" Ques.—Since you now state, that you do not know that bank books could in all cases be transferred at the Bank, how could you draw the inference you did yesterday, that the sellers of bank books must be aware that transfers would be allowed at the Bank ?

" Ans.—I should think that in most cases creditors of the Bank would call at the Savings Bank for information, previous to their making sales.

" Ques.—Is this the only reason that led you to draw the inference referred to in the last question ?

" Ans.—I can assign no other reason."

" In the minutes of the proceedings of the Board of Directors of the 14th July, 1848, at which I have said the question of transfer of books was mentioned, no record appears of any resolution having been adopted on the subject, nor in the minutes of any proceedings of the Board held subsequently; neither is it mentioned in the published reports of the Directors of the Montreal Provident and Savings Bank, dated the 31st of October, 1848, neither is it mentioned that any such measure as the purchasing of bank books had been allowed by the Directors of the Savings Bank. I cannot say of my own knowledge that the depositors of the Bank had any intimation of any description, that such transfers would be allowed."

Mr. Director *Ferrier* says :

" Ques.—Have you any knowledge that public notification has at any time been given on behalf of the Savings Bank to creditors of the Bank, that debtors were allowed to liquidate their debts to the Bank in deposit books ?

" Ans.—I am unable to say whether any public advertisement was issued on the subject, or whether any public notice was stuck up in the Bank ; but I know that instructions were given to the clerks behind the counter, to inform every depositor that the books were taken by the Bank at 90 per cent. from debtors to the Bank.

" Ques.—When were these instructions given to the clerks in the Bank, to your own knowledge ?

" Ans.—From my own personal knowledge, I can only speak—from the end of August to the beginning of September.

" Ques.—Do you mean to say that you, some time about the end of August or the beginning of September, personally instructed the then Actuary or any of the clerks, and if so, which of them, to inform all depositors that the Bank was receiving their books in payment of debts due to the Bank at the rate of 90 per cent. on the value of such books ?

" Ans.—If the determination of the Board was come to, so early as the end of August or the beginning of September, of which I have already

Appendix
(Q. Q.)

15th July.

" said I am not quite sure, not remembering exactly the time at which it was agreed to receive deposit books in payment from debtors, I did so instruct the Actuary and clerks behind the counter to inform depositors that their books were being received in payment of debts at the rate of 90 per cent. ; but if the determination of the Board was taken at a later date, my instructions must have been subsequent to the determination of the Board.

" Ques.—Would it not have been a more effectual means of giving publicity to the fact, that Bank books were received in payment of debts to the Bank, to have stuck up a notice to that effect in the Bank, or to have issued an advertisement, than to have committed the duty to the clerks, of conveying such information to depositors ?

" Ans.—I have already said that I do not know whether any public notice was given, or notice stuck up in the Bank. My convictions are that the depositors in general called at the Bank, and got the information previous to disposing of their books. In every personal application that was made to me by depositors, I invariably advised them not to part with their books, as there was every prospect of the Bank paying the 90 per cent."

Mr. *Freeland* (Actuary since the suspension) says :

" Ques.—Were depositors of the Bank ever informed, in any public manner, that deposit books were received in certain cases in payment of debts due to the Bank, at the rate of 90 per cent. on the balance due to such depositors at the time of the suspension of the Bank ?

" Ans.—The only public intimation was the permission and invitation to depositors to discharge their claims by a transfer of mortgages. Sometimes, when asked who were buying deposits, I stated that there were some parties, debtors to the Bank, who were doing so, but I gave this information only in explanation of the fact that books were being bought. I never encouraged the sale of books, and never volunteered any information on the subject. The rate at which books were received, that is under deduction of ten per cent., was notorious, and no transactions for either a transfer or discharge of a loan by deposits took place on any other basis. This retention of ten per cent. was a chief cause of dispute between depositors and the Bank ; depositors generally being unable to see the grounds on which this deduction was made, and denying the right of the Bank to make it."

Mr. *Cox* (Teller) says :

" Ques.—Was publicity given, and if so, in what manner, to the fact, that deposit books were received in payment by the Bank from all debtors to the Bank, in deposit books, at the rate of 90 per cent. on the transferable amount of such books ?

" Ans.—I communicated the fact to all who inquired of me, and, as a general rule, referred them to the Actuary for farther information. I do not think that publicity was given to the fact in any other way. I may, however, observe, that circulars were forwarded to every debtor, calling upon them to pay up the amounts due by them. To all depositors, creditors of the Bank, who applied to me for information, I invariably advised them not to sell their books, assuring them that I had every reason to believe they would ultimately receive 90 per cent."

Mr. *James Barnard*, a broker of this city, who had considerable transactions in the purchase of deposit books, says :

Appendix
(Q. Q.)

15th July.

"I am aware, that, subsequent to the suspension of the Savings Bank, a large number of deposit books of the Savings Bank were offering in the market at prices below their par value. I am aware that the Bank took such books at the rate of 90 per cent. in payment of debts due to the Bank. I think it was in the month of September, 1848, that I first became aware, as far as I can remember, that the Bank received bank-books in payment of debts. My knowledge was obtained from parties who had payments to make to the Bank, and were willing to take books to make their payments."

"From the time of the suspension of the Bank to the present time, I have been in the habit at various times of purchasing deposit books. I think my purchases must have amounted to about £5,000 or £6,000. The rate has varied from 2½ per cent. to 50 per cent. discount on the amount transferable. I should say the average price I have paid is 12s. 6d. to 13s. on the amount transferable. Most of my purchases have been on my own account; that is for parties who stated they wanted a sum to pay to the Savings Bank, and would pay a certain price for it. I purchased the books and sold them to these parties, if I could do so at a profit."

"Ques.—Can you say that the parties from whom you purchased deposit books, were generally aware that they would be received at the Savings Bank to the extent of ninety per cent. in payment of debts from parties owing moneys to the Bank?"

"Ans.—I believe they were. I invariably told them that I was buying for parties who owed moneys to the Bank, and that the Bank would take them at ninety per cent. in payment of debts. My answer refers only to those who asked the question. I cannot say that I gave them the information."

"Ques.—Are you aware of the Savings Bank Directors, or of the Actuary having at any time given public intimation that deposit books would be received in payment of debts due to the Bank?"

"Ans.—I am not aware of any public intimation. I believe the fact was generally known."

Mr. Thomas M. Taylor, also broker, says:

"I am a general broker. I am in the habit of dealing, in that capacity, in sales of produce and in stocks of various description. In my capacity as broker, I on several occasions purchased deposit books from depositors of the Savings Bank, subsequent to the failure of that institution. I did so, both as agent for parties who gave me the orders, and I also purchased books occasionally from parties offering them, to hold them ready to meet any demand; and when I had any amount, I usually sought out a buyer. There was a demand for Savings Bank deposit books, soon after the failure of this institution; I should say it arose as soon as debtors of the Bank were urged to pay their debts."

"Ques.—Were you made aware at any time, and if so, when, and in what manner, that deposit books were received in the Savings Bank in payment of debts due to the Bank?"

"Ans.—My impression is, that it was publicly announced, that deposit books would be received in payment of debts due to the Savings Bank at 90 per cent."

"Ques.—On what do you ground that impression?"

"Ans.—I ground my impression upon the fact, that when parties came to me, they seemed to

"know, that deposit books were received in transfer at the Bank in payment of debts at the 90 per cent. And it seemed to me to be notorious."

"Ques.—When were you first made aware, that Savings Bank books would be received in payment of debts due to the Bank at the rate of 90 per cent. on the amount of such deposit books?"

"Ans.—It was about one of the first facts connected with the Bank that I knew of; it must have been soon after the stoppage."

"Ques.—Have you, in your capacity of broker and otherwise, since the stoppage of the Savings Bank, purchased largely of deposit books?"

"Ans.—I have purchased to a considerable amount. I think about £5,000; certainly not under that. In mentioning that sum, I mean the amount transferable."

"Ques.—Can you state, about the average rate per cent. on the amount transferable, at which your purchases were made?"

"Ans.—I think, to the best of my recollection, that the average rate would be, from 12s. 6d. to 15s. in the pound, on the amount transferable."

"Ques.—Have you any reason, and if so, what reason, to believe that depositors in the Savings Bank who sold their books were aware at the time of such sale, that their books would be received in payment of debts due to the Bank to the extent of 90 per cent. on the amount due by the Bank to them, at the time of the failure?"

"Ans.—In almost all cases, parties coming to me, to sell their books, told me that they had learned at the Bank, that their books could not then be paid in cash by the Bank, but would be taken at 90 per cent. in transfer, and my purchases of books were always made at so much per pound, on the transferable amount. Such parties usually said to me, that they had been told at the Savings Bank by all means to hold their books, until the affairs of the Bank would be liquidated, and not suffer a loss by selling."

Mr. Esdaile, broker, says:

"I am a partner in the firm of Messrs. John and Robert Esdaile of this City. My firm bought a considerable amount, say, about £5,000 of deposit books of the Savings Bank, after the failure of that institution. The cash paid for those books, was somewhere about £3,500."

"Ques.—Can you say whether the parties from whom you purchased deposit books, were generally aware that they would be received at the Savings Bank to the extent of 90 per cent. in payment of debts from parties owing moneys to the Bank?"

"Ans.—I am of opinion that generally the sellers were well aware of the fact. In many cases we informed them of the fact, that the Bank would take the books at 90 per cent. giving mortgages in payment."

"Ques.—Are you aware of the Savings Bank Directors, or of the Actuary having at any time given public information that these books would be taken or received in payment of debts due to the Bank at the rate of 90 per cent?"

"Ans.—There is a strong impression on my mind, that the Bank made public, that they would receive payment as above stated, and invited parties to whom they were indebted to come and take mortgages which the Bank held."

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

As no public intimation was given of the reception, in some cases, of debts, due to the Bank in deposit books, we cannot see how it could become generally known. The parties disposing of their books possessed probably a general idea, that the purchasers had some means of making them available, but the latter, not having any direct interest in giving the information, would be unlikely to step out of the way to inform sellers, at what rate they would be assumed by the Bank. The buyers were in all cases well informed; the sellers, in most cases not equally so. It is perfectly clear from the above testimony also, that the tendency of this action of the Directors was, openly to discourage the sale of deposit books, and that they, to say the least, took no pains to inform depositors that their books were receivable at the rate of ninety per cent. in payment of debts.

A number of witnesses appeared before us, who stated, that although they repeatedly applied for information at the Bank, they never received any to lead them to believe that their books were receivable from debtors in payment of their debts. The best evidence indeed that sellers of deposit books were not adequately informed, is the exceedingly low rate at which they sold their claims on the Bank, since it can scarcely be credited, that any but parties, either in the most extreme indigence, or in the most utter ignorance, would make sales which would give the buyer at once fifty or sixty per cent profit on his purchase.

We subjoin the evidence of a few depositors to show the kind of information and assistance they received from the Bank.

Mr. William Robinson, (Office-keeper of the Ordnance Department,) says:

"About one week after the suspension of the Bank, I made application to know when I should be paid and what was intended to be done. I addressed a clerk at the counter, I am not sure, but I think his name is Sharrocks: I know he is a person who had been some time in the Bank as clerk. All the satisfaction I got from him, was, that I must patiently wait the result of the settling of the affairs of the Bank. I went again to the Bank, I think about three months afterwards, and made a similar application, to which I received a similar answer. The Clerk on the second occasion was not the same as the one I formerly alluded to. I do not know his name.

"Ques.—Were you informed on either of the occasions on which you state you visited the Bank, or at any other time at the Bank, by any of the Directors or Officers of the Establishment, that deposit books would be received in payment of debts due to the Bank, at the rate of 90 per cent., on the balance due to such Depositors at the time of the suspension of the Bank?

"Ans.—No, I never was.

"Ques.—Are you aware that the Directors of the Bank or any person or persons in their name, at any time subsequent to the suspension of the Bank, gave any public intimation to Depositors in the Bank, that deposit books would be received in payment of debts due to the Bank, at the rate of 90 per cent., on the balance of such Deposit Books?

"Ans.—I am not aware of any public intimation ever having been issued."

"I recollect calling at the Bank a third time, I think in October, 1849, to learn what was doing in regard to the affairs of the Institution, (so far as I was connected) when I endeavoured by pleading

Appendix
(Q. Q.)

15th July.

"distress to draw forth the sympathy of the clerk and attendants to my want of some money, particularly at that time. I was told, they could not, as yet, pay any one, but, that there were parties in Town, viz: Messrs. Barnard and Esdaile, who were buying deposit books of that institution, on whom I might call, if I thought fit to dispose of my book. I went to both these parties, and the largest offer they made me was, I think, 11s. in the pound, on the amount transferable, which offer I declined to accept."

Mr. David Turbayne, (engineer) says:

"I was a depositor in the Savings Bank: at the time the institution failed, the balance due to me was about £215. I received, soon after the stoppage of the Bank, a dividend of 20 per cent., and in November last I received a further dividend amounting to about £74. This is all I have received from the Bank. I frequently made application to the Bank for payment, and was informed at such times, that I would receive my money when the rest of the creditors of the Bank did. I was never informed in the Bank nor by any officers or Directors of the Bank, that deposit books would be received in payment from debtors to the Bank, to the extent of 90 per cent. on the balance of such deposit books. I am not aware that the Bank at any time gave public notice in any way whatsoever, that deposit books would be received in payment of debts. I have not made sale of my deposit book."

Mr. James Adams (cooper) says:

"I was a depositor in the Savings Bank for about eight years before its suspension. I think the balance due me at the time of its suspension was about £226. I received soon after the stoppage of the Bank, a dividend of twenty per cent. I frequently made application to the Bank for payment, and was informed, that I was to conform to the rules of the Bank, and I received only but insulting language from one of the officers of the Bank. The name of this officer is Mr. Cox. I have, since receiving the first dividend, sold my book to Mr. James Barnard, a broker of this city, for 11s. in the pound. I cannot say whether it was on the balance of my account, or on the transferable amount. I was never informed at the Bank, nor by any officers or Directors of the Bank, that deposit books would be received in payment from debtors to the Bank, to the extent of 90 per cent., on the balance of such deposit books. I am not aware that the Bank at any time gave public notice in any way whatsoever that deposit books would be received in payment of debts due to the Bank. Had I been aware that I could get a transfer of a mortgage from the Bank to the amount of 90 per cent., I would certainly not have sold my Book for so small a sum."

Mr. James A. B. McGill, (City Surveyor) says:

"I was a depositor in the Savings Bank. At the time of its suspension, the balance due to me was about £13. Soon after the failure of the Bank, I received a dividend of 20 per cent., which is all I have received. There was a second dividend declared payable about November last. I made application for that dividend, and which was offered to be paid to me, but I was required to sign a receipt in a printed form, which purported to be a receipt from the Trustees of the Bank for so much money. In this receipt there were also certain blanks left to be filled up, I objected to sign this receipt, as I stated I knew nothing of the appointment of Trustees to administer the affairs of the Bank. I stated that I would sign for any amount that they chose, in the name of the Directors of the Bank.

Appendix
(Q. Q.)

15th July

Appendix
(Q. Q.)

15th July.

"Some time after the payment of the first dividend, I believe, I made application at the Bank, to Mr. Cox, one of the clerks, to know if I could have a Corporation bond. It was my intention thus to cover my own debt, and I intended to make up the full value of the bond, by the purchase of other deposit books. The clerk informed me I could not have any Corporation bond on such conditions.

"Ques.—Were you informed at any time, by any of the officers or Directors of the Savings Bank, that debtors of the Bank were allowed to pay their debts to the Bank in deposit books, at the rate of 90 per cent., on the balance due on such deposit books at the time of the stoppage of the Bank?

"Ans.—I was never informed by any of the officers of the Bank, nor by any of the Directors, to the best of my opinion, in any official manner. I might have heard from some of the Directors that such a thing was being done.

"Ques.—Are you aware of the officers of the Bank or any other person purporting to act for the Bank, having at any time given public intimation in any manner whatever, that deposit books would be received in payment of debts due to the Bank at the time of its suspension?

"Ans.—I am not aware, to the best of my knowledge, of ever having heard of such a thing."

Mr. *Peter Don* (storeman) says:

"I was a depositor in the Savings Bank. The balance due me at the time of its suspension was about £30. I received a dividend of a few pounds a short time after the Bank suspended payment, and I received a further dividend a few months since. I several times made application at the Bank for payment, and was informed that they had no money. I was never informed by any officers or Directors of the Bank that I could make sale of my book to debtors to the Bank, who were allowed to pay their debts in deposit books, at the rate of 18 shillings in the pound. I am not aware that the Bank at any time publicly notified that they would receive deposit books in payment of debts due to the Bank at the rate of 18 shillings in the pound."

Mr. *Joseph Levy* (trader) says:

"I was a depositor in the Savings Bank. The balance at my credit at the time of its suspension was about £20. Shortly after its suspension I received a dividend: I do not recollect what amount. I applied twice or three times at the Bank for the balance due to me, and was refused. I was never informed on such occasions that deposit books would be received in payment of debts due to the Bank; nor am I aware of any public notification having been made that deposit books would be received in payment of debts due to the Bank. I am aware that shortly after the stoppage of the Bank, purchases of deposit books were made by brokers and others. I made sale of my book about ten months after the stoppage of the Bank, to Mr. Barnard, at the rate of 10 shillings in the pound, on the balance then due me by the Bank. He did not allow me anything for the interest due to me. When I made sale of that deposit book to Mr. Barnard I was not aware that deposit books were received in payment of debts due to the Bank."

Mr. *Oliver Carey* (labourer) says:

"I was a depositor in the Savings Bank. The balance at my credit there was, at the time of its suspension, about £36; and for another which my wife held, something under £50. I received a dividend shortly after the Bank stopped, on my

book, and a dividend was also received on the other book by my late brother-in-law.

"No further dividends were paid on these books until last November. I often made it my business to apply at the Bank to see if I could get more money, but I could not. I was never told in the Bank that there were persons who would buy my books: I never was told at the Bank that persons who owed money to the Bank were allowed to pay their debts in bank books. I was informed at the bank that they had no money, but as soon as they had, they would pay the debt."

It will have been noticed by the evidence above given, that there is some difference of opinion amongst the witnesses, whether the payment of deposit books by debtors was regarded as a matter of right, or whether they were received as a matter of favour, or on convention between the debtors and the Directors. Mr. Director Murray takes the former view, whilst Mr. President Redpath speaks of it as a privilege accorded "to all who did not put the Bank to the necessity of taking legal steps to recover the amount."

Mr. Director *Ferrier*, it will be observed, gives it a wide and general application. He says:

"Ques.—Are you aware whether the determination to receive bank books in payment of debts to the Bank, was general in its application or not, to all debtors?

"Ans.—I believe that it was general in its application to all debtors whose accounts were standing unsettled; to the best of my recollection some debts were owing to the Savings Bank in notes, and these notes were discounted in other banks. In these latter cases I think that rule was not fully applied, the Savings Bank not having the controul over the notes."

Whilst Mr. Actuary *Freeland* positively asserts that it was only in particular cases that deposit books were received in payment of debts to the Bank.

His evidence is:—"From your experience of the management of the Savings Bank, can you say positively that debtors to the Bank were allowed in all cases to pay their debts in deposit books?"

"Ans.—No; many were not. In a number of instances it was positively refused, especially where the debt was otherwise likely to be soon realized in cash. It was only where doubt existed, or long delay seemed probable, that debtors were so allowed.

"Ques.—Then is it to be understood that the resolution was general in its character, conveying a right to the debtors as well as to the creditors of the Bank; or was it merely giving a right to the Directors of the Bank, of decision whether debts should be received in deposit books or not?

"Ans.—It evidently authorized and permitted, but did not enjoin the reception of deposit books from debtors in payment, leaving it with the Directors to decide in what case they should be received. The resolutions of the Directors during my management of the affairs of the Bank, were, in matters relating to the management, to be construed as recommendatory and permissory, rather than final and decisive. Those resolutions were recorded rather to shew their views and intentions than to bind themselves absolutely to a course. They might be, and frequently were, acted upon in a modified form, without this modification being recorded."

Appendix
(Q. Q.)

15th July.

" Ques.—Was the reception of deposit books, in payment of debts due to the Bank, allowed in obedience to the resolution of the 14th July, 1848, or was it on any other authority?

" Ans.—As I have already said, I was never directly referred to this resolution for authority. My authority was received from the Directors themselves in frequent conversations. When I read the minute, I never doubted that the course pursued came within its intent and meaning.

" Ques.—Did you receive verbal instructions from any of the Directors of the Savings Bank to take deposit books in payment of debts due to the Bank, and if so, from which of the said Directors?

" Ans.—I was constantly receiving instructions more or less, from all the Directors who attended at the Bank, but as I have already said, my more frequent communications were with Mr. Redpath. I cannot speak as to any precise instruction, I may have received in the matter referred to in the question; my positive instructions were, to carry out as far as possible the object and intention of the Directors as explained to me. This object, as I have already said, was to facilitate and encourage, as much, and as speedily as possible, the offsetting of debts due to the Bank by the claims of depositors, wherever it should appear to be the interest of the Bank to make such offset. All my transactions were constantly laid before the Directors, and as constantly approved by them. I never could make any distinction, nor do I see how such distinction could have been made, between any parties whatever, holding legitimate claims, as depositors, whether they might happen to be at the same time debtors to the Bank or not.

" Ques.—Please to state positively whether in your reception or rejection of deposit books in payment of debts due to the Bank, you were guided by precise regulations adopted at a meeting of the Board of Directors, or by positive instructions from any, and if so, which of the Directors; or whether you were guided in each particular case by your own views as to the expediency or inexpediency of receiving such deposit books in payment?

" Ans.—I was generally guided by my own views of the expediency or inexpediency in each particular case; always however under and with special reference to the general instructions I had received, as already stated. Where doubt existed in my mind, I sought special instructions, and always, as opportunity presented, sought and received approval and confirmation of my acts."

Whatever difference of opinion might exist as to the extent to which this reception of deposit books in payment of debts due to the Bank should be carried, certain it is that it was construed very liberally in behalf of some of the Directors of the Bank who happened to be debtors to the Institution at the time of its failure.

Mr. Vice-President *Redpath*, is an exception to the above remark; no portion of the amount for which he was responsible to the Bank, either as principal or surety, being paid, we believe, in deposit books. He says:

" Ques.—At the time the resolution was passed authorizing the payment to the Bank by debtors of the amount of their debts in deposit books, were or were there not several of the Directors of the Savings Bank debtors to that Institution, or responsible as collateral security for various public institutions, or for private debtors, to the said Savings Bank?

" Ans.—I think there were two or three in that situation, as collateral security for loans, and as principals; but that the majority was not.

" Ques.—Have any of the debts due to the Savings Bank at the time for which any of the Directors were responsible, either as principals or as collateral security, been paid in deposit books purchased below their par value?

" Ans.—Some of them have been paid in deposit books; I cannot state at what rate they were purchased; I suppose under the par value.

" Ques.—Has any debt for which you were security to the Bank at the time of its suspension, been paid in deposit books under the par value?

" Ans.—None. The debts for which I was security were settled in full, within, I think, ten days of the suspension of the Bank. I paid a sum in cash, and £171 8s. 9d. in deposit books, at ninety per cent., for which I paid the owners their full par value in cash; and the remainder of the debts for which I was responsible to the Bank, was paid in the transfer of mortgages.

" Ques.—Have you derived any profit whatever from the sales of books of creditors of the Bank?

" Ans.—I have not. As already stated, I have been concerned in no transactions of the kind."

Other Directors, however, appear to have availed themselves of the privilege of paying their debts in deposit books, without scruple.

The Hon. Mr. Director *Ferrier* says:

" Ques.—Was this rule or determination to receive Bank books in payment of debts, the source of great pecuniary advantage to the debtors of the Bank?

" Ans.—The debtors to the Bank must have received the advantage of whatever they bought the books for under ninety per cent.

" Ques.—At the time the determination to receive books in payment of debts at ninety per cent. was come to, were any Directors of the Savings Bank either directly or indirectly liable to the Bank for sums outstanding due to the Bank.

" Ans.—Without referring to the books, I cannot say what others did; but I was indirectly indebted to the Bank on a security for W. S. McFarlane, to the amount of £1,000, and on some other securities.

" Ques.—Have you paid any portion of your liability to the Savings Bank at the time of its failure, in bank books, and if so, what portion have you so paid?

" Ans.—I believe that one of my sons paid on my account £989 19s. 9d., in bank books, on the debt for which I was security for W. S. Macfarlane. I take this sum from the bank books, not having any personal knowledge of it. These payments appear to have been made, on the 6th February, 1849, £638 1s. 3d.; 13th March, 1849, £10 10s. 0d.; 14th May, 1849, £341 8s. 6d.

" Ques.—Do you know what was the cost of those bank books?

" Ans.—I do not know.

" Ques.—Do you know from whom those bank books were purchased?

" Ans.—I do not know."

Mr. Actuary *Freeland*, who, it will be remembered, stated in evidence that it was only on loans, the re-

Appendix
(Q. Q.)

15th July.

covery of which was doubtful or likely to be attended with long delay, that payment in deposit books was allowed, says of this payment by Mr. Ferrier :

“ Ques.—Was Mr. W. S. Macfarlane a debtor to the Savings Bank at the time of its suspension, for a loan granted to him on certain fixed property ?

“ Ans.—He was.

“ Ques.—Was there any security besides the said fixed property, granted for the loan ?

“ Ans.—Yes, the personal security of the Hon. James Ferrier, and Mr. William Footner.

“ Ques.—Was that loan repaid in deposit books ?

“ Ans.—It was.

“ Ques.—With whom was the arrangement made, to receive such payment in deposit books ?

“ Ans.—With myself; perhaps not altogether, some of the Directors might have been parties to the arrangement, but of this I am not now certain.

“ Ques.—Was the loan to Mr. W. S. Macfarlane of such a character, that doubt existed as to its recovery, or that a long delay in recovering it appeared probable ?

“ Ans.—The solvency of Mr. Ferrier could not be questioned, but there were special difficulties with regard to this loan. The principal debtor was a bankrupt; the real estate mortgaged had depreciated in value so much that the amount of the mortgage could not be realized from it; and the personal security of Mr. Footner was valueless. The money transactions between the principal debtor and Mr. John Eadie, the former Actuary, the nature and extent of which were unknown, were such as to lead to the fear that perhaps he might show payments to Mr. Eadie, which he might claim to be imputed to this loan, and any such imputation would be so much to be added to the account of Mr. Eadie, and a proportionate loss to the Bank. He did thus impute the sum of £126, which the Bank will lose.

“ Ques.—Is that sum of £126 to which you allude, set off as a payment in part of the loan for £1000 on fixed property to Mr. W. S. Macfarlane ?

“ Ans.—It stands in abeyance, being claimed also by Mr. Colin Russell, who contests this amount in the action brought by the Bank against him.

“ Ques.—What has the action against Colin Russell to do with the loan of £1000 on the fixed property of W. S. Macfarlane ?

“ Ans.—Nothing, except that a payment made to the Bank by W. S. Macfarlane, is claimed by Colin Russell, as that it should be imputed to a loan for which he was security, and for which the Bank has an action brought against him.

“ Ques.—Was Colin Russell security for the loan of £1000 to W. S. Macfarlane ?

“ Ans.—He was not.

“ Ques.—Was that sum of £126, paid on account of the loan of £1000 to the Savings Bank or not ?

“ Ans.—I believe it was. The question is now before the Superior Court.

“ Ques.—When was that payment of £126 made to the Savings Bank, and by whom, on account of the loan of £1000 ?

“ Ans.—It was never actually paid across the counter. It was a balance remaining at the credit of George Bourne, after the sale of certain Stock

“ on which he had obtained a loan. George Bourne gave an order for this amount to W. S. Macfarlane. I have no personal knowledge of when this order was given. I believe, however, it was given and handed to Mr. Eadie on or about the middle of March, 1848.

“ Ques.—Have you any personal knowledge that that payment was given in to Mr. Eadie with instructions to set it off against the loan of £1000 to W. S. Macfarlane ?

“ Ans.—I have no other knowledge than the reiterated assertions of Mr. Macfarlane himself.

“ Ques.—Have you any knowledge from the reiterated assertions of Mr. Macfarlane himself, that he was, in March 1848, personally indebted to a very large amount to Mr. John Eadie, the then actuary of the Bank ?

“ Ans.—I cannot say from reiterated assertions; he certainly admitted it to me in some conversations, but I never sought his assertions in a matter so notorious.

“ Ques.—Was that £126, at the time of its payment, placed to the credit of that loan in the books of the Savings Bank ?

“ Ans.—It does not appear that there was any imputation made of it. It formed part of a sum placed to the credit of George Bourne on the 14th March, 1848.

“ Ques.—Is the Court then to understand, that at the time it was agreed by you to receive payment for the loan of £1000 to W. S. Macfarlane in deposit books, any doubt existed as to the liability of the Honourable James Ferrier for the full amount of £1000 ?

“ Ans.—Yes, certainly there was such a doubt.

“ Ques.—Did the Honourable James Ferrier deny his obligation to the Bank for that amount, say £1000 ?

“ Ans.—I am not aware that he ever did. From the conversations I had with him, I do not think he was aware of any right that he had in the above £126, until the loan was nearly all discharged. I never informed him of it, nor do I think any one connected with the Bank was aware of it but myself, until he told me that Mr. Macfarlane had informed him. There being no imputation of the amount in the Books of the Bank, I had supposed the imputation was to be made on account of the debt of Mr. Macfarlane for moneys advanced to him by Mr. Eadie. It was on consulting with Mr. Macfarlane as to what evidence he could give in an action against Colin Russell, that I first learned the truth. I cannot say when this consultation took place: it very probably was about the close of 1848, or the beginning of 1849.

“ Ques.—Was it then on account of the doubt in your mind as to the liability of the Honourable James Ferrier for the whole £1000, that you allowed him to pay that sum in deposit books ?

“ Ans.—Not only on that account, but I considered that sufficient. I considered the general difficulties of which I have already spoken, connected with the collection of these loans on mortgage, as sufficient justification, particularly where I supposed the parties acquainted with those difficulties.

“ Ques.—Are you aware of the nature of the obligations which were taken for loans granted by the Bank ?

“ Ans.—Yes, perfectly.

Appendix
(Q. Q.)

15th July.

"Ques.—Were the securities made principals under that obligation, and liable, as such, to payment at the expiration of the notice of six months given to the party to whom the loan was made?"

"Ans.—They were securities *in solido*, that is: jointly and severally bound with the principal, this was the rule; there might have been exceptions, but they were very few.

"Ques.—Are you aware, whether at or about the time of the suspension of the Savings Bank, notice was given to all the principals to whom loans had been granted?"

"Ans.—Notice was given to nearly all the principals, there might have been some exceptions in some special instances.

"Ques.—How long after the suspension of the Savings Bank was it, that the Honourable James Ferrier repaid this loan to W. S. Macfarlane?"

"Ans.—I do not personally remember, but the books show payments to have been made as follows:—

"February 6, 1840.....	£638	1	3
"March 13, ".....	10	10	0
"May 14, ".....	341	8	6

"These payments I believe to have been made in deposit books. The balance including the interest upon the loan, amounting to £126 0s. 1d., has been charged to the account of the Honourable James Ferrier, where it still remains to his debit, it being unpaid.

"Ques.—Is not that balance of £126 0s. 1d. the exact sum which you have stated, there was some doubt whether Mr. Ferrier was liable to pay to the Bank?"

"Ans.—It is."

It thus appears that there was no special reason for exempting Mr. Ferrier from paying in cash. The pretext set up by Mr. Freeland that the reception of deposit books was authorized in this case on account of the sum of £126 0s. 1d. being in dispute, might have had some weight, had Mr. Ferrier actually paid that sum, but as he did not, and the amount is not yet recovered, the allegation on that head falls, of course, to the ground.

Mr. Director Murray is another instance of Directors of the Bank paying debts in deposit books. His evidence is as follows:

"Ques.—At the time of the suspension of the Bank were any of the Directors indebted to the Bank?"

"Ans.—There were some.

"Ques.—Who were they?"

"Ans.—I think Mr. Lunn and Mr. Mathewson had some loans and some of the others were securities.

"Ques.—How many were indebted to the Bank as securities?"

"Ans.—I really cannot say how many, but there were several.

"Ques.—Did any Directors of the Bank who were directly debtors of the Bank pay their debts, or any portion of them in transfers of books?"

"Ans.—I am not aware; I believe Messrs. Lunn and Mathewson got large depositors to take transfers of mortgages for their debts, and they may have paid portions of their debts in books, but I cannot speak positively.

Appendix
(Q. Q.)

15th July.

"Ques.—Were any debts to the Bank for which Directors of the Bank were responsible as securities paid to the Bank in deposit books?"

"Ans.—There were, I should say, to a considerable amount.

"Ques.—Were you a debtor to the Bank, either directly or as security for any loans made by the Bank, at the time of its suspension?"

"Ans.—I was directly, for the amount of the loan by notes to the High School, granted in 1844, that is, for my proportion of the notes for £660. I was also as security, having endorsed some paper for the accommodation of others, which the Bank held. I was also security on some private mortgages; I think two. My indirect liability would be about £2,000."

"Ques.—Has the debt by the High School under the promissory notes for £660, to which you were a party, and which was unpaid at the time of the stoppage of the Bank, since been paid in full?"

"Ans.—It has not all been paid. I have paid, as already mentioned, more than my proportion, viz., £51 19s. 6d.

"Ques.—Were you not individually responsible for the whole of that £660, with interest, at the time of the suspension of the Savings Bank?"

"Ans.—There were eight or ten names to the notes, of which mine was one. I do not remember whether the obligation was joint and several. If so, I was.

"Ques.—For the paper which you had endorsed did you become responsible individually, and if so, to what amount?"

"Ans.—I think it was about £250.

"Ques.—Is it to be understood, then, that since the suspension of the Bank, you have paid about £300 for debts for which you were responsible to the Bank?"

"Ans.—I have, these notes being for the accommodation of others.

"Ques.—How did you pay this £300 to the Bank?"

"Ans.—Entirely in transfers of books.

"Ques.—When did you pay the Bank this £300 in transfers of bank books?"

"Ans.—It appears by the books on the 30th September, 1850, but I think they must have been in the Bank three or four months earlier.

"Ques.—Which of the Directors sanctioned your paying to the Savings Bank your debt in bank books?"

"Ans.—They were handed to the Actuary by me, and he, as was his practice in other cases, placed them to my credit. The Directors, at least those who were taking an interest in the Bank, must have known the transaction.

"Ques.—Are you now of opinion that it was as a matter of right that you could pay your debt to the Bank in bank books?"

"Ans.—As that liberty was granted to others I did not think there was any impropriety in my having the same privilege.

"Ques.—Was that liberty granted to all others?"

"Ans.—I think it was granted to all others except such as had given Bank stock or similar securities, which could be easily converted.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" Ques.—Under what rule of the Bank were you allowed to pay your debts in Bank books.

" Ans.—I know of no other than the one mentioned by me yesterday.

" Ques.—Please to point out what part of that resolution authorised the receipt of bank books in payment of debts due to the Bank on open accounts or on promissory notes ?

" Ans.—I see nothing in that resolution that would bear on that subject or that would authorise such a payment.

" Ques.—Has there ever been any resolution passed either subsequently to or on the 14th July, 1848, authorising the reception of bank books in payment of open accounts or for debts on promissory notes due to the Bank ?

" Ans.—I do not recollect, but I have been informed that such a resolution was passed.

" Ques.—When were you informed that such a resolution had been passed ?

" Ans.—It is not many weeks ago since I heard that such a resolution had been passed.

" Ques.—When and where did you hear this ?

" Ans.—I think it was during the course of some conversation that occurred at the Bank two or three weeks since.

" Ques.—Are you aware of the question ever having come before the Directors of the Savings Bank, and of any instance in which those Directors have refused to receive deposit books at the rate of 90 per cent. If you are aware of any such instances, please to cite them ?

" Ans.—I see by the minute book that Dr. Campbell made an application on the 27th November 1848, to be allowed to pay his debt on a promissory note in deposit books, which proposition of his was partially accepted and partially refused.

" Ques.—Were you present at that meeting ?

" Ans.—I was.

" Ques.—Can you assign any reason why you should be permitted to pay your debts to the Savings Bank in deposit books, and Dr. Campbell be refused a similar permission ?

" Ans.—To the best of my recollection Dr. Campbell's note had been negotiated at the Bank, and the Directors feeling it inconvenient to advance the money for the whole, they agreed to renew one half of it, and take transfers for the other. This was a loan of his own, whereas my obligation was on account of others, and occasioned loss to me.

" Ques.—What was the precise sum you paid to the Bank in deposit books, for your debts for which you became directly responsible ?

" Ans.—£315 14s. 9d.

" Ques.—What did you pay the parties for those deposit books which you handed to the Bank ?

" Ans.—As the books I got were not kept separate, I cannot say correctly what the amount referred to, cost.

" Ques.—To whom did you pay 20s. for bank books ?

" Ans.—I do not recollect, I know I did for about £200.

" Ques.—What was the total amount of profit you made by paying the Bank your debt in bank books instead of cash ?

" Ans.—The saving I made in any transaction of that kind would be very small. I do not think it amounted to £100.

" Ques.—To what amount and for what parties were you security on mortgages granted to the Bank prior to its suspension, and which were unpaid at that time ?

" Ans.—I was responsible for a mortgage granted to the Bank by John Dyde for £1000, and for one granted by William Cormick for a loan of £500. I believe my responsibility for Mr. Cormick did not exceed £500, although he was indebted to the Bank for £950, at the time of its suspension. I was also responsible for a note of Honourable Judge Smith for £200, with my name on it.

" Ques.—What portion of these several debts to the Savings Bank, amounting altogether to £2150, did you yourself pay in transfers of bank books ?

" Ans.—I paid on account of these £1293 8s. 8d.

" Ques.—How did you acquire those bank books ?

" Ans.—They were offered to me by a broker, and I bought them on account of the principal parties indebted to the Bank.

" Ques.—Who were the principal parties indebted to the Bank for whom you bought the books ?

" Ans.—The principal was Mr. Cormick.

" Ques.—What did you pay for those books ?

" Ans.—I do not recollect precisely.

" Ques.—From whom did you buy those books ?

" Ans.—I decline to answer.

" Ques.—Did you pay for those books in cash ?

" Ans.—I decline to answer.

" Ques.—What amount in cash have you paid for your liability to the Savings Bank as security for the loan to Wm. McCormick and for Judge Smith ?

" Ans.—I paid no cash to the Bank on that account."

" The two following questions being put to witness, (which he declined to answer on a former occasion) namely,"

" Ques. 1st.—From whom did you buy those books ?

" Ques. 2nd.—Did you pay for those books in cash ?

" Witness made answer,

" Ans.—When I declined answering the first question on the 24th instant, I did not consider it pertinent to the enquiry, and I felt a great dislike to disclose the private affairs of others; but upon consideration I think it better to answer it, lest it might be supposed that the transactions were on my own account and for my benefit. I therefore answer, that Mr. Taylor, a well known broker, having on several occasions offered the books, arrangements were made by me and Mr. Cormick, to purchase the greater amount from him, part in cash and part on time. An amount was bought from Mr. J. J. Gibb, by me for account of Mr. Cormick. Another amount from a person whose name I think is Robertson, from the country, and a moderate amount from one or two persons whose names I cannot recollect at the moment. The portion I bought from Robertson cost me 20s. in the pound. The average of the other portion was about 15s in the pound on the amount transferred.

Appendix
(Q. Q.)

15th July.

"I desire to give an explanation why I had trans-
actions of that nature. A short time after the
suspension of the Bank, I made every effort to get
some of the depositors to take a transfer of Mr.
Cormick's loan. I remember in particular of ask-
ing Mr. Learmont, Mr. Porteous of the Post Office,
and others to do so. I also requested Mr. Freeland
and Mr. Cox to endeavour to make such an arrange-
ment, but all without effect, even although additional
security was offered. Finding such a transfer could
not be accomplished, Mr. Cormick had to raise
money at a heavy sacrifice to enable him through
me to purchase the books, which were offered by
the broker. Mr. Cormick's loan was originally for
£950, and to the best of my recollection, the Bank
had or was to have had security over property at
Laprairie, worth a greater amount, besides a note
of Mrs. Cormick's endorsed by me for £500, as
collateral security, and stock in the Montreal Insur-
ance Company for £250. The property at Laprairie
was destroyed by the great fire, and as the
Actuary had neglected to insure the property on
account of the Bank, the only security which re-
mained was the note for £500, and the Insurance
Stock. Mr. Eadie had also, unknown to me, ad-
vanced Mr. Cormick £100 merely on his *bon*, and
allowed the interest to accumulate. This loan was
made as early as August, 1846, but I do not think I
had the slightest knowledge of it until after the
suspension of the Bank. The total loan amounted
to upwards of £1200. Mr. Cormick's property at
Laprairie being swept away by fire, and from other
misfortunes he was in difficulties and had no pro-
perty of his own. Mr. Cormick, however, was
very anxious to get the Bank paid, but, had it not
been for my efforts, the Bank would only have
recovered the amount of the note, and proceeds of
the stock, both of which would not have exceeded,
at that time, £700 to £750, instead of the £1200
and upwards paid.

"As regards Judge Smith's note of £200, the
circumstances are as follows,—He had lodged with
me stock to the extent of £200, which I sold for
him at his desire. It realised £130. Judge Smith
wished to have the amount to buy deposit books,
but as my name was on his note for £200, I pre-
ferred applying the proceeds of this stock towards
the liquidation of that portion of his debt to the
Bank; and I gave for him, into the Bank, deposit
books to the extent of £200, which cost me upwards
of £140. All these deposit books were bought
solely on account of the parties named, and not on
my own account. I could not object to their having
the same privileges as others, merely because I
happened to be part security for the one and endorser
for the other. I had no advantage in any of the
Bank transactions, with which my name was con-
nected, on the contrary my loss will exceed £300.
Neither would I have had any thing to do with
Bank transfers had it not been from the desire of
protecting the Bank from loss. Had the books
offered me not been bought, I was informed that
they would have gone into the hands of speculators,
so that the transaction did no injury to the original
depositors. Upon all occasions I dissuaded de-
positors from selling their books, and informed
them of what I thought, that the Bank would ulti-
mately pay, and I wrote to several of the depositors
at a distance to the same effect. I can safely say,
that not one of the loans with which my name is
connected was on my account, but entirely for the
accommodation of others, without the least advantage
to me, in any shape whatever. I beg distinctly to
state that all the books were offered to me by the
broker, and not purchased by him for me."

A reference to the following extract from the
minute book of the Board of Directors, shows that

the security given for the loan to Mr. W. Cormick
was of rather a different character to that described
in Mr. Murray's evidence.

The shares of Montreal Insurance Company
Stock, were, moreover, of the value of £500,
instead of £250.

"EXTRACT.

"MONTREAL, 16th January, 1845.

"FINANCE COMMITTEE.—Present: Messrs. Lunn,
Brondgeest, Redpath, Ferrier, Murray, and the
Actuary.

"The Actuary explained to the meeting, that on
the 14th instant he had advanced £500, by an
arrangement with Mr. Murray and Mr. Ferrier, to
Mr. William Cormick, for which he had received
a transfer of stock, of the Montreal Insurance
Company, to a similar amount, and that under the
same arrangement, he had advanced £450, for
which he had obtained a *baillieur de fonds* over cer-
tain property purchased at sheriff's sale, by having
the amount inserted in the deed by the Sheriff, to-
gether with the personal security of Mr.
and Mr. Murray, which was approved of."

The whole of the facts contained in this long ex-
planation of Mr. Director Murray may be condensed
into a very few words. Mr. Murray was indebted,
as Principal, to the Bank, at the time of its failure,—
his name was also on obligations and notes given as
security for the loans granted by the Bank to the
Hon. Judge Smith, and Mr. William Cormick, and
he was therefore liable for the amounts. He dis-
charged his own debt to the Bank as well as the
debts for which he was surety—whether the latter
on his own account, or for account of those parties
is immaterial—in deposit books which he purchased
from or through brokers at about three-fourths their
par value, and caused the same books to be set off
against the account for which he was liable, at their
full par value, namely, eighteen shillings in the
pound.

Mr. Freeland's evidence in this matter is as follows:

"Ques.—Was W. Murray, Esq., one of the Direct-
ors of the Savings Bank, a debtor to that Institu-
tion at the time of its suspension, either as princi-
pal, or as security for others?

"Ans.—He was as security for some others. I
particularly remember a debt due by the Hon.
Justice Smith, £200; another by Mr. William
MacIntosh, £150; another by William Cormick
for about £1000.

"Ques.—Have you any knowledge whether any
or all of those debts were paid in deposit books?

"Ans.—Those I specify were all so repaid.

"Ques.—By whom on the part of the Savings
Bank was it arranged to receive payment of those
debts in deposit books?

"Ans.—I am not aware of any particular arrange-
ment. Mr. Murray offered them and I took them,
considering it decidedly the interest of the Bank
to receive them. Mr. Murray's liability, through
the neglect of the late Actuary, had been allowed
to lapse.

"Ques.—Did you, prior to agreeing to receive
payment of these debts in deposit books, consult
with any of the Directors?

"Ans.—I do not remember exactly; there is no
doubt, whatever, that I made Mr. Redpath aware
of it."

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

It is sufficient to remark on this evidence of Mr. Freeland, that the allegations contained in it, that Mr. Murray's liability to the Bank had lapsed, is erroneous. It was in full force and validity, as Mr. Murray's statement proves. The reason assigned by Mr. Freeland for the reception of deposit books in this case is, therefore, without foundation.

Mr. Director Mathewson was another of those debtors of the Bank who profited by the arrangement made for the reception of deposit books in payment.

Mr. Eadie says:—"In 1847, I, on several occasions, lent the funds of the Bank to Messrs. Mathewson and Sinclair, then merchants of this city. Particulars of these loans will be found in the ledger of the Provident and Savings Bank, page 270, viz:

" January 8th, cash,.....	£200	0	0
" March 6th, do.,.....	300	0	0
" April 10th, do.,.....	400	0	0
" May 31st, do.,.....	120	0	0
" Oct. 28th, do.,.....	1000	0	0
Total,.....	£2020	0	0

These sums are regularly charged to the debit of Mathewson and Sinclair, as will be observed in the ledger, with interest to the 31st December, 1848, £29 17s. 7d.

" Mathewson and Sinclair gave me their *bons* or promissory notes for these sums of money as they received them, and John Mathewson, Esq., a Director of the Savings Bank, father to Mr. Mathewson of the late firm of Mathewson and Sinclair, made himself responsible to me, I think, in every instance.

" On one or two occasions, Mr. John Mathewson wrote me a note, desiring me to advance to Mathewson and Sinclair certain sums; and his name sometimes appeared in the *bons* or notes given by Mathewson and Sinclair to me. I had no other security nor mortgage upon any of these loans.

" On the 3rd of January, 1848, I advanced to Mr. Director Mathewson £500 in cash. I had nothing more than his *bon* for it. At the time of the failure of the Bank, this loan had not been repaid. I have no doubt whatever that many other Directors knew of this loan to Mr. Mathewson.

" At the time the Bank suspended payment, viz: in July, 1848, the £500 advanced to Mr. Director Mathewson was unpaid, and of the sum advanced to Messrs. Mathewson and Sinclair, the sum of £29 9s. 8d. was also unpaid; this balance, I observe by the ledger, is transferred to Mr. Director Mathewson, and he appears debtor on the 30th June, 1848, in a balance of £1266."

Mr. Director Mathewson, says:

" Ques.—At the time of the suspension of the Savings Bank, were you indebted to that Institution?

" Ans.—Yes.

" Ques.—To what amount?

" Ans.—Upwards of £1,200, as already stated; which has all since been paid.

" Ques.—When was this amount repaid to the Bank by you?

" Ans.—It has been paid, I believe, at several times by my son, Mr. James L. Mathewson.

" Ques.—In what manner has that balance due to the Bank been paid by your son, Mr. James L. Mathewson, for you?

" Ans.—I believe it has been paid in deposit books, but I cannot say whether the whole of it has been so paid by my son.

" Ques.—Have you yourself purchased any deposit books since the stoppage of the Bank?

" Ans.—I have no recollection of having purchased any.

" Ques.—Have you at any time authorized your son, Mr. James L. Mathewson, or any other individual to purchase on your behalf any deposit books?

" Ans.—I have spoken with my son on the subject, and have sanctioned his buying deposit books for me, for the payment of the balance due to the Bank by me. The proposition, I believe, originally came from my son. I never authorized any other person to buy deposit books for me.

" Ques.—Were you aware, at the time you sanctioned your son's buying deposit books for you, that the Savings Bank would receive such deposit books in payment of the debt due by you?

" Ans.—I must have been aware through him, that those deposit books would be received by the Bank, and I may have heard the same from other quarters; but I had no other actual knowledge that I am aware of. I made no arrangement on the subject with the Bank.

" Ques.—Are you aware of any resolution having been adopted at any time by the Directors of the Savings Bank, authorising the reception of deposit books in payment of debts due to the Bank?

" Ans.—I am not.

" Ques.—What was the total cost of the deposit books purchased by your son for you, for the payment of your debt to the Bank, at the time of its stoppage?

" Ans.—I cannot say—the whole being managed through my son.

" Ques.—Have you any idea of the probable average rate at which your son made his purchases for you?

" Ans.—I have not; as they were made by him, as stated above.

" Ques.—I have you any knowledge whether these deposit books did or did not cost you over 10s. in the pound on the amount transferred to your credit in the Savings Bank books?

" Ans.—I believe they cost over 10s. in the pound.

" Ques.—Do you believe they cost you over 12s. in the pound?

" Ans.—I really cannot say.

" Ques.—At the time of the stoppage of the Savings Bank, were you collateral security for any debts then outstanding, due to the Bank on mortgages or other property?

" Ans.—I believe I was for several churches, but I cannot say which. I believe they are all paid up. I am accountable also for a loan on a corporation bond.

" Ques.—Are you aware whether any of those debts for which you were responsible as collateral security, were paid in transfers of deposit books, subsequent to the failure of the Savings Bank?

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

"Ans.—I am not aware how they have been paid."

Mr. James L. Mathewson says:

"I am aware that about the time of the stoppage of the Montreal Provident and Savings Bank, my father, John Mathewson, Esquire, one of the managing Directors of that Institution, was indebted to the Savings Bank to about £1,200. I am aware that that debt has since been paid. It has been paid by me, part of the debt having been contracted by the firm of Mathewson and Sinclair, of which I was a member. The payment has been made at different times, say about £1,000 in the year 1849, and the remainder in 1850. The whole of the amount has been paid in deposit books. I made an arrangement with the Bank, I think with Mr. Freeland, the Actuary, that he should accept deposit books on account, and as I procured deposit books to anything like a considerable amount, I took them in, and they were accepted and placed to the credit of my account. There was no sum at my debit in the Bank at the time I lodged these deposit books, but there was a sum due for a debt contracted by me, for which my father became responsible. It was understood by Mr. Freeland, at the time that I was lodging these books, that they were on account of my father's debt to the Bank. At certain periods I got them transferred to my father's account, and took a receipt for them in my father's name for the amount of the transfer. At the time I purchased these books, I was aware that they would be received by the Bank in payment of my father's debt, at the rate of ninety per cent. on the amount of such books. I cannot say whether I was so aware from an understanding with Mr. Freeland, or by public report. I cannot say that I ever had any conversation with any of the Directors of the Bank, which led me to suppose that they would be so received in payment. I am not aware that any public notification was ever given by the Bank, that deposit books would be received in payment of debts due to the Bank. The total amount that I paid to the Bank in deposit books is about £1,350. I cannot say the average cost of them. I got them at various times, and at different amounts. I think the bulk of them was about 15s. in the pound on the transferred amount.

"Ques.—Can you say whether the parties from whom you purchased those Bank books, were aware at the time you made such purchases, that their deposit books would be received at the Bank at the rate of ninety per cent., in payment of debts due to the Bank?"

"Ans.—I cannot say; the majority of them I think were.

"Ques.—Are you aware whether the late firm of Messrs. Mathewson and Sinclair received any discounts from the Montreal Provident and Savings Bank during the year 1847, upon personal security of the said firm only, or with the additional personal guarantee of your father, John Mathewson, Esq., one of the Directors of the Savings Bank?"

"Ans.—I do not recollect that the firm of Mathewson & Sinclair ever obtained discounts on paper at the Savings Bank, but they did obtain loans.

"Ques.—To what amount were those loans?"

"Ans.—That I could not say without seeing the books of Mathewson & Sinclair.

Ques.—Can you say whether the loans amounted to £2000 during the year 1847?"

"Ans.—I see by the books of the Savings Bank that £2000 were so advanced, and the statement may be correct.

Appendix
(Q. Q.)

15th July.

"Ques.—What security was given for those loans?"

"Ans.—The loans were all obtained for a short period; for one of them my father's letter of guarantee was given to Mr. Eadie personally; in another case my father endorsed Mathewson & Sinclair's note for £1000 for ten days. I think on one occasion, also, some promissory notes were lodged as collateral security. These constitute the whole amount of security lodged for these loans to my firm in 1847. The note for £1000 at ten days to which I have already referred was not paid in full at maturity, and my father was not aware at the time of the stoppage of Messrs. Mathewson & Sinclair, which occurred in May 1848, that a portion of it remained unpaid. As all our transactions had been with Mr. Eadie personally, we felt anxious that he should be relieved from all loss or blame with regard to our affairs, and my father was therefore induced, at the instance of myself and partner, to assume the responsibility to the Savings Bank, and that is the reason that he became indebted to the Savings Bank to so large an amount."

Mr. C. Freeland (Actuary) says:

"Ques.—Was John Mathewson, Esquire, one of the Directors of the Bank, a debtor to the Bank at the time of its suspension, either in his own name or as surety for others?"

"Ans.—He was. I cannot remember precisely on what loans he was surety, but these have all been long ago discharged. He was a debtor on his own account to an amount of about £1200.

"Ques.—Are you aware what security the Bank held for this debt?"

"Ans.—The facts are briefly these: The books show that in the month of January, 1848, Mr. Mathewson obtained a sum of £500. I do not know what security was given, or whether any. I believe, however, that Mr. Mathewson gave his note to Mr. Eadie for the amount. In the end of December 1847 Mr. Mathewson, appears charged with £729 9s 8d, being for an amount paid to Mathewson & Sinclair. This was for a note of Mathewson & Sinclair, endorsed by John Mathewson, at short date—I believe ten days. Through the neglect of the Actuary the note was never protested, and Mr. Mathewson's security had consequently lapsed.—Subsequently, I believe in the month of May, 1848, Mr. Mathewson being called upon to give security, granted his obligation to the Bank for the whole amount, mortgaging therefor certain real estate.

"Ques.—Was the whole or any part of the debt of Mr. Mathewson paid to the Savings Bank in deposit books?"

"Ans.—It was all paid by transfers of deposits; any arrangement for this purpose was of course made by me.

"Ques.—Did you consider this debt as one doubtful in character, or that was likely to be attended with delay in the collection?"

"Ans.—I considered it as both. Mr. Mathewson was at the time in known pecuniary difficulties, and the special security under the obligation was not sufficient to cover the debt. I think I brought the matter several times under the notice of the Directors at their meetings. I certainly made Mr. Redpath conversant with it.

"Ques.—Did you purchase any deposit books for the repayment of this debt?"

"Ans.—I did not.

Appendix
(Q. Q.)

15th July.

" Ques.—Did you refer any applicants at the Bank to Mr. Mathewson as a purchaser of deposit books ?

" Ans.—I did. I only specially remember one. I might have referred two or three. These parties called at the Bank and inquired into the state of the Bank, and when they might expect any payment on account of their deposits. I stated, as I did to all depositors so inquiring, that if they waited they were certain of 18s. in the pound, and recommended them to wait if they could. As I never, unasked, informed any depositor how he might dispose of his books out of the Bank, or who was buying books, I am sure these parties inquired to whom they could sell. In the one instance to which I have alluded this was certainly the case, and my chief motive in sending them to Mr. Mathewson was that he would give more than any other person that I knew of."

Looking at all the circumstances of the case, there can be no doubt that Mr. Director Mathewson was responsible for the full amount at his debit in the books of the Savings Bank at the time of its suspension. Even if the security had lapsed, as Mr. Freeland alleges, (but without assigning any adequate reason for the assertion,) it was revived by the undertaking of Mr. Mathewson to pay the whole debt, and there was therefore no special reason why he should be exempted from repayment in cash, of moneys borrowed by him or at his instance, from the Bank.

But the repayment of loans for which Mr. Mathewson was responsible did not end here; he was security for a loan on fixed property to Mr. John Sinclair, of the firm of Mathewson & Sinclair, which was also repaid in deposit books.

Mr. *Freeland's* testimony is as follows :

" Ques.—Was John Sinclair, Esquire, one of the debtors of the Savings Bank at the time of its suspension ?

" Ans.—He was for a loan of £600.

" Ques.—Was Mr. Sinclair, a partner of Mr. James L. Mathewson, son of John Mathewson, Esquire, one of the Directors of the Savings Bank ?

" Ans.—Mr. Sinclair was a partner of Mr. J. L. Mathewson, the son of Mr. Mathewson.

" Ques.—What security did the Bank hold for the loan to Mr. Sinclair ?

" Ans.—I have forgotten the names of the personal security, very likely Mr. John Mathewson was one of them; but the real estate mortgaged was ample, as has been proved by the amount being realized under a sale in Bankruptcy.

" Ques.—Was the debt due by Mr. Sinclair to the Savings Bank paid in deposit books ?

" Ans.—It was. The mortgage was transferred either to Mr. T. C. Panton, or to some person represented by him.

" Ques.—Did Mr. T. C. Panton or his representative pay these deposit books into the Bank ?

" Ans.—Certainly, he could not otherwise have obtained a transfer.

" Ques.—Who on behalf of the Bank made the arrangement by which deposit books were agreed to be taken in payment of the debt of Mr. John Sinclair to the Bank ?

" Ans.—It was made with several Directors in my presence. I do not recollect which of the Directors. No doubt Mr. Redpath was one.

" Ques.—Was this debt of Mr. John Sinclair to the Bank, one of a doubtful character, or in the collection of which considerable delay was to be apprehended ?

Appendix
(Q. Q.)

15th July.

" Ans.—As I have stated, the security was ample, and the property was soon to be sold in Bankruptcy; nevertheless it was uncertain when the Bank would actually realize the amount, as the claim had to be filed in Bankruptcy, and many depositors were threatening to file oppositions *en sous-ordre* to the payment of any moneys awarded to the Bank in that Court, thus opening a door to endless litigation, particularly as these opposants would claim the full amount of their deposit accounts without deduction of 10 per cent."

Mr. Ex-President *Lunn* comes next in the category of Directors paying their debts in deposit books. He says :

" Ques.—Were you a debtor of the Bank, either for yourself or as security for others, when the sale of these bank books was determined to be allowed ?

" Ans.—I was not a debtor personally, but as security for others, as I mentioned yesterday.

" Ques.—Did the persons for whom you were security, or did you, derive any pecuniary advantage from the sale of bank books, authorized by the Directors of the Bank ?

" Ans.—I myself derived no advantage, but the parties for whom I was security, and whom I mentioned yesterday, did. The sums for which I was security to the Bank became due, I think, longer than six months, and perhaps as much as nine months, before they were paid. There was some difficulty in the payment, as Mr. Redpath insisted upon cash being paid. Mr. Freeland, the late Actuary, stated to me that Mr. Redpath consented to take the payment in bank books. Mr. Redpath had previously refused, at least so Mr. Freeland told me, to receive payment in bank books."

" I purchased, I think it must have been in the fall of 1848, or early in 1849, through Mr. Esdaile, a broker of this city, some books, amounting, I think, to about five or six hundred pounds, to pay debts for which I was responsible, due by Duncan McVean, farmer, to my step-son, Mr. Hutchinson. His debt to the Bank amounted to five hundred pounds; also in payment of a debt of about £200, due by my step-son, Mr. Hutchinson, to the Bank. I do not recollect the price at which I bought these bank books; they were bought at various times. I think I got them at about thirteen or fourteen shillings in the pound. Twenty per cent. had previously been paid to the owners of these books by the Bank. Seventy per cent. was transferred by the Bank to the credit of the parties for whom I caused these books to be purchased, on the balances due by the Bank, at the time of its failure, to the depositors from whom the purchases of their books were so made. The sum that was paid for the books was less than the sum credited by the Savings Bank to the accounts of the parties for whom I was security. I think the profit realized by my purchase was about a hundred to a hundred and twenty pounds. When I made the purchase I was aware I could have the transfer in the Bank of seventy per cent. consequently I knew what I was about. I did not see the seller or sellers, but I presume they must have known that such a transfer would be made. The brokers had long previously to this advertised that they were buying bank books, so that all parties knew what they were about. My broker, Mr. Esdaile, was aware through other parties, by previous transactions, that transfers of books were to be made."

Mr. Actuary *Freeland* gives the following testimony :—

" Ques.—Was William Lunn, Esquire, one of the Directors of the Savings Bank, a debtor in the

Appendix
(Q. Q.)

15th July.

" Books of the Bank at the time of its suspension either as principal or as surety ?

" Ans.—He might have appeared as principal in the Ledger ; I do not think however, he was actually so ; he was surety on several loans.

" Ques.—Were any of these loans paid in deposit books ?

" Ans.—Two notes on which his name appeared, amounting to about £270, were paid in deposit books ; also a loan to Donald McVean, on which he was surety, amounting to about £400 was paid in Deposit Books. A loan of about £2000, on which he was surety, was paid by deposits, the parties receiving transfer of a mortgage.

" Ques.—With whom, as representing the Bank, was the arrangement made to receive a portion of the debt for which Mr. Lunn was surety to the Bank in deposit books ?

" Ans.—With myself ; but I had special instructions in this case. The loan of £2000 was transferred before my connection with the Bank began. The others were frequently brought before the Directors, and were made a matter of discussion. The notes for £270 did not exist at the time of the Bank's suspension, but were obtained from Mr. Lunn in payment of an amount which appeared at his debit. These notes were renewed once if not twice, and payment in deposit books was refused for a length of time. It appeared evident at length, that great delay, if no more, must attend the collection of these notes : and shortly after payment was accepted, Mr. Lunn went into bankruptcy."

But, it is not to Directors of the Bank alone that this privilege of paying debts in deposit books appears to have been freely accorded without any sufficient pretext being assigned. We subjoin some cases which it would certainly be difficult to class under the category of debts as to " which, doubt existed or long delays seemed probable, in the collection," and which Mr. Freeland, it will be remembered, so unhesitatingly affirms to be the only cases in which payment in deposit books was allowed. The instances we shall advance are from Mr. Freeland's testimony, and we give his reasons for each, in order that their validity may be judged.

Loan to the Honorable Dominick Daly.

Mr. Actuary Freeland's testimony ?

" Ques.—In an answer to one of the questions put to you yesterday, you stated that it was only where doubt existed, or long delay seemed probable, that debtors to the Bank were allowed to pay their debts in deposit books ; are you aware of no exceptions to this rule ?

" Ans.—I am not at this moment aware of any exceptions to the rule, although perhaps there may be exceptions. I will be able to speak precisely when particular instances are mentioned.

" Ques.—Have you any knowledge that at the time of the suspension of the Savings Bank, the Honorable Dominick Daly appeared as a debtor to the Institution ?

" Ans.—He did for a loan of £1200.

" Ques.—What security did he give ?

" Ans.—A mortgage on certain real Estate, and the personal security of the Honorable Judge Meredith.

" Ques.—Was payment of that debt to the Bank taken in deposit books ?

Appendix
(Q. Q.)

15th July.

" Ans.—It was. It was transferred to a party who I believe accepted the transfer on behalf of a number of depositors, and held it for their benefit.

" Ques.—Who is the party who accepted the transfer ?

" Ans.—One of the Messrs. Hamilton of Hawksbury.

" Ques.—On what do you ground your belief that that acceptor of the transfer, namely, Mr. Hamilton, did so on behalf of a number of depositors ?

" Ans.—Because all the conversations with him in the matter, previous to the transfer being signed, (and these were many,) had special reference to this fact. He distinctly avowed that his only object was to secure those depositors whose claims he then held. It may be that he held powers of attorney from these depositors, or that he held absolute transfers of their claims. During my management, the latter was altogether the most frequent mode adopted by depositors, to delegate their rights when desirous of receiving a transfer of a loan or otherwise disposing of their deposit books.

" Ques.—Was this transfer to Mr. Hamilton made in his own name, or as attorney for others ?

" Ans.—I cannot say positively, but I believe it was in his own name, for convenience.

" Ques.—Were you ever informed that Mr. Hamilton had purchased any deposit books of the Savings Bank, either by himself or by any of his agents ?

" Ans.—I never was so informed, and I do not think he did ?

" Ques.—Were all the depositors whose books were transferred to Mr. Hamilton, residents of the neighbourhood of Hawksbury, to the best of your belief ?

" Ans.—To the best of my belief they were. Mr. Hamilton represented that the firm to which he belonged had encouraged their employees to deposit money in the Savings Bank, and on this account, he was anxious to do his best to protect them from loss.

" Ques.—Was it by a special arrangement between Mr. Hamilton and the Bank, represented either by yourself or by any of the Directors, that these deposit books were allowed to be received in payment of a debt due by the Hon. Mr. Daly, for which the guarantee of Mr. Meredith was held by the Bank at the time of its suspension ?

" Ans.—It was by a special arrangement. I consider all such transfers as special arrangements. I do not know whether Mr. Hamilton conferred with any of the Directors. He may have done so, and as he was frequently at the Bank before deciding upon taking this transfer, it is likely that he did. Nevertheless, I was the principal agent in the matter.

" Ques.—Is it or is it not within your knowledge, that Mr. Hamilton did make an arrangement with one or more of the Directors of the Savings Bank, for the transfer of the mortgage on the Hon. Mr. Daly's property ?

" Ans.—I have no actual knowledge whatever, in reference to this question.

" Ques.—Have you any recollection whether you ever received any special instructions from any of the Directors of the Savings Bank to make the transfer of this mortgage to Mr. Hamilton ?

Appendix
(Q. Q.)

15th July.

" Ans.—I am not aware that I ever received any special instructions relating to this mortgage. I believe that during the negotiation I conversed with Mr. Redpath respecting it, but I do not consider that special instructions in this case were required. I would freely have made the transfer under my general instructions.

" Ques.—Was the mortgage given by Mr. Daly on his property, secured by Mr. Meredith, one of those debts to the Bank which you consider to have been of a doubtful character, or one in which a long delay in the settlement appeared probable?

" Ans.—No one can doubt the sufficiency of the security of Mr. Meredith. But in respect to this loan there were special difficulties. Independent of the doubts to which in my examination of yesterday I alluded, as surrounding the attempt to enforce the payment of loans by legal proceedings, an additional doubt existed in this particular case, in consequence of the removal from the Province of the principal debtor. The obligation, as was usual with obligations granted to the Bank, required six months' notice to be served on the principal debtor, and thus a difficulty was raised, which at the time, the Bank did not know how to obviate. There was no doubt as to the safety of the debt: the only doubt was as to the period of its realization.

" Ques.—Then we are to understand that a considerable delay would have occurred before the Bank could have had recourse against Mr. Meredith, as security for the amount of this loan?

" Ans.—It is evident that some delay must occur, how much could not be known. I am not aware that the Directors at the time knew how the difficulty might be easily obviated; certainly I did not."

Supposing Mr. Hamilton to have given full value for the deposit books which he paid in on assuming the above mortgage, and there is no evidence to shew whether he did or did not, no good reason can be assigned why the creditors of the Bank, whose claims were represented by those books, should be paid eighteen shillings in the pound, while the other creditors could only receive four shillings in the pound. There can be no question that the security, namely, the Honourable Judge Meredith which the Bank held for this debt of Mr. Daly, was of the most unexceptionable character, and that the amount could have been recovered in cash, without any of those delays which Mr. Freeland speaks of.

This loan was paid in deposit books, in October, 1848.

LOAN TO THE HONOURABLE JUDGE SMITH.

Mr. Actuary *Freeland's* evidence :

" Ques.—Have you any knowledge that at the time of the suspension of the Savings Bank, the Hon. James Smith, one of the Judges of Her Majesty's Court of Queen's Bench, appeared in the books as a debtor to that Institution?

" Ans.—He did; a portion of the amount, I believe £1,000, being represented by a mortgage on certain real estate.

" Ques.—Was any personal security held by the Bank in addition to the said mortgage?

" Ans.—I am not aware; I do not think I ever saw the obligation.

" Ques.—Was the payment of that debt received by the Bank in deposit books?

" Ans.—It was; and I believe the mortgage was

" transferred to some party; I am not perfectly certain, but I think to Mr. William McDonald, of Lachine.

" Ques.—Was the transfer of the mortgage to Mr. McDonald effected prior to the payment to the Bank in deposit books?

" Ans.—Of course it was not. I cannot speak from memory in this particular transaction, but I am certain the transfer was not completed until the full amount of the deposits was handed in.

" Ques.—Was it by an arrangement between the Bank, represented by yourself or by any of the Directors, that it was determined to receive payment of the debt due by Mr. Smith, at the time of the suspension of the Savings Bank, in deposit books?

" Ans.—I have no positive recollection of any other than myself being aware of the negotiation, although I have little doubt that I communicated it to Mr. Redpath.

" Ques.—With whom had you this negotiation?

" Ans.—With Mr. F. Macculloch, then a Commission Merchant in this City. I am not certain of being aware, although I might have been, that Mr. McDonald was the transferee, until I was called upon to examine the deed of transfer.

" Ques.—Is it to your knowledge that deposit books for the payment of this debt of the Honourable James Smith to the Bank, were purchased in the market below par value?

" Ans.—I have no knowledge in the matter. I never considered it my duty to enquire. I may have been told, and may not; certain it is that I do not now know whether they were so bought.

" Ques.—Was the mortgage granted by the Hon. James Smith to the Savings Bank for the loan to him, to which you have referred, one which you consider to have been of a doubtful character, or one in which a long delay in the settlement appeared probable?

" Ans.—I never thoroughly examined the nature of the security. I did not become aware immediately on my first entering the Bank, that a mortgage had been granted by Judge Smith. My duties were very heavy, and I had a great many loans and other matters to enquire into and examine.—From the difficulties in the way of collecting loans on mortgage, made by the Bank, to which I alluded in my evidence yesterday, and especially those of a legal nature, I considered that the probability of delay attended them all, sufficiently so to warrant the permission to offset them by the claims of depositors."

There can be no doubt that the mortgage the Bank held for this loan afforded ample security, or Mr. McDonald would not have assumed it. The arrangement made by Mr. McDonald with the Bank is thus described by Mr. *Robert Esdaile*, broker:

" I am a partner in the firm of Messrs. John and Robert Esdaile, of this City. I am aware that subsequent to the failure of the Savings Bank, Mr. William McDonald, of Lachine, took a transfer of a mortgage which the Honourable Judge Smith had given to the Savings Bank for a loan to him. I am aware that Mr. McDonald took up this mortgage to the Savings Bank, in Savings Bank books, the bulk of which I believe I purchased. I understood, from Mr. McDonald purchasing these books, that he must have been satisfied that the Bank would take them from him in payment. Although

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)
15th July.

" these books have been purchased by Mr. McDonald,
" they were received by the Bank as paid by
" Judge Smith.

" The average amount paid on these Bank books
" was about thirteen shillings and six pence on the
" transferable amount."

This loan was repaid in deposit books, in March,
1849.

Loan to George Auldjo, Esquire.

Mr. Freeland's evidence :

" Ques.—Was George Auldjo, Esq., a debtor to
" the Bank at the time of its suspension ?

" Ans.—He was, on a loan with the personal se-
" curity of the Hon. Peter McGill. I have forgotten
" the precise nature of the real estate security, but I
" believe there was such.

" Ques.—Was that loan repaid in deposit book s

" Ans.—Yes, by Mr. L. Auldjo.

" Ques.—By whom on behalf of the Bank was it
" agreed to receive payment of that loan in deposit
" books ?

" Ans.—By myself; but I think I conferred with
" Mr. Redpath.

" Ques.—Was that loan of a doubtful character,
" or was it likely to involve delay in the collection ?

" Ans.—There was no doubt as to the security of
" the loan. I was at first unwilling to permit that
" loan to be paid in deposit books, but being led to
" believe that Mr. Auldjo would tender the amount
" in books under protest, and thus lead to endless
" litigation, I thought it more for the interest of the
" Bank to accept payment in that form. If I con-
" ferred with Mr. Redpath it was on that point. I may
" mention that the threat to tender books in pay-
" ment of debts was frequently made, and was actu-
" ally carried out in some instances. This of course
" operated as an additional motive to permit the
" settlement of debts in deposit books."

It would certainly be difficult to class this amongst
loans of a "doubtful character, or likely to be
attended with delay in the collection." The follow-
ing letter which we extract from the letter book
will shew the nature of the security the Bank held.

" October 14th, 1848.

" Louis Auldjo, Esquire,
" Montreal.

" DEAR SIR,—Herewith I beg to send you the
" papers connected with the claim of this institution
" against the late George Auldjo, Esq., viz :

- " H. Auldjo & Co., Protested note, dated
" 18th May, 1837,..... £192 5 11
- " G. Auldjo & P. McGill, protested note,
" dated 13th September, 1843,..... 974 12 9
- " G. Auldjo & B. Hart, protested note,
" dated 13th September, 1843,..... 138 9 11
- " Transfer P. McGill to Savings Bank,
" 13th September, 1843.
- " Transfer B. Hart, assignee, to Sav-
" ings Bank, 13th September, 1843.

" In order that you may have a discharge prepared,
" the Bank's claim having been fully satisfied.

" I am, dear sir,
" yours respectfully,

" CHARLES FREELAND,
" Actuary."

This loan was repaid in instalments during
August, September, and October, 1848.

Appendix
(Q. Q.)
51th July.

Loan to William Freeland, Esquire.

Mr. Actuary Freeland's evidence :

" Ques.—Was Mr. William Freeland of Brock-
" ville, a debtor to the Bank at the time of its sus-
" pension ?

" Ans.—He was, for a loan of £1000, on a mort-
" gage of certain real estate in U. C., with the per-
" sonal security of Messrs. Robert Shepherd and
" John Weatherhead, of Brockville.

" Ques.—Was that loan repaid in deposit books ?

" Ans.—It was.

" Ques.—By whom on behalf of the Bank was it
" arranged to receive payment of that loan in deposit
" books ?

" Ans.—By myself.

" Ques.—Had you the authority of any of the
" Directors for that arrangement, and if so, of which
" of them ?

" Ans.—I am not aware of having had special
" authority, and do not suppose I had. I considered
" my general authority sufficient in that case. As
" I have stated, I constantly made the Directors, and
" particularly Mr. Redpath, aware of the transac-
" tions under my management.

" Ques.—Have you any knowledge of deposit
" books having been purchased under their par
" value for the repayment of this loan to the Bank ?

" Ans.—I have no personal knowledge in the mat-
" ter. I think I have been told by the person who
" paid the Bank the amount of this loan, that he did
" purchase deposit books at a discount.

" Ques.—Was this loan of a doubtful character,
" or likely to be attended with delay in the col-
" lection ?

" Ans.—I do not consider that it was ultimately
" doubtful, but there was a great probability of
" delay in the collection of it."

This loan was repaid in instalments between
" January and April, 1849, in deposit books.

Loan to C. H. Castle Esquire.

Mr. Actuary Freeland's evidence :

" Ques.—Was C. H. Castle, Esq., a debtor to the
" Savings Bank at the time of its suspension ?

" Ans.—He was, for a loan of £800, secured by
" real estate, with the personal security of one or
" more persons. I do not remember whom.

" Ques.—Was that loan repaid in deposit books ?

" Ans.—It was, and a transfer granted by the
" Bank to Mr. C. A. Low, formerly of the firm of
" Hamilton & Low, of Hawkesbury, who repre-
" sented himself as acting on behalf of a number of
" depositors in that vicinity. Before, however, the
" transfer was notarially signified upon Mr. Castle,
" he, that is Mr. Castle, made tender to the Bank of
" the amount in claims of depositors, and subse-
" quently Mr. Low was induced to relinquish his
" rights in the transfer. The whole loan was thus
" repaid by Mr. Castle in deposit books.

" Ques.—By whom on the part of the Bank was
" the reception of deposit books in payment of this
" debt, due by Mr. C. H. Castle, authorized ?

" Ans.—Such payment from Mr. Castle was never
" authorized until he himself made tender of the
" amount. The question then became, was it de-
" sirable for the Bank to litigate Mr. Castle's right
" to make payment in this form ?

Appendix
(Q. Q.)

15th July.

“ Ques.—Was this loan to Mr. C. H. Castle of a doubtful character, or one in which considerable delay was to be apprehended in the collection ?

“ Ans.—My belief was that this loan was abundantly secured, but independent of the new question raised by Mr. Castle's tender, the desirableness of settling all the loans, made on mortgage by transfer, was every day becoming more apparent.”

Mr. Castle having thus redeemed his debt to the Bank in deposit books, Mr. Low was permitted to transfer the sum he had paid in. to the redemption, to the extent of £650, of a mortgage held by the Bank on certain property of A. Kierskowski, Esq

Loan to the Baptist College.

Mr. Actuary *Freeland's* evidence :

“ Ques.—Was the Baptist College a debtor to the Savings Bank at the time of its suspension, and was that debt paid in deposit books ?

“ Ans.—It was, for a loan of £1250, secured by a mortgage on the building with certain personal security, whose names I have forgotten. It was all repaid in deposit books, and, I believe a transfer was granted of the mortgage, but I am not certain, not recollecting. I have no actual knowledge whether the transferee purchased these deposit books. In regard to this loan I had private knowledge, other than that the Directors had, until informed by me, which made it in my opinion specially desirable to accept payment of this by transfer of deposits.”

This loan was repaid in January, 1849, in deposit books.

The witnesses above cited prove beyond question, that many of the best securities held by the Bank at the time of its suspension, were permitted, by arrangement with the Directors, to be taken up in deposit books : still this mode of payment was not invariably sanctioned and the difficulty is, to understand why it was refused in some, and permitted in other cases.

Mr. *Freeland* thus narrates the circumstances of a loan to the Honourable Peter McGill.

“ Ques.—Was the Honourable Peter McGill a debtor to the Bank at the time of its suspension ?

“ Ans.—His name appears at the head of an account, but I do not know whether he was the principal debtor.

“ This account represented two loans, one of which shewing a balance of about £1000, appears by the cash book, to have been paid in cash six days subsequent to the suspension of the Bank, and was I believe so repaid. The other was about £500, for which Mr. J. P. Wells of Vankleek Hill was principal debtor and for which he had granted a mortgage with the personal security of the Honourable Peter McGill.

“ Ques.—How and when was this loan of £500, repaid, and under what circumstances ?

“ Ans.—The books show the loan and interest to have been repaid in the following manner.

“ October 7th, 1848, cash.....	£100	0	0
“ November 7th, do. do.....	100	0	0
“ January 6th, 1849, do.....	37	12	10
“ February 12th, do. do.....	125	9	7
“ “ “ “ Deposits.....	163	9	4

“ Mr. Wells several times expressed a desire to repay this loan in deposit books, which I continually resisted. I do not recollect the precise reasons which induced the acceptance of £163 9s. 4d. in

Appendix
(Q. Q.)

15th July.

“ deposits, but I believe that Mr. Wells represented that these were deposits of parties residing in his vicinity with whom he had made arrangements as to time, and that if the Bank would accept transfer of them, he would at once settle his loan, paying the balance in cash.”

In the case of Dr. Campbell, part of his debt was allowed by agreement with the Directors to be paid in deposit books, and the residue was exacted in cash.

We extract the following from the minute book of the Directors of the Bank.

EXTRACT.

MANAGING DIRECTORS,
November 27th, 1848.

“ At a general meeting of the Directors held this day, there were present,

- “ Messrs. Redpath and Ferrier, V. P.
- “ “ Badgley, Murray,
- “ “ Lunn, Elder.

“ Dr. G. W. Campbell, being present, represented his inability to pay his note £1000 due at the Bank of Montreal, and made a request that he be allowed to arrange his debt by transfer. The meeting taking into consideration the circumstances of the case, and particularly that Dr. Campbell had offered to pay £750 on account in January last, from which he was dissuaded by the late Actuary, who recommended other investments, by which his money was locked up, Ordered, that he be allowed to liquidate the half by transfer, and for the other half give his note at three months' discount, which is to be paid at maturity.”

Mr. Director *Redpath's* evidence on this subject is as follows :

“ Ques.—Do you recollect having been present at a meeting of the Managing Directors held on the twenty-seventh of November eighteen hundred and forty-eight, when a resolution was passed authorizing Dr. G. W. Campbell to pay in transfers one half of his note for one thousand pounds, then due, and can you state any other reasons than those contained in the resolution for the vote passed on the occasion ?

“ Ans.—I recollect having been present at such a meeting and strongly opposing the passing of such a resolution, but was over ruled by a majority of the Board then present, who seemed to think that Dr. Campbell's case was a hard one from the representations he had made, and that it would be better to accept his proposal, than to have to sue for the amount.

“ Ques.—Was the rule passed about the time of the suspension of the Savings Bank, under which debtors of the Institution were permitted to pay their debts in transfers of books and which had been acted upon for several months prior to this application of Doctor Campbell, no longer in force at the time he was desirous of liquidating his debt in that manner, or was there any thing in his particular case, which rendered him an exception to the general rule ?

“ Ans.—The rule was still in force when Doctor Campbell made his application, but there was this in his particular case, that the Bank held his promissory note, independent of the other security, and that note had previously been put into the Bank for collection, and I opposed the application on the ground that the Bank had the right to collect the note which was then due.”

Appendix
(Q. Q.)

15th July.

Mr. Director *Murray* says :

" Ques.—Are you aware of the question ever having come before the Directors of the Savings Bank, and of any instance in which those Directors have refused to receive deposit books at the rate of 90 per cent? If you are aware of any such instances please to cite them.

" Ans.—I see by the minute book that Dr. Campbell made an application on the 27th November, 1848, to be allowed to pay his debt on a promissory note in deposit books, which proposition of his was partially accepted and partially refused.

" Ques.—Were you present at that meeting?

" Ans.—I was.

" Ques.—Can you assign any reason why you should be permitted to pay your debt to the Savings Bank in deposit books and Dr. Campbell be refused a similar permission?

" Ans.—To the best of my recollection, Dr. Campbell's note had been negotiated at the Bank, and the directors feeling it inconvenient to advance the money for the whole, they agreed to renew one half of it, and take transfers for the other. This was a loan of his own, whereas my obligation was on account of others, and occasioned loss to me."

An instance of an absolute refusal to receive deposit books in payment, is in the case of Mr. John Clark of Longue Pointe.

His evidence is as follows :

" Ques.—At the time of the stoppage of the Savings Bank, were you a debtor to that institution?

" Ans.—I was, but my note did not become due till March 1849, which was subsequent to the stoppage of that institution.

" Ques.—Was your debt on a note only to that institution or had you given any other security?

" Ans.—No other security but the note: the other names on the note were Thomas Heugh and William Evans. I now produce the note. The note was at twelve months after date, and became due on the 23rd March, 1849, for £100 cy.

" Ques.—With whom on behalf of the Bank did you arrange originally for the discount of that note?

" Ans.—With Mr. Eadie.

" Ques.—Have you paid the full amount of this note, and if yes, when, and in what manner?

" Ans.—I have paid the full amount of the note, with all costs of a suit which was instituted against me, except a small balance of £2 4s. 8d., which I still owe Mr. Cross, the advocate of the Bank, for costs. I have paid in all about £140. The first payment I made was in November, 1849; it was about £70. I wanted to pay the amount in deposit books, but they refused to take it in that way, and I paid it in cash. For a further payment I made application to pay in deposit books, and received in reply a letter which I now produce. It was given to me by Mr. Cox, the receiving teller of the Bank. The following is an exact copy:

" MONTREAL, 22d January, 1850.

" Mr. J. CLARK,

SIR,—In reply to your communication of the 21st, I beg leave to inform you, that the Trustees of the Montreal Provident and Savings Bank, do not feel warranted in taking payment in other than the same kind of currency with which they paid you,

" or deposits at their present market value whatever that may be.

" I am Sir,

" Your most obedt. Servt.,

J. REDPATH."

" I then went to the Bank with the deposit book of Joseph White, " money deposit No. 6116" folio 4050² the balance of which, namely £94 15s. 5d., was made over to me by the said Joseph White. The Bank received that deposit book from me, crediting me with the sum of £62 4s. 2d. for it, and I paid the balance in cash, £9 13s. 9d. Mr. Cox, the receiving teller gave me a note to Mr. Cross, the advocate of the Bank, of which the following is an exact copy: I now produce the original.

" My dear Sir,

" Mr. Clarke has settled his account by transfer of deposits to the amount of £62 4s. 2d. and the balance in cash, amounting to £9 13s. 9d. Total £71 17s 11d..

" Yours truly,

" J. COX."

" Feby. 2d. 1850.

" (Addressed A. Cross, Esqr.)"

A tender made by Mr. Samuel Mathewson to pay in deposit books a debt due by him was also refused. The grounds are stated in the following letter from Mr. Court, Actuary of the Bank.

" Prov. & Savings Bank,

" Montreal, 27th Decr. 1850.

" Samuel Mathewson, Esqr.,

" Dear Sir,

" I am instructed to call your attention to the claim held by the Bank against you and Mr. Ross, and to say, that it will require to be settled without delay. The Directors decline to receive deposits at 90 per cent., a rule having been made, that such a privilege would only be accorded to those who did not oblige the Bank to have recourse to legal proceedings. You will oblige by calling, and if any reasonable arrangement can be proposed by you, I doubt not the Directors will accede to it.

" I am, dear Sir,

" Yours very obediently,

" JAMES COURT,

" Actuary."

From the whole of this evidence, it is clear that the Directors constituted themselves paramount judges in each case, whether to receive or reject deposit books in payment. The principle on which they based their decisions it is difficult to discover.

But these transactions in deposit books, were not confined to debtors of the Bank. The Directors on behalf of the Bank participated in them, by purchasing the claims of some of the creditors of the institution. The particulars of these purchases, with the reasons which led to them are fully detailed in evidence.

Mr. Director *Redpath* says :

" Ques.—Did you ever authorise any purchases of deposit books to be made by or on behalf of the Savings Bank, and if so, when did you authorise such purchases and on what conditions?

" Ans.—I, along with the other Directors authorised the purchase of some deposit books that were

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" offered to the Bank by brokers. I think Mr. Bernard and Mr. Taylor were such brokers, but I am not sure about the former, to the extent of about twelve hundred pounds. I cannot say exactly the time, but they will all be found in the books of the Bank. The Brokers had purchased the same on their own individual account: I do not recollect the rates, but understood at the time that they were sold to the Bank at a little if anything more than what would have been an ordinary commission; it was thought better, more advantageous for the Bank to purchase them than to allow them to remain in their hands."

" Ques.—Was this purchase of books from the brokers submitted formally at a meeting of the Directors of the Savings Bank, and if so when?

" Ans.—I believe it was formally submitted to the Board and concurred in. I cannot state the time, but it must have been the time of purchase.

" Ques.—Have you any recollection which members of the Board were present when this purchase of books was determined on?

" Ans.—I know Mr. Badgley and Mr. Murray, and I think Mr. Ferrier, were present. I was also.

" Ques.—Was any application made to the Board by the brokers to purchase these books?

" Ans.—To the best of my knowledge and belief they offered the books to the Bank.

" Ques.—Did they make the offer in writing?

" Ans.—I think not.

" Ques.—Did they make the offer personally to the board or through any member of the Board?

" Ans.—Not that I am aware of. I think the offers were made through the Actuary.

" Ques.—Was any record of the transaction made in the minute book of the Bank?

" Ans.—Not that I am aware of. On reference to the minute book I find there was no record.

" Ques.—Why was this transaction not recorded in the minute book?

" Ans.—I know no particular reason.

" Ques.—Are these the only instances that you are aware of of purchases of deposit books made for cash by or on behalf of the Savings Bank?

" Ans.—These are the only instances I am aware of, except that at a meeting held on the 19th October last, it was resolved, that in special cases, such as persons leaving the country, or being particularly desirous to close their account, they might receive seven shillings additional to the ten shillings on the transferable amount, provided they gave a discharge in full to the Bank.

" Ques.—What particular reason induced the Directors to purchase deposit books from the brokers in the manner and at the time you mentioned?

" Ans.—I have already stated that it was considered advantageous to the Bank, and the reason why it was so, was because that if such books had remained in their hands they would have been entitled to a full share of the dividends of the Bank; whereas, by the Bank purchasing them at the rates they offered, the difference was thereby added to the assets of the Bank.

" Ques.—Would you have made purchases of books from other parties at the same time?

" Ans.—No.

Appendix
(Q. Q.)

51th July.

" Ques.—Why should these brokers have a preference?

" Ans.—I should not consider the Bank warranted in purchasing from depositors. I do not consider it a preference.

" Ques.—If by this action of the Board of Directors a depositor in the Bank could not be allowed to sell his book to the Bank, and a broker who had purchased books from depositors was allowed to resell such books to the Bank, was it not giving to the buyer of such books a privilege which was not accorded to the sellers of such books?

" Ans.—It was so.

" Ques.—Had offers been made to the Bank by brokers or others at any other time than that of the transaction with Messrs. Bernard & Taylor; would they have been accepted?

" Ans.—They would not.

" Ques.—What made this transaction an exception to the general rule of the Bank.

" Ans.—I believe because there was a little money on hand at the time, and it was thought that it would be advantageous to the general interests of the Bank by adding to the assets.

" Ques.—Why had not depositors of the Bank an opportunity of exercising a privilege, should they think it advantageous, which was accorded to Messrs. Bernard & Taylor?

" Ans.—I am not aware of depositors having made the application, and I had always great doubt of the propriety of the Bank dealing with depositors.

" Ques.—What is the difference between the Bank's dealing with depositors directly, and dealing with brokers who had transactions with depositors?

" Ans.—My own impression is that by dealing with depositors directly, at less than the par value of the deposits, might lead to unfavorable imputations upon the acts of Directors; because, if they made an arrangement with one, all the others, on the same ground, might plead the same privilege, which it would have been impossible for the Directors to accord to them; whereas, in the instance referred to with the brokers, no such right could be pleaded.

" Ques.—Is it to be understood, then, that this transaction with Messrs. Bernard & Taylor was not intended to be made public?

" Ans.—I know of no particular reason for its being a private transaction.

" Ques.—If so, why then should the Directors wish that others might not be enabled to plead for a similar privilege to that accorded to Messrs. Bernard & Taylor?

" Ans.—Because it would not have been convenient for the Directors to have paid others.

" Ques.—Why were Messrs. Bernard & Taylor selected as the parties to whom all the funds of the Bank which could be spared, were paid?

" Ans.—Messrs. Bernard & Taylor were not selected; they were the only persons who made application to the Bank; nor have I ever stated that all the spare funds of the Bank were used for that purpose.

" Ques.—Do you still persist in the answer you gave to the last question but one, that it would

Appendix
(Q. Q.)

15th July.

“not have been convenient to have paid others,
“meaning others than Messrs. Bernard & Taylor?”

“Ans.—Perhaps I should have said it would not
“have been judicious to have paid others.

“Ques.—Had the Bank a further amount of spare
“funds, or was it convenient to pay others than
“Messrs. Bernard & Taylor, at the time you made
“the payment to them?”

“Ans.—I do not recollect whether there were any
“spare funds or not at the time, but I recollect that
“it was considered judicious to apply all the funds
“that should come into the hands of the Bank for
“the payment of the debt due by it to other Banks.

“Ques.—Was the Savings Bank heavily indebted
“at the time of the purchase of these books from
“Messrs. Bernard & Taylor, to other Banks?”

“Ans.—They were considerably in debt still to
“other Banks, and on that ground I opposed all
“further purchase of books.”

Mr. Director *Murray* says:

“Ques.—Are you aware of the Directors of the
“Savings Bank having at any time authorised the
“purchase of any bank books for account of the
“Savings bank?”

“Ans.—I recollect, I think it was a year or a year
“and a half ago, but I cannot say the precise time,
“some conversation occurred relative to the pur-
“chase of a lot of deposit books that was offered by
“a broker to the Bank. I do not recollect whether
“it was at a regular meeting of the Board or not.
“Mr. Redpath, I know, was present, but I cannot
“speak for any others. The feeling was at the time
“that the losses sustained by the Bank were heavier
“than had been at first expected, and it was thought
“beneficial for the Bank, and I concurred in that
“opinion, to take those books out of the hands of a
“speculator, who would rank on the Bank for the
“full amount. The whole amount of the purchase,
“I think, was about £1,200, but I cannot speak
“accurately as to the amount.

“Ques.—Do you feel quite positive, that deposit
“books were offered to the Bank by a broker, and
“not that the broker was authorised on the part of
“the Bank to buy the books?”

“Ans.—I feel firmly convinced in my own mind
“that the books were offered by the broker, and that
“none of the Directors ever gave instructions to buy
“books.

“Ques.—Who was the broker who offered the
“books?”

“Ans.—I am not aware, but I should think it was
“either Mr. Bernard or Mr. Taylor.

“Ques.—Are you aware whether the broker who
“made the offer of these deposit books to the Bank,
“when he purchased the books, paid for them with
“funds of the Savings Bank?”

“Ans.—My impression certainly is, that the bro-
“ker had in the first place bought the books, and of-
“fered them to the Bank, and not that the Bank fur-
“nished him funds to buy books. I recollect having
“been present as already stated, when it was men-
“tioned that a broker offered some deposit books in
“his possession. I concurred in the propriety of pur-
“chasing them from him, for the reasons already
“stated, but I was not aware for some months after,
“that it had actually been done. I can say nothing
“as to the particulars of the transaction.”

Appendix
(Q. Q.)

15th July.

“Are you aware of any recent regulation of the
“Directors of the Savings Bank authorising the
“payment to depositors in special cases of a divi-
“dend, on condition of giving a discharge in full to
“the Bank?”

“Ans.—I observe in the minute book a resolution
“on the subject, which appears to have been passed
“on the 19th October, 1850; but I have no precise
“recollection of such a Resolution having passed at
“that meeting. I remember at a meeting of the Di-
“rectors some few weeks ago, but certainly more
“recently than October last, the subject of paying
“depositors in special cases, such as those who were
“under the necessity of leaving the country, a cer-
“tain dividend. I remember, that at the sugges-
“tion of Mr. Redpath, a change of a few pence was
“made in that dividend.”

Mr. Actuary *Freeland* says:

“Ques.—Did you ever purchase or cause to be
“purchased, on behalf of the Bank, any deposit
“books, or depositors' claims on the Bank?”

“Ans.—Yes; to an amount of about £1200. I
“purchased them on behalf of the Bank from a
“broker, Mr. T. M. Taylor.

“Ques.—Did you purchase the whole amount at
“one time?”

“Ans.—No. I think the purchase was spread
“over a period of about two months.

“Ques.—Did Mr. T. M. Taylor purchase any of
“those books under instructions from you, or at your
“desire?”

“Ans.—I gave him no such instructions, nor did I
“desire him.

“Ques.—Were the books bought by you at a cer-
“tain average rate per cent. on each occasion?”

“Ans.—I believe they were: the rate was either
“12s. or 12s. 6d. in the pound. Perhaps some por-
“tion might have been at one of those rates, and an-
“other portion at another.

“Ques.—Was Mr. T. M. Taylor paid a brokerage
“for the purchase of these books?”

“Ans.—I do not recollect whether brokerage was
“taken into the count in these transactions with Mr.
“Taylor; perhaps it was.

“Ques.—Please refer to cash book under date,
“January, 1850, and say whether the sum there
“charged, under the head of “charges,” viz. £19
“14s. 8d.—paid to T. M. Taylor for brokerage, is
“either in the whole or in part, on account of the
“purchases of the deposit books to which you have
“referred, as having been made by the Bank from
“Mr. T. M. Taylor?”

“Ans.—I do not know; very likely it was. I
“have distinct recollection of paying Mr. T. M.
“Taylor some account for brokerage on the trans-
“actions referred to.

“Ques.—Was Mr. T. M. Taylor, or was he not
“the agent of the Bank in the purchase of some or
“the whole of those deposit books which you state
“the Bank took from him?”

“Ans.—He was not. Although the Bank bought
“the books from Mr. Taylor, I was careful in in-
“forming him that the Bank did not bind itself to
“do so.

“Ques.—Were you authorised by any of the Di-
“rectors to make the purchase of these deposit
“books from Mr. Taylor?”

Appendix
(Q. Q.)
15th July.

Appendix
(Q. Q.)
15th July.

“ Ans.—I was authorised to make purchases of deposits by the Directors at one of their meetings, when I was present. I do not know that the name of Mr. Taylor was mentioned; perhaps it was.

“ Ques.—Were you authorised to buy any particular amount of deposit books?

“ Ans.—I do not think that I was; the propriety of continuing to buy, was left to be afterwards determined.

“ Ques.—Did you, under the authority which you state you had from the directors to make purchases of some deposit books, buy from any other person besides Mr. T. M. Taylor?

“ Ans.—No: it was decidedly with reference to the object of the Directors in purchasing, the most advisable course to deal with only one party.

“ Ques.—Do you know what the object of the directors was in purchasing those deposit books?

“ Ans.—Previous to the decision to purchase, I had some conversation with Mr. Redpath on the subject, and at the meeting to which I allude, the matter was brought up by him. At that time a large portion of the loans on mortgage had been transferred: those mortgages which remained were difficult of negotiation. It was known that many depositors, tired of waiting, were selling their claims to brokers and others at ruinously low prices. It was feared that the value of these claims might continue to decrease, and specially with a view to prevent this, it was decided to take some of these claims out of the market.

“ Ques.—Was any record made in the minute book of the Savings Bank of this authorization to you to purchase some deposit books?

“ Ans.—There was not.

“ Ques.—What directors were present at that meeting?

“ Ans.—I may be in error in stating that it was a regular meeting. At that time it was not easy to collect together any number of the Directors by calling a formal meeting, and much of the business was conducted by those Directors who took a chief part in the management at meetings not formally convened.

“ Ques.—Was public notification given to the creditors of the Bank, or information to any person besides Mr. T. M. Taylor, that the Bank was willing to purchase some amount of deposit books?

“ Ans.—No. The object in purchasing being only to counteract the downward tendency of these deposit claims, it was evidently not desirable to make such a course public, as it could not fail to have been thoroughly misunderstood. This fear of misconception, should the thing become known, was that which induced the cessation of these purchases, and not any question of its advantage to the Bank, although it began to be doubtful whether the downward tendency of depositors' claims could be arrested unless the Bank was prepared to purchase to a much greater amount than was at first anticipated, as the cash in hand with which to purchase was of a limited amount. To have informed several parties that the Bank would purchase from them any deposits of which they might have become possessed, would only have had the effect of exhausting the Bank's funds without at all meeting the views of the Directors.”

Mr. Coz (Teller) says:

“ Ques.—Are you aware of the Directors of the Bank ever having employed, or authorized to be

employed, any person or persons to purchase deposit books on account of the Bank?

“ Ans.—I am not.

“ Ques.—Are you aware of the Directors of the Bank ever having purchased on behalf of the Bank any deposit books?

“ Ans.—Books were purchased by T. M. Taylor, but by what authority I cannot say. The Bank assumed those books to the amount of about £1600, I believe paying in cash for them about 12s. 6d. in the pound; the particulars will be found in the books, in my handwriting.

“ Ques.—Was this assumption by the Bank of deposit books on one occasion only, or was it on a number of occasions running through several months?

“ Ans.—On several occasions, principally in the months of September, October and November, 1849.

“ Ques.—Are you aware whether Mr. Taylor was paid a brokerage on account of the purchase of those books?

“ Ans.—I cannot say. I paid him brokerage in January, 1850, amounting to £19 14s. 8d., as appears by the cash book; but I cannot say whether this or any portion of it was for the purchase of deposit books or not.”

Mr. T. M. Taylor, the broker with whom these transactions in deposit books occurred, states as follows:

“ Ques.—Were you ever employed by the Savings Bank to buy deposit books for that Institution?

“ Ans.—No; but I sold to Mr. Charles Freeland, who, I believe, was Actuary of the Savings Bank at the time, some amount of books.

“ Ques.—Had you purchased those books previous to making the sale of them to Mr. Freeland?

“ Ans.—I went, I think two or three times, with an amount of books which I collected, and, on delivering them to him, received payment for them; but I do not think that I bought books for him as I did for other people.

“ Ques.—Are you or are you not prepared to say positively that you did or did not purchase a number of deposit books in the months of September, October and November, 1849, with the full knowledge that Mr. Freeland, then Actuary of the Montreal Provident and Savings Bank, would take those books from you, either on his own behalf, or on behalf of the Savings Bank?

“ Ans.—I cannot answer that certainly without looking over the sales.

“ Ques.—Did Mr. Charles Freeland, late Actuary of the Savings Bank, ever instruct you to purchase any deposit books?

“ Ans.—He did not, but he mentioned that he would take an amount of books from me, and I took them to him, and received payment for them. But he did not instruct me to buy.

“ Ques.—Did you buy any deposit books after Mr. Freeland informed you that he would take an amount of books, and did you take such books to him, and receive payment from him for them?

“ Ans.—My recollection does not enable me to answer that question.

“ Ques.—Did you on many occasions take books to Mr. Freeland and receive payment for them from him?

Appendix
(Q. Q.)

15th July.

" Ans.—My impression is, that on several occasions
" I offered books to Mr. Freeland, which he took
" from me and paid me for them.

" Ques.—Did these several occasions to which
" you refer, occur within the space of a week or two,
" or were they at intervals extending over a period
" of three months or more ?

" Ans.—I do not recollect.

" Ques.—Were these bank books that you sold to
" Mr. Freeland on these several occasions, sold at
" specific rates for the whole number of bank books
" delivered on each occasion, or at a specific discount
" on each book ?

" Ans.—I do not recollect.

" Ques.—Did you receive a brokerage from Mr.
" Freeland on the books that you sold to him, or on
" any portion of them ?

" Ans.—I may have received a brokerage on some
" of them.

" Ques.—Can you say whether you did or did not
" charge, and receive a brokerage, on all the books
" you sold to Mr. Charles Freeland ?

" Ans.—I do not think I could ; for he paid the
" highest rate, or he would not have got them.

" Ques.—Did you at any time receive from Mr.
" Charles Freeland moneys for deposit books, previous
" to the lodgment of such deposit books in the
" Savings Bank ?

" Ans.—I do not think that I did.

" Ques.—Had you at any time any instructions
" from any of the Trustees of the Savings Bank, to
" purchase any deposit books for that Institution ?

" Ans.—My transactions were entirely with the
" Actuary. I do not remember to have received
" any instructions from any of the Trustees.

" Ques.—Did any of the Trustees at any time
" inform you, that the Savings Bank would receive
" or would purchase from you deposit books ?

" Ans.—I do not recollect that they did, except
" that Mr. Freeland bought from me, as I before
" stated.

" Ques.—Did you ever make application to the
" Savings Bank, stating in effect that you had pur-
" chased certain deposit books, and offering the same
" for sale to the Bank ?

" Ans.—I have already stated that I offered books
" to the Actuary.

" Ques.—Have you any recollection as to the total
" amount of deposit books that you sold to Mr.
" Freeland ?

" Ans.—So far as I recollect, £1,000 to £1,400."

The entries in the Savings Bank books demon-
strate that these purchases of deposit books extended
over three months, and that Mr. T. M. Taylor, in
making them, was the agent of the Savings Bank.
The purchases are fully recorded in the Journal and
cash-book ; and the following extracts will shew
that deposit books, amounting to £1,819 3s. 4d., were
purchased for the Bank for the sum of £1090 9s. 5d.

From Journal, fol. 176 (Entry).

Appendix
(Q. Q.)

15th July.

" Deposits Dr. to Guarantee Fund.

" For the following, being discount on sundry de-
" positors' claims, purchased by T. M. Taylor.

Folio 5294	Cash	£79 4 7	Discount	£47 10 9
" 1034	do.	5 4 0	do.	3 9 8
" 444				
" 5023				
" 4671				
" 4000				
" 948				
" 5882				
" 844				
" 568				
" 6361	do.	105 8 7	do.	70 5 9
" 4161				
" 52				
" 506				
" 1030				
" 1110				
" 824				
" 3229				
" 2757	do.	13 1 6	do.	7 17 1
" 777				
" 1284	do.	13 1 2	do.	2 1 4
" 2989				
" 5814				
" 4858				
" 5152				
" 1440	do.	72 0 0	do.	48 0 0
" 6295				
" 5032				
" 4939				
" 3178				
" 5814				
" 3366				
" 3782	do.	149 7 2	do.	99 11 6
" 6542				
" 700				
" 869				
" 2927	do.	68 9 5	do.	45 12 11
" 2017				
" 3082				
" 30	do.	27 0 7	do.	18 0 5
" 3967				
" 5377				
" 3114				
" 4886	do.	62 11 3	do.	41 14 1
" 6409				
" 2898				
" 3375				
" 2044				
" 5591				
" 5372				
" 3081				
" 5023	do.	135 2 9	do.	90 1 9
" 2316				
" 718				
" 695				
" 2256				
" 4232				

" Total Cash .. £730 11 6 Discount £474 5 3
" Discount 474 5 3

1204 16 9
" See Cash Book 730 11 5

£474 5 4

" Note.—The amount of Cash paid, as well as the
" discount, is specified above ; but the Cash has al-
" ready been entered in gross in the Cash Book."

Appendix (Q. Q.)

From Cash Book—September, 1849.

(Entry.)

Sept. 29. By deposits—Cash paid at sundry times to T. M. Taylor £730 11 5

From Journal, fol. 182.

(Entry.)

“Deposits Dr. to Guarantee Fund for the following, being discount on sundry depositors’ claims purchased by T. M. Taylor.

Folio.	Cash.	Discount.
	£ s. d.	£ s. d.
“ 492		
“ 930		
“ 2500	do. 107 18 7	do. 71 19 1
“ 3201		
“ 5473		
“ 3975		
“ 4975		
“ 4806		
“ 1959		
“ 4498	do. 67 14 10	do. 45 3 2
“ 5945		
“ 5121		
“ 509		
“ 4675		
“ 3427		
“ 4271	do. 17 9 2	do. 12 9 4
“ 4909	do. 24 6 1	do. 15 7 5
“ 1473		
“ 1735		
“ 3283		
“ 3481	do. 27 4 7	do. 18 3 1
“ 4222		
“ 6566		
“ 823		
“ 5210		
“ 4504		
“ 2770	do. 41 16 11	do. 27 17 11
“ 4597		
“ 381		

Total Cash £286 10 2 Discount £191 0 0
191 0 0 to deposit fund.

“Note.—The amount of Cash paid, £286 10s. 2d., as well as the discount, is specified above; but the Cash has already been entered in gross in the Cash Book.”

From Cash Book—October, 1849.

(Entry.)

“Oct. 31. By deposits—Cash paid at sundry times to T. M. Taylor £286 10 2

From Journal, fol. 184.

(Entry.)

“Deposits Dr. to Guarantee Fund, for the following, being discount on sundry depositors’ claims purchased by T. M. Taylor.

Folio	Cash.	Discount.
1657		
“ 4212		
“ 4658	£73 7 9	£63 8 8
“ 6240		
	£73 7 9	£63 8 8
	63 8 8 to Guarantee Fund.	
	£136 16 5	

“N. B.—The amount of Cash paid, £73 7s. 9d., has been charged in Cash Book.”

From Cash Book—November, 1849.

(Entry.)

“Nov. 30. By deposits—amount paid to T. M. Taylor, £73 7 9

And in January, 1850, Cash is debited with £19 14s. 8d., paid T. M. Taylor for brokerage.—The following is a copy of Mr. Taylor’s bill of parcels:

MONTREAL, 31st Dec., 1849.

Charles Freeland, Esquire,
To Thomas M. Taylor,

	Broker.
Aug. 4. To brokerage on purchase as per contract, No. 1755	£4 0 0
“ 23. do. on do. No. 1855	0 1 9
Sept. 1. do. on do. No. 1957	0 9 0
“ 6. do. on do. No. 2055	4 0 0
“ 10. do. on do. No. 2155	0 9 4
“ 12. do. on do. No. 2255	2 0 0
“ 13. do. on do. No. 2355	0 10 8
“ 25. do. on do. No. 2455	0 6 0
Oct. 4. do. on do. No. 2555	4 0 0
“ do. on do. No. 2655	0 7 11
“ 25. do. on do. No. 2755	3 10 0
	£19 14 8

Received payment,

(Signed) THOS. M. TAYLOR,

“Jan. 24, 1850.”

On examination into the original contracts, we find that all the items in the above account are for Brokerage on purchases of deposit books.

The purchases of deposit books by the Bank was not confined to the cases we have enumerated; a considerable amount of the securities held by the Bank were disposed of under a stipulation to receive Bank books in payment.

Mr. Director Redpath gives the following evidence on this subject:

“Ques.—Were any sales of property or of securities of any description held by the Bank, authorized by the Directors at any time to be made, and deposit books taken in payment?”

“Ans.—I think in two or three instances there were. I believe some corporation bonds were sold in that manner. I do not recollect the number or the amount, but they will be found in the books.

“Ques.—Do you consider that the purchase of deposit books in this form, was beneficial to the interests both of the Bank and of the creditors of the Bank?”

“Ans.—I do consider it advantageous to the interests of the Bank; it was effected solely for that object: the securities thus sold being otherwise unavailable, except at a great sacrifice.

“Ques.—Do you consider that purchase of books to have been also beneficial to those creditors of the Bank from whom the books were purchased, by whom is meant the original holders of the books?”

“Ans.—I consider that it was not beneficial to those holders of books. It would have been better for them to have held them.

“Ques.—Were these sales of Corporation bonds made to actual creditors of the Bank at the time of the stoppage, for debts due by the Bank to them?”

“Ans.—The sales were made to a broker, Mr. Barnard, I think. Whether he was acting for

Appendix (Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

"himself or for the parties whose books he transferred, I cannot say, never having had any communication with him on the subject.

"Ques.—Would you have given any depositor who might have applied for them Corporation bonds, for his books, at ninety per cent. ?

"Ans.—I think not; these were not sold at ninety per cent.; I think they were sold at about one hundred and twenty. It was represented by the Actuary as advantageous. The whole transaction can be found in the books. Mr. Freeland can fully explain it.

"Ques.—Could any depositors, on application, have had transfers of Corporation bonds at the time, on the same terms ?

"Ans.—I cannot say, not having been applied for to my recollection.

"Ques.—Was any public notice given to depositors, the original creditors of the Bank, that they could obtain Corporation bonds in payment ?

"Ans.—I am not aware of any public notice having been given to any person.

"Ques.—Have you recollection of a sale of Corporation Water Works debentures made to Mr. T. M. Taylor, broker, of this city, payable also or paid for in deposit books ?

"Ans.—I think I have some recollection of Mr. Freeland's mentioning that he had some negotiation with Mr. T. M. Taylor, about the sale of Corporation bonds in the same manner. If there is a sale, I must have consented to it."

Mr. Director Murray's evidence :

"Ques.—Are you aware that any of the bonds or other securities held by the Bank have at any time, and if so, when, and under what circumstances, been sold with the agreement to take deposit books in payment ?

"Ans.—I was not aware at the time of any sales of the property of the Bank for deposit books; but I have heard, I think about a year ago, that one or two sales of a Corporation bond were made at about 20 per cent. premium, taking deposit books in payment, while such bonds were at about 20 per cent. to 25 per cent. discount in the market for cash."

Mr. Actuary Freeland's evidence :

"Ques.—Have you any knowledge of the Bank at any time having made sale of any property or security, held by it on account of loans,—having been sold under the agreement to receive deposit books in whole or in part payment ?

"Ans.—I have made sale of a few bonds of the Corporation of the City of Montreal, under an arrangement to receive deposit books in payment; I do not recollect to what amount, but I think £700 or £800 to Mr. J. Barnard. I also sold to the same gentleman a 'Road debenture' for £100, and to Mr. T. M. Taylor a 'Water Works bond,' under the same arrangement. Also to Mr. James Barnard some 'Bank of British North America' 'Stock,' payable part in cash, and part in deposit books.

"Certain fixed property mortgaged to the Bank by Robert Cooke, was disposed of under an agreement to receive deposits in part. I believe the amount of the sale was about £665, and was sold to E. Prentice, a depositor, at public auction.

"The parties who assumed these securities, in discharge of the claims of depositors which they

Appendix
(Q. Q.)

15th July.

"held, took them at a price considerably above the market value in cash, making it decidedly the interest of the Bank thus to dispose of them."

"No securities held by the Bank, except in the case of the property of Robert Cooke, were ever offered for sale, payable in deposits; for the few that were sold to Messrs. Barnard & Taylor, direct offers were made by these gentlemen, which were accepted as being very advantageous to the Bank. These securities could not at the time be sold for cash, except at a great discount, and in every instance the usual ten per cent. was retained on the deposits. Deposits were offered to be accepted in part payment of the houses of Robert Cooke, at the request of several depositors, who said they would thereby be induced to bid for them; and this was the only instance of such payment for any purchase of real estate from the Bank."

Mr. T. M. Taylor's evidence :

"Ques.—Did you at any time subsequent to the failure of the Bank, purchase from the Savings Bank any bonds, debentures, or other securities held by them ?

"Ans.—I have a bond which I bought from Mr. Freeland. It is a Water Works debenture. I do not remember any other purchase.

"Ques.—Did you purchase said bond for cash ?

"Ans.—My impression is that I paid for the bond in books, and that I paid 20 per cent. premium for the bond, in consequence of the payment being to be made in books, as I could not do better otherwise with the books.

"Ques.—Was the negotiation for this Water Works debenture entirely between you and Mr. Freeland, or had any of the Directors, Trustees of the Bank, any part in it ?

"Ans.—I may have asked some of the Directors whether they had any securities for sale, but I think the bargain must have been with Mr. Freeland solely."

Mr. James Barnard's evidence.

"Ques.—Did you ever make an offer to the Savings Bank of a certain quantity of Bank books which you had in your possession for cash ?

"Ans.—Not to my recollection.

"Ques.—Did you ever purchase from the Savings Bank any bonds or securities in its possession, with the stipulation that the payment should be in deposit books, or partly in cash and partly in deposit books ?

"Ans.—I did purchase about £1000 of Corporation bonds at different times in 1849 and 1850, for which I was to pay 20 per cent. premium, making the payment in deposit books. I paid the whole amount in deposit books. I made the purchase from Mr. Freeland who was authorised, I think, by the Directors to make the sale.

"Ques.—What do you consider to have been the value of Corporation bonds for cash, at the time you made the purchase from the Savings Bank for deposit books ?

"Ans.—About 20 per cent. discount.

"Ques.—At the times you made these purchases from the Bank, did you state that you had the deposit books in your possession, and offer them for the Corporation bonds ?

"Ans.—I did not state that I had such books in

Appendix
(Q. Q.)

15th July.

"my possession. I offered to buy bonds for deposit books.

"Ques.—Did you buy any other securities from the Bank besides the Corporation bonds to which you have alluded, and if so, on what terms?

"Ans.—Yes, I made two purchases of stock at the Bank of British North America, for which I paid part in cash and part in deposit books. The purchases were made in 1840. The whole amount of stock that I took, I think, was sixteen shares. I think the purchase was made nominally at par value, with the stipulation that I should pay about half cash and half in deposit books."

These extensive dealings in deposit books by or on behalf of debtors of the Bank Directors, and others, and by the Bank itself, appeared to us of a nature to merit the closest investigation, and we therefore examined all who could throw any light on the subject. We have given the evidence very fully, in order that the views of those who took part in the administration of the affairs of the Bank may be fairly represented.

On the whole evidence as it stands, the following remarks present themselves to our minds, and we respectfully submit them for Your Excellency's consideration.

No formal resolution of the Board of Directors was ever recorded, and it is doubtful whether any was ever passed, authorising the reception of deposit books in payment of debts due to the Bank. We consider the hypothesis of Messrs. Murray and Freeland, that the resolution authorising transfers of mortgages, sanctioned the reception of deposit books, completely overturned by the other evidence adduced, and by the universally admitted fact, that the Directors exercised their own discretion in each individual case, either receiving or rejecting deposit books in payment as they thought proper.

The determination of the Directors to receive, in certain cases, deposit books in payment of debts due to the Bank, at the rate of ninety per cent. on the transferable amount of such books was never made public, either by advertisement or any other official mode of notification; neither was it generally communicated across the counter to creditors of the Bank. It is true that Mr. Ferrier states that instructions were given, some time or other, that information should be given to that effect; but his evidence is overborne by Mr. Freeland the Actuary, whose means of knowing what occurred no one can dispute, and who says:

"Sometimes when asked who were buying deposits, I stated that there were some parties debtors to the Bank, who were doing so, but I gave this information only in explanation of the fact that books were being bought. I never encouraged the sale of books, and never volunteered any information on the subject."

Mr. Redpath also, the then President of the Bank, and its most active manager says:

"I cannot say positively that the Actuary, or other officer of the Bank, was instructed to inform creditors of the Bank, that their deposit books would be received in payment of debts due to the Bank."

In the absence of all affirmative proof that such information was given to the creditors of the Bank, it is almost unnecessary to advert to the proof adduced of a negative character. The evidence however of Messrs. Robinson, Turbayne, Adams, A. B. McGill, Don, Levy, and Carey, establishes, that in their cases, no such information was afforded at the Bank.

Appendix
(Q. Q.)

15th July.

The debtors of the Bank; on the other hand, who bought deposit books were made fully cognizant that they would be allowed to pay them in liquidation of their debts, at the rate of ninety per cent. on the transferable amount of such books; and profiting by the ignorance in which the creditors of the Bank were kept of any such allowance, bought deposit books at such a depreciation in value, as to enable them for the most part to redeem their liabilities to the Bank, at the rate of from twelve shillings and sixpence to fifteen shillings in the pound.

The profit accruing from these transactions in deposit books, was so much taken out of the pockets of the claimants on the Bank—a subtraction from the eighteen shillings in the pound, which the directors by paying a dividend to that amount, at the time of the suspension of the Bank, to "some of the larger creditors," virtually bound themselves to pay to all the other creditors of the Bank, also.

The parties who profited by this arrangement in favour of some of the debtors at the expense of the creditors, were, several of them, Directors of the Bank; and nearly all of them in affluent circumstances, or who had given such security as would have enabled the Bank to have recovered the whole amount of their debts without loss.

The reasons assigned by different directors for the course adopted, are both weak in themselves, and at variance with each other. Mr. President Redpath thinks that the reception of deposit books from debtors, "was suggested by some member of the Board, in consequence of reports being abroad that some of the creditors of the Bank were disposing of their claims to speculators for a very small amount, and at a great sacrifice;" and Mr. Director Ferrier "distinctly remembers" the cause of the allowance of this payment to have been "that depositors were selling their books at a very low value, and it was thought, if debtors were allowed to pay what they owed in books at ninety per cent., that this would raise the value of deposit books, and prevent the depositors from parting with their books without obtaining their proper value;" whilst Mr. Director Murray is just as positive that this reception of deposit books was occasioned by no such philanthropic feeling as Messrs. Redpath and Ferrier assign for it, but was induced by the conviction that debtors of the Bank had a right to make their payments in that form. Mr. Actuary Freeland concurs with Mr. Murray in regarding the reception of deposit books as a consequence of a resolution on a totally different subject,—that relating to transfers of mortgages,—at the same time that he dissents from Mr. Murray's conclusion that the debtors had a right to pay in deposit books; remarking—"the Resolutions of the Directors during my management of the affairs of the Bank, were, in matters relating to the management, to be considered as recommendatory and permissory, rather than final and conclusive." If this last assertion of Mr. Freeland be correct, it seems difficult to understand on what principle the Bank was conducted, and by what regulations the officers were governed.

The inconsistencies on this head we find it utterly impossible to reconcile, and we merely point them out to your Excellency's observation.

We cannot allow any force in the allegation, that this reception of deposit books in payment, tended to keep up their value in the market. Had it been made public it might have done so, but so long as it was kept secret, no such consequence could ensue. When claimants applied at the Bank, they were informed that they could receive only a dividend of twenty per cent. No further information was vouch-

Appendix
(Q. Q.)

15th July.

safed. No hopes of a speedy additional dividend held out, but they were strongly recommended not to sell their books; and the very parties who so recommended them, were actually employing brokers, and causing others to employ brokers, to buy those books at the greatest depreciation of price at which they could be procured. And this procedure, Mr. President Redpath contends to have been "beneficial to creditors of the Bank;" at the same time however admitting, that it would not have been right to encourage the sale of books, because "it was their (the directors') duty to protect the interests of depositors, and to advise them to retain their books if possible!"

Mr. Ex-president *Lunn* on the other hand, has the candour to admit what we think must be obvious to every one, that "the result of the sale of Bank books was to benefit the debtors of the Bank, at the expense of those creditors of the Bank who sold their books."

There can, however, be no doubt that the arrangement was highly beneficial to those who were debtors to the Bank at the time of its failure. The best proof that it was so, is to be found in the eagerness with which those who were permitted availed themselves of it.

It will be observed from the evidence that these sales of deposit books amounted to a very large sum; the collective purchases of three brokers' firms were to the extent of fifteen thousand pounds. It is probably not an over-statement of the loss which some creditors of the Bank sustained by this sacrifice of their property, to put it down at from eight to ten thousand pounds; for four Directors alone, it is admitted, that purchases were made to the extent of nearly five thousand pounds, and the profit those gentlemen derived thereby, cannot have been less than from twelve to fifteen hundred pounds.

That the Directors of the Bank, being the guardians of the interests of the whole of the creditors of the Bank, grossly violated their trust in thus sacrificing the interests of a portion of the creditors, cannot we think be denied. In another point of view this clandestine authorization of the purchase of deposit books also operated partially and unjustly. A buyer of deposit books, even although a debtor of the Bank, certainly acquired by his purchase, no rights which the original holder did not possess; yet, when he presented his books at the Bank, he at once received a dividend of eighteen shillings in the pound, whilst those who had claims on the Bank at the time of its failure, could only get a dividend of four shillings in the pound. Such a preference to one class of creditors, was certainly incompatible with the moral and legal responsibility under which the Directors lay, that all creditors of the Bank should equally share the proceeds of the estate.

That the Directors themselves had sundry misgivings as to the propriety of their own acts, in the matter of deposit books, is, we think, abundantly manifest; and we call particular attention to the attempts at explanation on this point, to be found in the foregoing evidence of Mr. Redpath. He there lays it down distinctly, that the sale of deposit books "was one to which the Bank could not become a party."

To this it may be answered, why then allow individual Directors to "become a party" to such a transaction? But Mr. Redpath committed a still more flagrant violation of his own rule of propriety, by actually making the Bank "a party" to the purchase of deposit books to a large amount.

We are reluctant to animadvert in terms of censure on the testimony of gentlemen of such undoubted

Appendix
(Q. Q.)

15th July.

respectability; but we should be wanting in our duty were we not to point out the manner in which the facts relating to the purchase of deposit books by Mr. Taylor are apparently attempted to be distorted, so as to give such a colouring to the transaction as to hide its real nature. We conceive no one reading the evidence can hesitate in coming to the conclusion, that Mr. T. M. Taylor was, in truth, the agent of the Bank, and bought the books by its express authority. Mr. Actuary Freeland states that he "was authorized to make purchases of deposits by the Directors at one of their meetings," and that "the propriety of continuing to buy was left to be afterwards determined." Mr. Taylor, the broker, says Mr. Freeland "mentioned that he would take an amount of books from me, and I took them to him, and received payment from him." Three entries in the journals of the Bank, in three consecutive months, (September, October, and November, 1849,) describe the books as "purchased by" (not from) "T. M. Taylor," and paid for "at sundry times" during those three months; and eleven contract notes were handed into the Bank, by Mr. Taylor, for "Brokerage on purchase," on each of these transactions as they occurred in succession, which charge for brokerage was duly paid.

These points, thus indisputably established, prove Mr. Redpath to be in error in his statement, that it was a "purchase of some deposit books that were offered to the Bank by brokers," and that "the brokers had purchased the same on their individual account." The evidence clearly shews, on the contrary, that there were several purchases made by one particular broker, on behalf of and under the instructions and authority of the Bank.

The Directors having thus become parties to "inviting depositors to dispose of their books under ninety per cent.,"—an act which their president, Mr. Redpath, admits they were not warranted in performing,—the question arises, what led them to it? Mr. Redpath, on being asked the motives for this transaction, says, "I believe that there was a little money on hand at the time, and it was thought that it would be advantageous to the general interests of the Bank by adding to the assets."

This can scarcely have been the reason, since Mr. Redpath admits in the same testimony, that the Savings Bank was "heavily indebted at the time to other Banks;" they could therefore have had no spare funds to dispose of. We think Mr. Director Murray in his evidence furnishes the needful clue, when he says:—"The feeling was at the time, that the losses sustained by the Bank were heavier than had been at first expected, and it was thought beneficial for the Bank, and I concurred in that opinion, to take those books out of the hands of a speculator who would rank on the Bank for the full amount."—That "speculator," we have already shewn, was the Bank itself; but the reason holds good. The Directors had paid certain creditors, that is, the largest creditors of the institution, eighteen shillings in the pound, and it became necessary that the smaller creditors should ostensibly receive a similar dividend, or as nearly similar as possible. This could be effected by buying up the claims of a portion of the creditors at a depreciation in value, and appropriating the profit so made to the swelling up of the dividends to the other creditors. Through this means could the Directors "keep their word of promise to the ear, and break it to the sense."

The same reasoning, doubtless, induced the sales detailed in evidence, for deposit books, of real estate and securities held by the Bank. A double purpose was answered by these sales; they appeared to be

Appendix
(Q. Q.)

15th July.

made at a high price, and the liabilities of the Bank being reduced, the dividend to the remaining creditors was proportionately enhanced.

It is perfectly manifest that the whole of these transactions benefitted a fraction of the creditors at the expense of the remainder, and that the Directors in sanctioning them, did gross injustice to those who were made the victims of the arrangement.

With this narrative of these transactions in deposit books, we close that portion of our report which refers to the management of the Bank, since its declared inability to meet its engagements. It will be observed that in the epoch subsequent to the suspension of the Bank, as in the epoch before it, we consider the proceedings of the Directors to be liable to the gravest censure. As nearly all the losses prior to the failure are directly traced to the negligence and mismanagement of the Directors: so, the heavy losses on transfers of deposit books, sustained since that time, by many of the creditors of the Bank, are attributable to the Directors also.

In the appendix will be found "a Return," furnished by the present Actuary, "of the names of the Presidents, Vice-Presidents, Managing Directors, Finance Committee, Trustees, and Officers of the Montreal Provident and Savings Bank since its formation in 1841, until the 15th Nov., 1850."

In furnishing this return, we would remark that since the 4th of May, 1848, no general annual meeting has been held, according to the regulations of the Bank, which provide that such meeting shall be held on the first Monday in February of each year.

The officers who were elected on the 4th of May, 1848, were appointed to conduct a solvent institution, and their term of office expired according to law, on the first Monday in February, 1849, but they have continued to act without any formal renewal of their authority, in winding up the estate; and have assumed powers which it is doubtful if they could have legally exercised, even had the Savings Bank continued in full operation.

It also appears that on the 17th of October, 1849, the Hon. William Morris, whose name to that time stood as President of the Bank, having resigned from the Direction, the vacancy was filled up by the Board of Directors, (whose term of office, as already observed, expired the February previous) by electing John Redpath, Esq., as President, and by admitting John Torrance, Esq., as Vice-President, Managing Director, Member of the Finance Committee, and Trustee.

At the annual meeting in 1848, to which we have referred, an alteration in the rules and regulations was adopted, which created the President and Vice-President Trustees, and lodged in their hands certain powers that had, to that time, been confided only to the whole number of thirteen Managing Directors. This change in the by-laws was passed for the convenience of effecting transfers of the property, &c., and not with any intention of effecting any change in the law relating to the annual election of the Managing Directors. These additional regulations were subsidiary to those previously in operation, and were embodied as such in the copy of the rules and regulations deposited by the Directors, in the office of the Clerk of the Peace, on the 28th of Oct., 1848.

Messrs. Directors Redpath and Murray, in concluding their evidence before us, respectively, tendered the following observations which we subjoin:

Mr. President *Redpath* says:

"I wish to add to my testimony given before the Commission, the following remarks:—

"That since the suspension of the Bank, the office that I have held as one of the Trustees, and subsequently as President and Trustee, has been to me a source of unceasing care and great anxiety of mind, besides occupying a large portion of my time. That no pecuniary consideration would have induced me either to accept, or to continue to hold the onerous situation which I have done, without fee or reward. That every action that I have taken in the fulfilment of my various duties, has been done solely with the view of protecting the interests of the depositors, and producing the best general results, and also of winding up the affairs of the Bank, with the least possible delay. That my impression now is, that the course which has been adopted has been the best to effect that object; and that taking in consideration the immense depreciation of all kinds of stock and property at the time of the suspension, few institutions in the Province would have wound up with less loss, had they been compelled to stop payment at the same time."

Mr. Director *Murray* says:

"Before closing my testimony, I wish to remark that I never sanctioned any loan that I thought would result in loss to the Bank; and that in all my actions I have been solely guided by a desire to promote the interests of that institution: and I never derived any pecuniary advantage whatever from the funds of the institution. A great deal of my time has been devoted to attending to the business of the Savings Bank; and on more occasions than one, with a view to protect the interests of such institutions, I have recommended that an application should be made to the Legislature to appoint an Inspector of Savings Banks."

We also received the following letter from the Honourable William Morris, Ex-President of the Savings Bank:

"Copy.

"MONTREAL, 4th Dec. 1850.

"GENTLEMEN.—Having seen the return of the office bearers of the Montreal Provident and Savings Bank, which I understand has been furnished to you, I notice that I appear to have resigned on the 17th October 1849, whereas I actually did so on the 12th October 1848, when about to leave the Province for the West Indies, and had no idea that the acceptance of my resignation by the remaining Directors was necessary, until my return to Montreal in the early part of the following summer, when I called at the office of the Bank to express my surprise at the circumstance, and to urge on the Directors to free me from my position. This was on the 5th of June, 1849, when I was told to renew my letter of resignation, as the former one could not be found at the moment. (They are both on file now.) Finding that my name still remained as President and Director, I sent in another letter of resignation on the 15th June, ten days after, which it seems was not acted on till the 17th October: although in the mean time I took no part in the management of the Bank. Although my name appears once in the minutes, as having been present at a meeting of the Board, namely, on the 5th of June, 1849, I was there merely for the purpose of urging the acceptance of my resignation. Indeed, I never took part in the direction of its affairs after the 12th October, 1848, when, as I have stated, I sent in my resignation on the eve of my departure for the West Indies, so that my connection with the Bank was from the 6th May to the 12th October, 1848—six months only; and it would have been shorter had I not hoped that my presence and exertions might have prevented the misfortunes which fell on the depositors,

Appendix
(Q. Q.)

15th July.

Appendix A.

Appendix
(Q. Q.)

13th July.

and which were beginning to be felt about the time that I was unfortunately induced to lend my services to the Bank, in total ignorance that any difficulty existed.

" Gentlemen,

" Your obedient servant,

(Signed)

" W. MORRIS.

" To the Commissioners appointed
" to investigate the affairs of the
" Montreal Provident and Sav-
" ings Bank.

We have thus to the best of our ability performed the important duty confided to us by your Excellency, of tracing " the causes which led to the failure " of the Savings Bank, and its inability to meet the " just claims of those who have deposited money in it." The task has been in some respects of a painful nature: we have been compelled to animadvert, and on several occasions not without censure, on the proceedings of a public body, the members of which deservedly rank high in the esteem of our community; but we found it necessary to discard all considerations of private feeling, and of personal respect for individuals, and solely to regard our obligation to the public. The rights and interests of that large and important class of the community, whose means of subsistence were invested in the Savings Bank at the time of its suspension, were in our hands; and we were bound to ascertain whether the conditions on which those deposits were made had been fulfilled; and whether the Directors, by a compliance with the provisions of the Savings Bank Act (4 & 5 Victoria, cap. 32,) were entitled to the exemption from personal responsibility, which that Act affords. This, we felt from the first, to be one of the main subjects for examination; and to it we directed our most earnest attention.

Appendix
(Q. Q.)

15th July.

We feel that we have but inefficiently performed the task imposed on us. It has indeed been no easy one. We have had to examine minutely into books and documents,—the former very irregularly kept, and many of the latter not easily to be procured; some we may mention being missing from the archives of the institution,—extending over the whole series of years from the establishment of the Savings Bank, in eighteen hundred and forty-one, down to the present time. We have had to scrutinize into a vast variety of transactions of the most complex character; and we have had to perform the still more difficult task of making intelligible in our Report, the irregularities which we have discovered; and of explaining those mysteries in the management, which we ourselves found it difficult to fathom. We have had to trace the progress, and to shew the bearing on the ultimate fate of the Bank, of a number and variety of infractions of law, small and of little consequence at first, but which subsequently swelled in magnitude, until they were the means of absorbing a vast proportion of the whole funds of the Bank, and of thus involving the Institution in utter ruin. We have had, moreover, to shew the connection—so far as it could be established by evidence—of the Directors, either individually, or in their collective capacity, in these infractions of law, in order that the nature and extent of their liability might be made apparent.

The enumeration of these difficulties will, we trust, be deemed a sufficient apology, both for the length of time occupied in the investigation, and for any imperfections or deficiencies that may be discovered in this Report.

All which is respectfully submitted.

W. BRISTOW, }
WM. SNAITH, } Commissioners.
C. E. BELLE. }

MONTREAL, 21st June, 1851.

LIST OF PAPERS

LIST OF PAPERS

FORMING

APPENDIX TO REPORT OF COMMISSION OF INQUIRY INTO AFFAIRS AND MANAGEMENT OF MONTREAL PROVIDENT AND SAVINGS BANK.

- A.**—Rules and Regulations of the Savings Bank :—No. 1. Letter from Delisle & Brehaut, Clerk of the Peace, dated 12th October, 1850 ; No. 2. Copy of Rules and Regulations fyled 27th October, 1841 ; No. 3. Copy of Rules and Regulations fyled 6th May, 1848 ; No. 4. Copy of Rules and Regulations fyled 30th October, 1848.
- B.**—Copy of Letter from Lord Stanley, Colonial Secretary, dated 11th February, 1842.
- C.**—Copy of Letter from W. Lunn, Esq., President of Savings Bank, to B. Holmes, Esq., M.P.P. dated 14th October, 1843.
- D.**—Annual Statements of Savings Bank, exhibited at the General Meetings from 1842 to 1847.
- E.**—List of depositors of sums over £500, at the time of the suspension of the Savings Bank, 14th July, 1848.
- F.**—Statement of Assets and Liabilities, and of Loans due Savings Bank, 30th September, 1850.
- G.**—Form of Deed of security taken on Loans on Real Estate, granted by Savings Bank.
- H.**—Opinions of Hon. W. Badgley, Q. C., and of W. C. Meredith, Esq., Q. C., on legality of investment of funds of the Bank in Mortgages of real Estate.
- I.**—Copies of certain exhibits fyled Superior Court in cause No. 1795 :—Directors of Savings Bank against Directors of High School ; No. 1. Order by D. Davidson, Secretary High School, on Actuary of Savings Bank for £1,200, dated 25th July, 1845 ; No. 2. Order by D. Davidson, Secretary High School, on Actuary of Savings Bank, for £600, dated 25th July, 1845 ; No. 3. Order by D. Davidson, Secretary High School, on Actuary of Savings Bank, for £700 dated 25th July, 1845 ; No. 4. Cheque of Savings Bank, favour D. Davidson, for £1200, dated 25th July, 1845 ; No. 5. Cheque of Saving Bank, favour D. Davidson, for £700, dated 4th Dec., 1845 ; No. 6. Cheque of Savings Bank, favour D. Davidson, for £1200, dated 30th August, 1845 ; No. 7. Cheque of Savings Bank, favour D. Davidson, for £600, dated 4th October, 1845 ; No. 8. List of above exhibits ; No. 9. Certificate of Prothonotary of accuracy of above copies of exhibits.
- K.**—Copy of Deed of security for Loan of Savings Bank to High School, proposed to be executed by Directors of High School.
- L.**—Excerpts from minute book, High School of Montreal, relative to Loans by Savings Bank.
- M.**—Copies of Returns made to Legislature by Directors of Savings Bank :—No. 1. Dated 29th April, 1846 ; No. 2. Dated 26th July, 1847 ; No. 3. Dated 1st February, 1849.
- N.**—List of Presidents, Vice-Presidents, Managing Directors, Finance Committee, Trustees, and Officers of Savings Bank, from its formation in 1841 until 15th November, 1850.
- O.**—Copies of Notes granted by Directors of High School for Loans by Savings Bank :—No. 1. Dated 15th January, 1844, £350 ; No. 2. Dated 30th January, 1844, £310.
- P.**—Reports of Directors of Savings Bank, since its suspension :—No. 1. Dated 31st October, 1848 ; No. 2. Dated 31st October, 1849.

APPENDIX.

APPENDIX A.

No. 1.

OFFICE OF THE CLERK OF THE PEACE,
MONTREAL, 12th Oct., 1850.

SIR,—We have the honour herewith to enclose certified copies of the Rules, Orders, and Regulations, for the management of the Montreal Provident and Savings Bank, filed by that Institution, with the Clerk of the Peace, under the provisions of 4 & 5 Vict., chap. 32.

We have the honour to be,

Sir,

Your very obedient servants,

DELISLE & BREHAUT,
Clerk of the Peace.

To W. Bristow, Esq.,
Chairman.

RULES AND REGULATIONS of the Montreal Provident
and Savings Bank, opened 1st October, 1841.

Patron :

His Excellency the Governor General.

Vice-Patrons :

Mr. Justice Pyke, Mr. Justice Rolland, Mr. Justice Gale, the Reverend the Clergymen of this City of all denominations.

Directors :

Hon. P. McGill,	D. Fisher, Advocate,
Hon. Joseph Masson,	J. M. Ferris,
Hon. Adam Ferris,	Jas. Henderson,
Hon. Austin Cuvillier,	Moses J. Hays,
Baron de Longueuil,	J. M. Joseph,
Benj. Holmes, M. P. P.	Thomas Kay,
Dr. MacCulloch, M. P. P.	Wm. Lunn,
T. B. Anderson,	Richard Latham,
Dr. Arnoldi, jr.,	John Mathewson,
Robert Armour,	Donald Murray,
J. T. Brongceest,	Wm. Murray,
Stanley Bagg,	Thos. Phillips,
J. D. Bernard,	Dr. Robertson,
O. Bostwick,	John Redpath,
Walter Benny,	C. S. Rodier, Advocate,
C. Brooke,	Joseph Shuter,
Wm. Bradbury,	James Scott,
Wm. McIntosh,	John Smith,
Wm. Molson,	James Smith, Advocate,
John E. Mills,	Dr. Smith,
John Blackwood,	C. D. Shaw,
Thos. Cringan,	George Savage,
Wm. Cormack,	John Torrance,
James Court,	David Torrance,
Dr. Campbell,	John Try,
John Dougall,	Henry Vennor,
Wm. Dow,	T. B. Wragg,
L. D. Dinning,	R. Weir, jr., Esquires.
James Ferrier,	

Board of Managing Directors :

William Lunn, Esquire, President.

John Redpath, Esquire, J. T. Brongceest, Esquire,
Vice-Presidents.

James Ferrier,	Stanley Bagg,
Robert Armour,	Wm. Cormack,
Thomas Kay,	Wm. Dow,
David Torrance,	John Mathewson,
John Dougall,	Wm. Murray, Esquires.

Fisher & Smith, Solicitors.

John Eadie, Actuary and Treasurer.

No. 2.

RULES, &c.

I. The gentlemen whose names are prefixed hereto, and any others they may from time to time add to the list, shall be the Patron, Vice-Patrons, and Directors of the Bank, and they shall annually elect thirteen of their own body, with power to appoint their own President, Vice-Presidents, &c., who shall be the Board of Managing Directors for superintending the general business of the Bank; three to be a quorum; and who shall have power to fill up all vacancies, caused by death, removal, or otherwise; but before entering upon the duties of the said office, each of the said Managing Directors, and any officer or servants appointed by them, shall take an oath before one of the Justices of the Peace, for the faithful discharge of the duties of the said office or offices. One at least, of the said Managing Directors, as they may arrange for their own convenience, to be in attendance each day, when the Bank shall be open for its ordinary transactions.

II. A general meeting of the Directors shall be held on the first Monday of the month of February, each year, of which special notice shall be given; and to this meeting the Managing Directors shall make a full report of the transactions of the Bank, state of the funds, securities, &c., for the preceding year, which report, &c., with all minutes of general or special meetings, resolutions of the Board, &c., shall be duly engrossed in the minute book of the institution. The meeting shall then elect a Board of Managing Directors for the ensuing year, and all or any members of the said Board may be re-elected. In all elections, and on every question, motion, or anything submitted to any meeting, whether general, special, or of the Board of Directors, the decision shall be by a majority of votes, each Director having one; and in case of an equality of votes, the presiding officer to give the casting vote, which shall be in addition to his deliberative vote.

III. The Board of Managing Directors shall appoint an Actuary, Treasurer, Agent or Clerks, and any officer or servant they may consider necessary, who shall give good and sufficient security, by bond or bonds, for the just and faithful discharge of the duties of their respective offices; and the Board may, in like manner, withdraw or discharge all or any such appointments; but all proceedings of the Board of Management shall be laid before the general meeting of the Directors.

Appendix
(Q. Q.)

15th July.

IV. The Board of Managing Directors shall be authorized and empowered to call special meetings, when and so often as they may think proper; and such meetings may be called by a requisition, in writing, of any ten of the Directors, delivered to the Actuary, or other officer, or to the Director attending at the Bank, who are hereby required to call the said special meeting, giving seven days' notice of any such meeting.

V. Deposits shall be received from parties themselves, or from the tutors, trustees, &c., of such parties, whose names, residences, occupations, &c., shall be put down in the deposit ledger of the Bank, as the title of the account of the said depositor, at the time of making the first deposit, and a book shall, at the same time, be furnished to the said depositor, having a similar title, and bearing a number corresponding with the number of the folio in the aforesaid deposit ledger, in which the said account shall be kept; and the said first, and all future deposits shall, in like manner, be entered in the books of the Bank, and in the deposit or pass book, at the time the same shall be made, and the Actuary or other officer so receiving and entering the deposit, shall, in all cases, put his initials in the same line with the entry thus made in the said pass book; and this book shall be brought to the office to be filled up, both when a deposit is to be made, and when all or any part of the amount deposited is to be withdrawn; and no money whatever shall be received or paid without the production of this book.

VI. Where depositors, from infirmity, distance, or otherwise, are prevented from attending personally, forms will be given at the office, to be filled up and signed, and which, when so filled up and signed, shall be held as a mandate or letter of attorney, enabling the person therein named to make any deposit for such party, and those who have made a deposit personally, shall not again be required to attend, but may send any future deposit, taking care to send the passbook along with it.

VII. Interest, at the rate of not less than four per cent. per annum, shall be allowed upon all deposits on ten pounds or upwards, from the next lawful day following that upon which such deposit shall be made, until the same shall be required to be withdrawn; and all deposits under ten pounds shall bear interest, at the same rate, from the last day of the month in which the deposit shall be made; but no interest shall be allowed upon any sum deposited under one pound, until, by subsequent deposits, the same shall amount to one pound, or more, when interest will be allowed, from the last day of the current month, in the same way as upon sums under ten pounds, and, in all cases, the interest due upon the amount deposited at the 31st day of December of each year, shall be added to the said principal amount, and shall continue to bear interest in like manner, so long as the same shall be allowed to remain in the Bank.

VIII. The amount of deposit shall not exceed two hundred pounds from any one depositor at any one time, except under special circumstances, of which the Director in attendance or the Actuary shall be the judge, and shall not exceed the sum of five hundred pounds to the credit of any one depositor at any time; but these restrictions shall not apply to deposits made for behoof of any religious or charitable association, or friendly society, who may place their funds in this institution. All demands upon this Bank shall be paid in the Bills of any of the chartered banks of the City; when the sum shall not exceed ten pounds, it will be paid to the individual depositor, immediately upon presenting an order, or upon signing, or putting his or her mark to such

order, in presence of the Actuary, or other officer of the Bank, and of a competent witness, and upon producing the passbook; but for sums exceeding ten pounds, ten day's notice of the intention to withdraw to be given. The interest on the sum or sums thus withdrawn shall be allowed only, and calculated to the day of the date of the notice to withdraw; but the Director in attendance, or the Actuary, may, under special circumstances, dispense with the said notice, but not with the regulation as to interest; and in all cases where the depositor shall not apply personally, an order under his or her hand, (or some one duly authorized by him or her), signed or marked in the presence of the clergyman, or of a magistrate of the place where the said depositor resides, or of any of the Directors of the Bank, must be produced along with the passbook as aforesaid.

IX. The Board of Managing Directors, or the Director in attendance and the Actuary, or other officer, shall be at liberty to decline any deposit that may be tendered to the Bank; and the Board of Directors aforesaid reserve the power to return the amount of any depositor's deposits (with interest to the period of such return) to any or all of the depositors.

X. In case any dispute shall arise betwixt the Board of Managing Directors, or Actuary, or other officer of the Bank, acting for behoof thereof, on the one part, and any individual depositor, or trustee, or mandatory for a depositor, or any person claiming to be heir, representative or executor of a deceased depositor, on the other part, every such dispute or difference shall be submitted and referred to the decision of three members of the Board of Trade, to be named by the Chairman or President thereof for the time being, and whatever award or determination shall be made and pronounced by the said three members of the Board of Trade, shall be conclusive and binding, and final for all parties, and to all intents and purposes, without any appeal whatsoever.

XI. In order that the accounts of receipts and payments may be kept perfectly distinct and separate, and to enable the Board of Managing Directors, or the Director in attendance for the day, more easily to inspect and audit the same, and to ascertain that the money received has been lodged for safe keeping; all moneys received during each day, shall remain untouched, and shall be lodged in the Bank, in which such moneys are authorized to be kept, either on the same day, or when that is impracticable, as soon as the said Bank shall be next opened for ordinary business, and the amount so lodged must correspond with the amount received and entered in the cash book; and the Director for the day shall satisfy himself that such has been done, and in testimony thereof shall put his initials thereto; and for the purpose of answering the demands which may be made upon this institution, the Board of Directors shall, from time to time, set aside such a sum by a cheque upon the said Bank, in the manner hereinafter described, as may be required; and this money shall be kept in the said Bank, in an account to the order of the Actuary, or other officer of this institution, whose duty it is to pay such demands.

XII. The Board of Managing Directors shall open a current account with whichever of the chartered banks of this City shall give the most advantageous terms, into which shall be paid all the moneys received, as described in the preceding article; and when money is required to be drawn therefrom, either for investment in securities or otherwise, such draft or cheque shall be signed by three of the Board of Managing Directors, and countersigned by the Actuary, or other officer.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

XIII. The funds shall be invested in conformity with the provisions of the Act of the Legislature entitled "An Act to encourage the establishment of, and to regulate Savings Banks in this Province."

XIV. It is expressly declared that neither the President, the Vice-President, nor any Trustee, or Director, whether managing, or otherwise, shall derive any salary or emolument, or any pecuniary advantage whatever, from the surplus interest, or other available funds of this institution; but that any such surplus, after paying all expenses of management, shall be appropriated—

First. To provide a reserved fund, to guarantee the institution from any possible loss which may arise from investments, &c.

Second. To increase the rate of interest upon deposits for the current year; and

Third. To contribute to any of the public institutions, or charities, or to such public charitable purposes, as the Directors by a legal majority of votes at a general meeting, may decide upon.

XV. The Bank shall be opened, for all the purposes contemplated, every day in the year, upon which the chartered Banks of the City are open, for the transaction of business, from 9 o'clock till 3; and, in addition thereto, on Monday and Saturday, from 6 o'clock till 8 in the evening.

We certify that this and the three preceding pages contain a true transcript of the Rules and Regulations of the Montreal Provident and Savings Bank. Witness our hands at Montreal, the twenty-seventh day of October, 1841.

(Signed) WM. LUNN, Trustee.
" J. FERRIER, "
" WM. CORMACK.

Extracted from the Book of Rules and Regulations, by

JOHN EADIE,
Actuary and Treasurer.

True copy from the original of record in our office.

DELISLE & BREHAUT,
Clerk of the Peace.

No. 3.

AN AMENDMENT of, and addition to the Rules and Regulations of the Montreal Provident and Savings Bank, adopted at a general meeting of the Patrons, Vice-Patrons, and Directors of the said Institution, in Great St. James Street, in the City of Montreal, this fourth day of May, one thousand eight hundred and forty-eight.

As it has been found inconvenient in the management of the affairs of the Montreal Provident and Savings Bank, that the whole number of thirteen Managing Directors should be, and act as Trustees of the property of the Institution, henceforth so soon as the number of Trustees hereafter mentioned in this Rule, shall have been completed, the President and Vice-Presidents shall be the Trustees of the said Institution, and shall be known, styled and called the Trustees of the Montreal Provident and Savings Bank, and shall be as such in virtue of this Rule, vested with all the property and rights of the said Institution, of whatsoever nature, and shall have all the powers, rights and capacities intended to be vested in the Trustees of any Savings Bank, by the Statute 4 and 5 Vict., cap. 32, and any other Statute or Law in force, or hereafter to be in force in this Province, relating to Savings Banks; and their

Appendix
(Q. Q.)

15th July.

powers, authorities, capacities and functions shall be separate and distinct from those of the Managing Directors, to whose general controul they shall nevertheless be subject; and all rules and regulations of this Institution heretofore made, in so far as repugnant to, or inconsistent with this rule, are repealed and altered. The President shall at all times be considered, for the purpose of making any *acte, deed, instrument, transfer, conveyance, or endorsement*, the duly authorized agent and organ of the said Institution, and of the said Trustees; and his signature as President, shall in all cases bind as well the said Institution, as all other party or parties to the transaction, *acte, deed, or instrument*; provided always, that in the absence from the City of the President, the signature of either of the Vice-Presidents shall be of equal force and validity as that of the President.

It is an express condition on which every deposit shall hereafter be received by the said Institution, that on the event of the depositor or the depositors dying, or becoming incapable of exercising his, her, or their civil rights, or being absent, and no news being heard from him, her or them for the space of three years, the Treasurer, Actuary or Clerk of the said Institution, having the custody of the funds thereof, may, and is authorised to pay all the funds at the credit of such depositor or depositors respectively, to such person or persons as the President for the time being shall be of opinion is or are then the legal representative or representatives of the person or persons so dying, becoming incapable of exercising his, her, or their civil rights, or being absent as aforesaid; which opinion shall, before the payment of any such money, be reduced to writing, and placed in the hands of such Treasurer, Actuary or Clerk.

Entered in the minute book of the Institution, and certified to be a true and correct copy.

(Signed,) W. MORRIS, Trustee.
President P. and S. B.
J. REDPATH, V. P. and Trustee.
JOHN EADIE, Actuary.

True copy from the original record in our office.

DELISLE & BREHAUT,
Clerk of the Peace.

No. 4.

RULES AND REGULATIONS of the Montreal Provident and Savings Bank.

Patron:

His Excellency the Governor General.

Vice Patrons:

Mr. Chief Justice Rolland, Mr. Justice Pyke, Mr. Justice Gale, the Reverend the Clergymen of this City of all denominations.

Directors:

Hon. P. McGill,	Dr. Campbell,
Hon. Adam Ferrie,	John Dougall,
Hon. Austin Cuvillier,	William Dow,
Benjn. Holmes, M. P. P.,	J. G. Dinning,
Dr. McCulloch,	Hon. James Ferrier,
T. B. Anderson,	J. M. Ferris,
Dr. Arnoldi, Junior,	Moses J. Hayes,
Robert Armour,	J. M. Joseph,
J. T. Brondgeest,	Thomas Kay,
Stanley Bagg,	William Lunn,
J. D. Bernard,	Richard Lotham,
Walter Benny,	John Mathewson,
Wm. Bradbury,	Donald Murray,
Wm. McIntosh,	William Murray,

Appendix
(Q. Q.)

15th July.

William Molson,
John Blackwood,
Thomas Cringan,
William Cormack,
James Court,
Hon. James Smith,
Dr. Smith,
C. D. Shaw,
John Torrance,

John Redpath,
C. S. Rodier, Advocate,
Joseph Shuter,
James Scott,
John Smith,
David Torrance,
John Try,
Henry Vennor,
J. B. Wragg, Esquires.

Board of Managing Directors:
Hon. William Morris, President.

Hon. James Ferrier, John Redpath, Esquire,
Vice-Presidents.

William Lunn,
John Torrance,
John Mathewson,
William Murray,
Thomas Kay,

William Dow,
George Elder, Junior,
Hew Ramsay,
John Leeming, Esquires,
Hon. Wm. Badgley.

Charles Freeland, Actuary and Treasurer.

RULES, &c.

All former rules and regulations for the government of the said Bank, previous to the date hereof, are hereby revoked and rescinded.

The gentlemen whose names are prefixed hereto, and any others they may from time to time add to the list, shall be the Patron, Vice Patrons and Directors of the Bank, and they shall annually elect thirteen of their own body, with power to appoint their own President, Vice Presidents, &c., who shall be the Board of Managing Directors, for superintending the general business of the Bank, three to be a quorum, and who shall have power to fill up all vacancies caused by death, removal or otherwise; but before entering upon the duties of the said office, each of the said Managing Directors, and any officer or servant appointed by them, shall take an oath, before one of the Justices of the Peace, for the faithful discharge of the duties of the said office or offices; one, at least of the said Managing Directors, as they may arrange for their own convenience, to be in attendance each day, when the Bank shall be open for its ordinary transactions.

A general meeting of the Directors shall be held on the first Monday of the month of February, each year, of which special notice shall be given; and to this meeting the Managing Directors shall make a full report of the transactions of the Bank; state of the funds, securities, &c., for the preceding year; which report, &c., with all minutes of general or special meetings, resolutions of the Board, &c., shall be duly engrossed in the minute book of the institution. The meeting shall then elect a Board of Managing Directors for the ensuing year, and all, or any member of the said Board, may be re-elected. In all elections, and on every question, motion, or anything submitted to any meeting, whether general, special, or of the Board of Directors, the decision shall be by a majority of votes, each Director having one; and in case of an equality of votes, the presiding officer to give the casting vote, which shall be in addition to his deliberative vote.

The Board of Managing Directors shall appoint an Actuary, Treasurer, Agent or Clerks, and any officer or servant they may consider necessary, who shall give good and sufficient security, by bond or bonds, for the just and faithful discharge of the duties of their respective offices; and the Board may, in like manner, withdraw or discharge all or any such appointments; but all proceedings of the Board of

Management shall be laid before the general meeting of the Directors.

The Board of Managing Directors shall be authorized and empowered to call special meetings, when and so often as they shall think proper, and such meetings may be called by a requisition, in writing, of any ten of the Directors, delivered to the Actuary, or other officer, or to the Director attending at the Bank, who are hereby required to call the said special meeting, giving seven days' notice of any such meeting.

Deposits shall be received from parties themselves, or from the tutors, trustees, &c., of any such parties, whose names, residences, occupations, &c., shall be put down in the deposit ledger of the Bank, as the title of the account of the said depositor, at the time of making the first deposit; and a book shall, at the same time, be furnished to the said depositor, having a similar title, and bearing a number corresponding with the number of the folio in the aforesaid deposit ledger, in which the said account shall be kept; and the said first and all future deposits shall, in like manner, be entered in the books of the Bank, and in the deposit or pass book, at the time the same shall be made, and the Actuary or other officer so receiving and entering the deposit shall, in all cases, put his initials in the same line with the entry made in the said pass book; and this book shall be brought to the office to be filled up, both when a deposit is to be made, and when all, or any part of the amount deposited is to be withdrawn; and no money whatever shall be received or paid without the production of this book.

Where depositors, from infirmity, distance, or otherwise, are prevented from attending personally, forms will be given at the office, to be filled up and signed, and which, when so filled up and signed, shall be held as a mandate or letter of attorney, enabling the person therein named to make any deposit for such party; and those who have made deposit personally, shall not again be required to attend, but may send any future deposit, taking care to send the passbook along with it.

Interest at the rate of not less than four per cent. per annum shall be allowed upon all deposits of ten pounds or upwards from the next lawful day following that upon which such deposit shall be made, until the same shall be required to be withdrawn; and all deposits under ten pounds shall bear interest at the same rate, from the last day of the month in which the deposit shall be made; but no interest shall be allowed upon any sum deposited under one pound until, by subsequent payments, the same shall amount to one pound or more, when interest will be allowed from the last day of the current month, in the same way as upon sums under ten pounds; and in all cases the interest due upon the amount deposited at the 31st day of December of each year, shall be added to the said principal amount, and shall continue to bear interest in like manner, so long as the same shall be allowed to remain in the Bank.

The amount of deposit shall not exceed two hundred pounds from any one depositor, at any one time, except under special circumstances, of which the Director in attendance or the Actuary shall be the judge, and shall not exceed the sum of five hundred pounds to the credit of any depositor at any time; but these restrictions shall not apply to deposits made for behoof of any religious or charitable association, or friendly society who may place their funds in this institution. All demands upon this Bank shall be paid in the bills of any of the chartered banks of the City. When the sum shall not exceed ten pounds it will be paid to the individual depositor immediately upon presenting an order, or upon signing or putting his or her

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

mark to such order, in presence of the Actuary or other officer of the Bank, and of a competent witness, and upon producing the pass book; but for sums exceeding ten pounds, ten days' notice of the intention to withdraw to be given. The interest on the sum or sums thus withdrawn shall be allowed only and calculated to the day of the date of the notice to withdraw; but the Director in attendance or the Actuary may, under special circumstances, dispense with the said notice, but not with the regulation as to interest; and in all cases where the depositor shall not apply personally, an order, under his or her hand, (or some one duly authorized by him or her), signed or marked in the presence of the clergyman, or of a magistrate of the peace, where the said depositor resides, or of any of the Directors of the Bank, must be produced along with the passbook as aforesaid.

The Board of Managing Directors, or the Director in attendance, and the Actuary, or other officers shall be at liberty to decline any deposit that may be tendered to the Bank, and the Board of Directors aforesaid reserve the power to return the amount of any deposit or deposits, (with interest to the period of such return,) to any or all of the depositors.

In case any dispute shall arise betwixt the Board of Managing Directors, or Actuary, or other officer of the Bank, acting for behoof thereof, on the one part, and any individual depositor, or trustee, or mandatory for a depositor, or any person claiming to be heir, representative, or executor of a deceased depositor on the other part, every such dispute or difference shall be submitted and referred to the decision of three members of the Board of Trade, to be named by the Chairman, or President thereof, for the time being, and whatever award or determination shall be made and pronounced by the said three members of the Board of Trade, shall be conclusive and binding, and final for all parties, and to all intents and purposes, without any appeal whatsoever.

In order that the accounts of receipts and payments may be kept perfectly distinct and separate, and to enable the Board of Managing Directors, or the Director in attendance for the day, more easily to inspect and audit the same, and to ascertain that the money received has been lodged for safe keeping, all moneys received during each day, shall remain untouched, and shall be lodged in the Bank in which such moneys are authorized to be kept, either on the same day, or, when that is impracticable, as soon as the said Bank shall be next opened for ordinary business; and the amount so lodged must correspond with the amount received and entered in the cash book, and the director for the day shall satisfy himself that such has been done, and in testimony thereof shall put his initials thereto; and for the purpose of answering the demands which may be made upon this institution, the Board of Directors shall, from time to time, set aside such a sum by cheque upon the said Bank, in the manner hereinafter described, as may be required; and this money shall be kept in the said Bank in an account to the order of the Actuary, or other officer of this institution, whose duty it is to pay such demands.

The Board of Managing Directors shall open a current account with whichever of the chartered Banks of this city shall give the most advantageous terms, into which shall be paid all the moneys received, as described in the preceding article, and when money is required to be drawn therefrom, either for investment in securities or otherwise, such draft or cheque shall be signed by three of the Board of Managing Directors, and countersigned by the Actuary or other officer.

The funds shall be invested in conformity with the provisions of the Act of the Legislature intituled

“ An Act to encourage the establishment of, and to regulate Savings Banks in this Province.”

It is expressly declared that neither the President, Vice-Presidents, nor any trustee or director, whether managing or otherwise, shall derive any salary, or emolument, or any pecuniary advantage whatever, from the surplus interest or other available funds of this institution, but that any such surplus, after paying all expenses of management, shall be appropriated, First—to provide a reserve fund to guarantee the institution from any possible loss which may arise from investments, &c. Second—to increase the rate of interest upon deposits for the current year; and third—to contribute to any of the public institutions or charities, or to such public charitable purposes, as the Directors, by a legal majority of votes, at a general meeting, may decide upon.

The Bank shall be open, for all the purposes contemplated, every day in the year upon which the chartered Banks of the city are open, for the transaction of business, from nine o'clock till three, and in addition thereto, on Monday and Saturday, from six o'clock till eight in the evening.

As it has been found inconvenient in the management of the affairs of the Montreal Provident and Savings Bank that the whole number of thirteen managing Directors should be, and act as Trustees of the property of the institution, henceforth so soon as the number of Trustees hereafter mentioned in this rule, shall have been completed, the President and Vice-Presidents shall be Trustees of the said institution, and shall be known, styled, and called the Trustees of the Montreal Provident and Savings Bank, and shall be as such, in virtue of this rule, vested with all the property and rights of the said institution of whatsoever nature, and shall have all the powers, rights, and capacities intended to be vested in the Trustees of any Savings Bank, by the statute 4 and 5 Vict. chap. 32, and any other statute or law in force, or hereafter to be in force in this Province relating to Savings Banks; and their powers, authorities, capacities, and functions shall be separate and distinct from those of the managing Directors, to whose general controul they shall nevertheless be subject, and all rules and regulations of this institution heretofore made in so far as repugnant to, or inconsistent with this rule, are repealed and altered. The President shall at all times be considered, for the purpose of making any *acte*, deed, instrument, transfer, conveyance or endorsement, the duly authorized agent and organ of the said institution, and of the said Trustees; and his signature as President shall in all cases bind as well the said institution as all other party or parties to the transaction, *acte*, deed, or instrument, provided always that in the absence from the City of the President, the signature of either of the Vice-Presidents shall be of equal force and validity as that of the President.

It is an express condition on which every deposit shall hereafter be received by the said institution that in the event of the depositor or depositors dying or becoming incapable of exercising his, her, or their civil rights, or being absent and no news being heard from him, her or them for the space of three years, the Treasurer, Actuary or Clerk of the said institution having the custody of the funds thereof, may, and is authorised to pay all the funds at the credit of such depositor or depositors respectively, to such person or persons as the President for the time being shall be of opinion is or are then the legal representative or representatives of the person or persons so dying, becoming incapable of exercising his, her or their civil rights, or being absent as aforesaid, which opinion shall, before the payment of any such money be reduced to writing, and placed in the hands of such Treasurer, Actuary or Clerk.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

We certify that this and the two preceding pages contain a true transcript of the rules and regulations of the Montreal Provident and Savings Bank as sanctioned this day. Witness our hand at the City of Montreal this twenty-eighth day of October, in the year of our Lord, one thousand eight hundred and forty eight.

(Signed) J. REDPATH, Trustee.

(Signed) J. FERRIER, Trustee.

(Signed) CHAS. FREELAND, Actuary.

True copy from the original of record in our office.

DELISLE & BREHAUT,
Clerk of the Peace.

APPENDIX B

(Copy.)

No. 66.

DOWNSING STREET,
11th February, 1842

SIR,—I have had under consideration, an Act passed by the Legislature of Canada, during their late session, for the regulation of Savings Banks in the Province, and I have to call your attention to the following observations upon it :

This Act, like the Act for regulating Savings Banks in this country, states in its preamble, that it is expedient to give protection to institutions established for the safe custody and increase of small savings belonging to the industrious classes of Her Majesty's subjects, but there is no limit either as to the annual amount to be invested, (which in this country is limited to £30 per annum), or to the total amount to be deposited (which in this country is limited to £150.) but in Section 12th, it is enacted : "That the Trustees shall not receive as a deposit for the use and benefit of Depositors, any larger sum than £500, at the same time, if any one Depositor other than a religious or charitable Corporation," so that under this clause a party might invest thousands, provided he did not pay in more than £500 at the same time.

The mode of investment by the Trustees, according to section 9th, is objectionable, in not confining such investment to the Government security of the Province.

The Act does not contain any limit as to the amount of interest to be paid to Depositors, which is the case in England, though it provides that the surplus profits may under certain restrictions be appropriated to charity.

The institutions by the Act are placed under the management of a Treasurer, Trustees and Managers, who are to act gratuitously ; but it provides that before they undertake the office, each of them shall take an oath for the faithful discharge thereof. This provision is very unusual and objectionable, as well as a subsequent clause which obliges the Treasurer, Trustees and Managers, or the major part of them, to swear to the correctness of their annual accounts.

The Act, as it is at present framed, does not appear to be calculated to carry into effect the establishment of Savings Banks as they exist in this country, the provisions being much more applicable to a Joint Stock Investment Company ; and though in drawing the present Act, reference has certainly been made to the Acts for regulating Savings Banks

in this country, yet the spirit and intentions of them seem to me to be overlooked, and several important clauses omitted.

I am aware that much depends on the manner in which the Rules and Regulations may be drawn, but I am nevertheless of opinion, that in its present form, this Act is not calculated to establish Savings Banks in the Province on a satisfactory foundation. You will therefore invite the Legislature to consider the objections above stated and Her Majesty's decision on the Act will be suspended until I shall have learnt the result of their deliberations.

I have, &c.,

(Signed)

STANLEY.

The Right Hon. Sir Charles Bagot,
&c., &c., &c.

APPENDIX C.

(Copy.)

PROVIDENT AND SAVINGS BANK,
MONTREAL, 14th October, 1843.

DEAR SIR.—At a meeting of the Board of Managing Directors of this Institution, held on the 4th instant, Mr. Redpath read an extract of a letter he had received from you, in which you mentioned having seen in the Secretary's office a despatch from Lord Stanley, expressing disapprobation of the Act of the Provincial Legislature, under which this Bank was established and has been conducted, and also with the proceedings of the Bank itself in respect to various particulars, some points of which had been the subject of discussion at the Board on former occasions. After some conversation, the gentlemen present deemed it a matter of too much importance to be then decided upon ; and, after requesting Mr. Redpath to communicate their sentiments to you, they ordered a special meeting to be called for the purpose of giving it due consideration : to be held on the 10th, and which was adjourned till the following day. I have now to transmit to you a detail of their views, which I shall endeavour to do as succinctly and as concisely as possible. The Board directed a copy of the Rules and Regulations of the Bank ; a statement of its funds, &c. ; and a *catalogue raisonné* of the depositors, to be made out for your information and guidance, which I transmit herewith. The two latter of these documents shew, what you have always been aware of, that the institution has thriven beyond all expectation ; and being, as is known also to you, in considerable estimation with the public, it will require to be cautiously dealt with, as any organic change, by which its progress might be impeded, or its interests and usefulness impaired, would be viewed with great jealousy and displeasure by those who are now its warm friends and supporters. It has long been the feeling of most of the Directors, that, by admitting such large sums in deposit as the Act authorizes, and the Bank has been in the practice of receiving, opportunity is afforded for parties to make use of the Bank, for whom, or their purposes, this and similar institutions were never intended. Yet, as these large deposits have been mainly instrumental in enabling the Directors, from its very commencement, to defray all the expenses of its establishment and management, and to have a surplus fund at an early period, they also feel that any great and especially any sudden diminution of their amount, would operate very injuriously. It must not be overlooked that these amounts, however useful they have been for the above purpose, compelled the Directors to invest, to a much larger extent than would otherwise have been required, in Bank

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)
15th July.

stock and other securities, at a period when the premium upon them was very high; and if such alterations be introduced into the Regulations as will occasion the sudden withdrawal of many of these deposits, such an amount of securities will be thrown upon the market as cannot fail (now that there are four of them above par) still further to reduce their value, and be attended with great loss to the institution, as well as to all parties holding such investments. You will perceive, from the statement now sent, that the expenses amount at present for salaries, rent, fuel, stationery, advertising, &c., to upwards of £600, and may be estimated for the future at some increase, say £750 per annum. In addition to this, having no investment in Canada similar to the British Funds, the Directors have all along seen the necessity of having a Contingent fund to guarantee to the depositors the investments which they were obliged to make. Accordingly, so far back as the 4th February, 1843, upon an application being made by a charitable institution for a donation, the Board resolved, that, for the better security of the depositors, no division of the surplus funds of this institution shall take place, nor increase of the rate of interest be allowed, until there be a clear surplus of £5000. At this moment, the rate of interest upon money permanently invested cannot be estimated beyond the legal rate of 6 per cent. and the interest on current account with any Bank in which the funds may be placed for safe keeping, at more than (if so much as) three; hence, supposing that such investment as the Legislature may deem necessary, do not diminish the amount of depositors as exhibited in the statement herewith, the following will be the result at the end of the year:—

Average amount of deposits, from 1st January, 1843, to 30th Sept., £53,000: which, at the rates at which the investments were made, will yield about 6½ per cent.,.....	£2583	
Amount as at present £66,000 for 3 months, at 6 per cent.,.....	990	
Amount of interest to be received, supposing that all the funds are invested,	3573	
As all the funds were not invested, there must be deducted for the floating balance of £3000, or so. Cir.	£90	
Carried up.....	£00	£3573

Appendix
(Q. Q.)
15th July.

Brought up.....	£00	£3573
Nine months' interest due to depositors on £5300 as above, at 4 per cent.,	1590	
Three months' in like manner upon £6600, at 4 per cent.,	600	
Expenses this year,	600	2940
Surplus to go towards forming the Contingent fund,		£633

From this it is obvious that an amount of deposits equal to the present, namely £66,000, is not more than will be necessary to enable the Bank to pay the rate of interest now allowed, and to provide for any loss upon, or fall in the value of its investments.

But, in order to obviate the objection which has been taken to the magnitude of the deposits which the present regulation permits, and to disturb, as little as possible, matters as they now exist, the Directors propose that the following Regulations should be adopted, to come into operation on the 1st January next.

1. That the maximum to be received from any depositor should be £250, instead of £500 as at present.

2. That upon all deposits, the aggregate of which shall not exceed £100, the interest of 4 per cent. at present allowed shall be continued; but that where the aggregate exceeds that amount, 3 per cent. only to be allowed.

In conclusion, the Board have exacted such securities from the Actuary and Assistant Actuary, and have put in practice such a system of checks upon the business of the office as in their opinion will ensure the fidelity of the management; they, however, are anxious in this, as in all other respects, to adopt as far as possible all and every suggestion, or rule, which the Legislature in its wisdom may think fit to enact.

Respectfully submitting these views and observations for your consideration, and in the hope that they may be of use in preparing any measure that may be brought forward on the subject,

I remain, &c.,

(Signed,) WM. LUNN.

To Benjamin Holmes, Esq.,
M. P. P.,
&c., &c., &c.

APPENDIX D.

ANNUAL STATEMENTS of Montreal Provident and Savings Bank to 31st December of each year.

1842.

The number of accounts opened from the commencement, has been 1319, and the total amount deposited, is	£82823	14	7
During the same period 385 accounts have been closed. There has been withdrawn the sum of	41216	0	4
Leaving a balance due to 934 depositors, of	£41607	14	3
And adding the interest accruing thereon, of	1321	6	5
Makes a total amount due to the said depositors, of	£42929	0	8

Of these 934 depositors there are,—

Having balances not exceeding.....	£1	...	...	68
"	5	...	...	117
"	10	and not exceeding	10	132
"	20	"	20	172
"	50	"	50	235
"	100	"	100	102
"	200	"	200	53
"	300	"	300	33
"	400	"	400	7
"	500	"	500	15

Appendix
(Q. Q.)
15th July.

Appendix
(Q. Q.)
15th July.

That of the whole number of depositors, there are 826, whose individual deposits are under £100, and 108 whose deposits exceed that sum.

The balance of deposits is as above stated, and including interest	£42929	0	8		
The interest arising from Dividends from stock, interest on Loans &c., amounts altogether, to	£2722	15	0		
Out of which fell to be placed the interest due to the depositors per deposit Ledger	£1321	6	5		
Proportion of the expenses of the Institution, Stationery, &c.	166	17	0		
Wear and tear of the Furniture	10	8	5		
And the Salary allowed to the Actuary, viz:—£300 per annum, from the 1st August, 1841.	425	0	0		
		1923	11	10	
Leaving a surplus on the interest account, after paying the current expenses, of ...			799	3	2
Which together form the debit, or charge of the Bank account, at the above date			43728	3	10

Disposal of this Fund as under, forming the credit or discharge :

Montreal Road Loan	£2800	0	0	
Montreal Harbour Loan and Dredging Machine	1205	0	0	
Chambly Road Loan	5000	0	0	
		9005	0	0
Montreal Bank Stock, for cost of 309 old shares	16695	0	0	
10 per cent., on 114 New Shares	570	0	0	
		17265	0	0
City Bank Stock, for cost of 194 shares		4834	10	0
Gore Bank Stock, for cost of 80 shares		990	2	0
Stock of Bank of British North America, for cost of 12 shares		634	16	6
Loan to the Corporation of the City of Montreal, per Bond		3000	0	0
Sundry Loans upon mortgage and personal security		4783	7	3
Interest upon Loans, &c., to the 31st December, not payable till 1843		762	12	9
Office Furniture, cost £50 8 0, valued at		40	0	0
Expense account for expenses incurred beyond what is applicable to the past year		83	7	0
Cash balance in Bank of Montreal, and in Actuary's hands		2929	9	4
		£43728	3	10

By order of the Board.

(Signed,)

JOHN EADIE,
Actuary and Treasurer.

1843.

The number of accounts opened from the commencement in October, 1841,

to the 31st December 1842, was	1319			
And the amount deposited		£84145	1	0
The number during 1843 has been	1053			
And the amount of deposits (in both cases,) including interest		£91052	9	4
Making since the commencement	2372 depositors,			
And an amount of		£175197	10	4
In the first period there were closed	385 accounts,			
And withdrawn		£41216	0	4
And in last year there have been closed	628 accounts,			
And withdrawn		£64139	16	4
		105355	16	8
Leaving a balance due to 1359 depositors, of		£69841	13	8

Of these 1359 depositors, there are,—

Having balances not exceeding	£1		95	
“	5		163	
“	5 and not exceeding	10	185	
“	10	“	20	260
“	20	“	50	298
“	50	“	100	159
“	100	“	200	113
“	200	“	300	48
“	300	“	400	14
“	400	“	500	24

That of the whole number of depositors there are 1160, whose individual deposits are under £100, and 199 whose deposits exceed that sum.

The balance of Deposits is as above stated, and including interest	£69841	13	8		
The interest arising from dividends on Stock, interest on Loans, &c., amounts altogether, to	£4010	1	5		
Out of which fell to be placed, the interest due to the depositors per deposit ledger	£2146	5	0		
Expenses of the Institution, Stationery, Rent, &c., &c	330	13	11		
Salary allowed to the Actuary and Assistant Actuary for 1843	333	6	8		
		2810	5	7	
Leaving a surplus on the interest account, after paying the current expenses, of			1199	15	10
Which together, form the debit or charge of the Bank account at the above date			£71041	9	6

Appendix
(Q. Q.)
15th July.

Appendix
(Q. Q.)
15th July.

Disposal of this Fund as under, forming the Credit or Discharge :								£	s.	d.	£	s.	d.	£	s.	d.
Montreal Road loan	...	...	...	...	...	...	9400	0	0							
Montreal Harbour	...	...	...	...	...	...	5326	0	0							
Chambly Road	...	...	...	...	...	...	5250	0	0				19976	0	0	
Montreal Bank Stock	...	...	...	...	...	...	22495	0	0							
City Bank	"	...	...	...	...	...	4932	10	0							
Gore do	"	...	...	...	...	...	990	2	0							
B. N. A., Bank	"	...	...	...	...	...	1228	11	0				29646	3	0	
Loan to the Corporation	...	...	...	...	...	...							3480	7	0	
Loans on Bills and Security :																
Loans on Bank Stock, &c.	...	...	...	...	...	...							1671	8	0	
Loans on Mortgages, &c.	...	...	...	...	...	...							13732	3	6	
Office Furniture	...	...	...	...	...	...							53	9	0	
Interest due, and at debit P. C., but to be paid in 1844	...	...	...	...	...	...							1127	15	1	
Balance in Bank of Montreal, and in Cash Box	...	...	...	...	...	...							1454	3	11	
													<u>£71041 9 6</u>			

By order of the Board,

(Signed,)

JOHN EADIE,
Actuary and Treasurer.

1844.

The number of accounts opened from the commencement in October 1841 to 31st December 1842, was	...	...	...	...	...	...	1319									
And the amount deposited	...	...	...	...	...	...							£84145	1	0	
The number during 1843, was	...	...	...	...	...	...	1000									
And the amount deposited	...	...	...	...	...	...							91052	9	4	
The number during 1844 has been	...	...	...	...	...	...	1209									
And the amount of Deposits in all cases (including interest)	...	...	...	...	...	...							132696	17	9	
Making since the commencement	...	...	...	...	...	...	3528	depositors,								
And an amount of	...	...	...	...	...	...							307894	8	1	
In the first period, there were closed	...	...	...	...	...	...	385	accounts,								
And withdrawn	...	...	...	...	...	...						41216	0	4		
In 1843 there were closed	...	...	...	...	...	...	570									
And withdrawn	...	...	...	...	...	...						64139	16	4		
And in the last years there have been closed	...	...	...	...	...	...	543									
And accounts withdrawn	...	...	...	...	...	...						100273	14	9		
													<u>205629 11 5</u>			
Leaving a Balance due to 2030 depositors of	...	...	...	...	...	...							£ 102264	16	8	

Of these 2030 depositors, there are, :—

Having balances under	...	...	...	...	...	...	£5	358
" of	...	...	...	...	...	5	and not exceeding	10 254
" "	...	...	...	...	...	10	"	20 340
" "	...	...	...	...	...	20	"	50 517
" "	...	...	...	...	...	50	"	100 248
" "	...	...	...	...	...	100	"	200 182
" "	...	...	...	...	...	200	"	300 85
" "	...	...	...	...	...	300	"	400 21
" "	...	...	...	...	...	400	"	500 10
" "	...	...	...	...	...	500	"	15

2030

That of the whole number of depositors there are 1717, whose individual deposits are under £100, and 313 whose deposits exceed that sum.

The balance of deposits as above stated, and including interest,	...	...	...	...	...	...							102264	16	8	
The interest arising from Dividends on Stock, Interest on Loans, &c., amounts altogether, to	...	...	...	...	...	...						6149	7	1		
Out of which fell to be paid the interest due to the depositors per deposit,	...	...	...	...	...	...				
↳ Ledger	...	...	...	...	...	...	3247	9	4							
Expenses of the Institution, Stationery, Rent, &c.	...	...	...	...	...	...	210	11	4							
Salary allowed to the Actuary and Assistant	...	...	...	...	...	...	525	0	0	3983	0	8				
													<u>2166 6 5</u>			
Leaving a surplus on the interest account, after paying the current expenses, of	...	...	...	...	...	...				
Which together, form the debit or charge of the Bank account at the above date	...	...	...	...	...	...							£ 104431	5	1	

Disposal of this fund, as under, forming the credit or discharge :

Bank Stock, viz :

Montreal	...	...	...	...	...	...	22495	0	0							
City	...	...	...	...	...	...	10082	10	0							
Gore	...	...	...	...	...	...	1382	2	0							
B. N. America	...	...	...	...	...	...	1228	11	0							
Upper Canada	...	...	...	...	...	...	636	17	6							
Banque du Peuple	...	...	...	...	...	...	495	0	0							
													<u>£36320 0 6</u>			
Carried over,	...	...	...	...	...	...				

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

		Cr.	£ s. d.	£ s. d.
By Bank stock, cost and interest	38973 3 8	
By ditto held in security for loans made to sundry by the Bank	4545 18 8	
				43518 16 11
By Road, Harbour, and Canal debentures, cost and interest	24972 19 0	
By ditto held in security for loans to various parties	5316 17 9	
				30289 16 9
By Corporation of the City of Montreal bonds, held by the Bank with interest	6738 14 0
By loans on mortgage of real estate, with personal security, with interest	52962 19 6
By office furniture, cost	56 19 6
By cash on hand	320 13 7
				<u>£ 138887 19 9</u>

By order of the Directors,
(Signed,)

JOHN EADIE,
Actuary and Treasurer.

1846.

The number of accounts opened from the commencement, 1st October, 1841, to 31st December, 1845, was	...	4878		
And the amount deposited during the same period, was	...	...	459867 12 6	
The number during 1846 has been	...	1358		
And the amount of deposits	...	...	177663 5 7	
Total amount of depositors	...	6236	and of deposits	<u>£ 637530 18 1</u>
The number of accounts closed from 1st October, 1841, to 31st December, 1845, was	...	2309		
And the amount withdrawn during the same period	...	...	329946 1 11	
The number during 1846 has been	...	807		
And the amount withdrawn	...	...	151401 11 1	
Total of accounts closed	...	3116	and amount withdrawn	<u>481347 13 0</u>
Leaving of depositors	...	3120	in number	
And a balance of (in all cases including interest)	...	...		<u>£ 156183 5 1</u>

Of these 3120 depositors there are,—

Having balances not exceeding	...	£1	...	401
"	...	5	...	298
Having balances of	...	5 and not exceeding	10	317
"	...	10	"	478
"	...	20	"	331
"	...	50	"	406
"	...	100	"	225
"	...	200	"	85
"	...	300	"	26
"	...	400	"	53
				<u>3120</u>

Of the whole, there are about one half whose balance does not exceed £20—and those whose amounts do not exceed £100 are 2731, or nearly nine-tenths of the depositors.

The Provident and Savings' Bank of Montreal, being the balance at 31st December, 1846.

		Dr.	£ s. d.
Amount due to depositors per statement of 31st December, 1845	...	...	129921 10 7
To amount deposited in 1846	...	171802 16 3	
To interest paid to depositors during the year, or placed to their credit, 31st December, 1846	...	5860 9 4	
		177663 5 7	
Amount withdrawn during the year	...	151401 11 1	
Increase during 1846	...	...	26261 14 6
To amount due to depositors 31st December, 1846	...	...	156183 5 1
To amount of Reserve or Guarantee Fund per statement of 31st December, 1845	...	...	3966 6 8
To amount of interest account	...	8632 7 10	
Credited to depositors	...	£5860 9 4	
Expenses of management, including the fitting up of the new office, rent, assessment, salary of the Actuary and assistants, &c., &c.	...	1319 13 4	
		7180 2 8	
Profit on interest this year, after paying all expenses	...	...	1352 5 2
To amount of reserve or guarantee fund at this date	...	...	5318 11 10
			<u>£161501 16 11</u>

Appendix (Q. Q.)

15th July.

The Provident and Savings Bank of Montreal, being the balance at 31st December, 1847,

Appendix (Q. Q.)

15th July.

Dr.		£ s. d.	£ s. d.	£ s.
Amount due to depositors per statement of 31st December, 1846	...		156183 5 1	
Amount deposited in 1847	...	264286 10 6		
Interest paid to depositors during the year, or placed to their credit, 31st December, 1847	...	8972 2 7		
		<u>273258 13 1</u>		
Amount withdrawn during the year	...	218528 11 11		
Increase during 1847	...		54730 1 2	
Amount due to depositors this date	...			210913 6 3
Amount of reserve or guarantee fund at 31st December 1846	...		5318 11 10	
Balance at credit of interest account after deducting the £8972 2 7	...	2372 0 4		
Expenses of management, rent, taxes, stationery, advertising &c., &c.	386 10 0			
Salaries of the Actuary, Tellers and Accountant	915 11 6	1302 1 6		
Profit on interest after paying all expenses	...		1069 18 10	
Amount of reserve or guarantee fund at this date	...			6388 10 8
				<u>£217301 16 11</u>

Cr.

Bank Stock of the different Banks in the Province, property of the Bank, cost and interest	46754 19 8			
Loans to various parties upon Stock of the same Banks, transferred in security	7540 2 4			
				54295 2 0
Provincial Debentures, the property of the Bank	10270 14 8			
Loans on the security of do., to various parties with security	2183 1 5			
				12453 16 1
Road, Canal, Harbour and other Debentures, having the security of the Province, the property of the Bank	26366 5 6			
Loans on the security of the same	848 19 2			
				27215 4 8
Corporation of the City of Montreal Bonds, including St. Ann's Market and Water Works, cost and interest	7462 0 0			
Loans on the transfer of the same description of bonds with personal security	3914 13 6			
				11376 13 6
Railway Stocks, viz: Lachine and St. Lawrence and Atlantic Companies	1416 2 3			
Loans on the security of do., guaranteed by personal security	384 0 0			
				1800 2 3
Gas and Telegraph Stock, held by the Bank or in security as before	...			632 2 9
Loans to churches, chapels, schools, Insurance Company and to other corporate bodies, with, in no case, less than two personal securities	...			31854 13 7
Loans on personal security with mortgage on real estate as collateral security, in all cases, not less than two sufficient names	...			70950 9 9
By office furniture	...			167 14 1
By cash in Bank of B North America and cash box	...			6555 18 3
				<u>£217301 16 11</u>

By Order of the Board.

APPENDIX E.

List of Depositors of Sums over £500 at the time of the Suspension of the Savings Bank viz: 14th July, 1848.

	£ s. d.	Brought forward,	£
Agnes Jackson	750 0 0	...	10562 14 1
John Rowand	703 9 9	Robert Kirkup	516 1 8
Thomas Nixon	562 15 0	Isabella Kirkup	516 1 8
Mr. H. Gault £598 7 3	603 7 3	Edward Dunmoody	605 0 5
Col. Wilgress	1319 3 8	Robert Langwill (St. Jerome)	565 9 7
E P Wilgress	1000 0 0	Thomas Thomson	519 17 6
Colin McFarlane (St. John)	515 0 4	George Kains	1303 13 9
James Rigney	650 0 0	James Gillard (Laprairie)	795 7 7
Charles Whitlock (Vaudreuil)	538 16 3	And. P. Tipson	640 0 0
George McDonnell	750 0 0	Benjamin Hall	575 4 5
H. C. Todd	625 0 0	James Porteous	2091 12 9
Eliza M. Easton	605 11 7	Duncan Finlayson (Lachine)	993 16 11
Robert Woods	746 0 0	William Clarke	527 2 9
Mathew Woodrow	650 0 0	George McDonnell	750 0 0
Joseph Ainsc	54510 3	John McMartin	709 8 1
		R. Nicholls (Peterboro)	1104 6 11
		Harriet C. Walker	898 5 4
		Joseph Carey	622 17 8
		J. Belle, N. P.	900 0 11
		J. Doran	502 2 5
		Samuel Gerard	1750 0 0
			<u>£27448 12 10</u>
Carried forward,	0562 14 1		

Appendix
(Q. Q.)
15th July.

Appendix
(Q. Q.)
15th July.

APPENDIX F.
Sketch or Rough Statement of the Assets and Liabilities of the Montreal Provident and Savings Bank, 30th September, 1850.

	£	s.	d.	£	s.	d.	£	s.	d.
LIABILITIES.									
Amount of untouched Accounts	3346	1	2						
Deduct 10 per cent. thereon	334	12	2	3011	9	0			
Amount of 80 per cent Accounts	45295	18	0						
Less differences of 10 per cent., as per list	479	3	10						
Deduct 12½ per cent. thereon	44816	14	2						
Amount of Deposit, folio 6550, 70 per cent	5602	1	10	39214	12	4			
Total deposits (old)									
Amount of New Deposits				569	10	5			
Do. due Bank B. N. America				42795	11	9			
Do. in suspense				117	9	0			
Do. due sandries, Alexander Cross	22	18	3	2500	0	0			
" " Badgley and Abbott	2	6	5	175	0	0			
" " J. Frothingham	372	6	6						
To balance brought down				397	11	2			
				643	1	8			
				46628	13	7			
ASSETS.									
Amount of Loans as per statement, exclusive of accrued interest	31819	10	11						
Less at credit of O'Connor and Kelly (361)				£948	6	8			
" " W. S. Macfarlane (383)	1074	6	9						
Deduct for estimated loss	30745	4	2						
	15923	14	10						
				14821	9	4			
Estimated Cash Value.									
Stocks, viz. Banque du Peuple				495	0	0			
Gore Bank				1384	0	0			
City Gas Company				1077	0	0			
Debentures, viz. Montreal Road				12700	0	0			
Chambly Road				10800	0	0			
Bonds, viz. Corporation				5919	3	4			
Water Works				100	0	0			
Cash on hand				263	1	2			
Do. in Bank B. N. America				189	8	6			
Miscellaneous. Corporation Cheque				250	0	0			
Bills Receivable				50	0	0			
Office Furniture				177	14	1			
By Balance brought down							46628	13	7
									£
							643	1	8

Memorandum.—The Directors are of opinion that as the above is only an approximate estimate of the value of the assets, which are yet subject to many contingencies, a large further deduction from the valuation should be made.

E. E.
MONTREAL, 30th September, 1850.
JAMES COURT,
Actuary.

STATEMENT of Loans due Montreal Provident and Savings Bank, 30th September, 1850.

Appendix (Q. Q.)

Appendix (Q. Q.)

15th July.

15th July.

Folio.	Names.	Amount.			Accrued-Intrst.	Estimated present loss.			Remarks.	
		£	s	d		£	s	d		
94	John Fadie	£52	10	0	N.B. The amount in this column to be regarded only as memoranda.	£357	6	0	St. Paul St. Property	
97	James Ferrier	150	19	3		388	1	3		
1 22	Moses J. Hays	1438	1	3		100	0	0		
1 36	Wm. Footner	727	10	5		48	10	9		
1 37	P. W. Cooper	48	10	9						
1 38	H. O. Wait	1375	17	5						High School
1 39	D. Davidson	373	9	9						
158	J. P. Sexton	2	4	4		2	4	4		
159	James Knapp	301	15	10		304	15	10		
160	Thomas Ross	46	9	5						
162	John Hilton	86	17	0		9	0	0		not calculated.
163	H. Guy	35	11	1		4	0	0		
173	Mrs. Lundlack	43	6	2		4	15	0		
177	William Brown	5	0	0		2	19	0		
183	N. E. Reynolds	536	2	0						
188	A. Penny	370	3	7						
200	McDougall and Morrison	557	12	6		370	3	7		
						300	0	0		
214	Sir A. N. McNab	804	17	2		{ about 200	0	0		
215	John Hurdle	82	14	11					82		14	11
2	John McNider	113	0	3	12	0	0			
217	John Ostell	46	9	11	13	10	1			
220	D. Davidson (High School)	4501	12	0				4501	12	0
221	Judge Smith	195	8	9	75	0	0			
222	George Harrison	168	0	0				50	0	0
226	John Mathewson	88	3	10						
229	P. McNie	741	8	0	90	0	0	491	8	0
231	Congregational School House	107	10	1						
235	Arthur Ross	1060	6	3				1060	6	3
236	M. E. David	1	0	0						
237	D. O'Connor	585	3	5						
239	John Tully	571	19	2				571	19	2
243	John Kelly and Co.	715	6	11						
252	Thomas McGinn	150	0	0	15	0	0			
259	John Watson	61	11	2				61	11	2
261	C. L. M. P. Vass	141	1	11	25	0	0			
262	Mrs. E. Brondgeest	258	18	10	30	0	0			
267	Thomas Austin	14	15	6				14	15	6
268	R. Unwin	680	4	1	90	0	0			
272	Eadie and Footner	1712	3	2				1712	3	2
279	John McLean	115	18	1				115	18	1
	W Ermatinger	113	3	6						
		314	11	8	33	0	0			
282	Robert Cooke	465	19	11	60	0	0			
284	Donald Murray	438	17	2	50	0	0			
312	Daniel Gorrie	132	11	1						
319	Samuel Tubby	12	10	0				12	10	0
330	Wm. Footner	1355	1	5				700	0	0
331	Mrs. A. Craig	285	9	11				90	0	0
332	Mrs. Caverhill	245	7	10						
341	Wm. Murray	60	10	5						
350	Wm. Cole	103	6	8	12	0	0			
351	P. King	41	1	3	10	0	0			
352	John Roe	406	18	0				150	0	0
357	O. Frechette	98	3	1	7	10	0			
358	Wm. Kelly	123	15	0				303	15	0
360	John Kelly	380	0	0						
366	J. Eadie and Wm. Footner	736	6	4				736	6	4
367	T. C. Panton	750	0	0						
368	W. H. Brehaut	881	5	0						
369	John Young	387	19	4						
370	A. R. Cherrier	20	17	6				20	17	6
323	Wm. Footner, Property Quebec Harbour	131	9	0				131	9	0
49	Montreal Mining Company	43	6	8						
		£ 31819	10	11				£ 15923	14	10

APPENDIX G.

On the _____ day of the month of _____ in the year of our Lord, one thousand eight hundred and _____ before the undersigned, public Notaries duly commissioned and sworn in and for that part of the Province of Canada, heretofore constituting the Province of Lower Canada, residing in the city of Montreal in the said Province, personally came and appeared

“ the Trustees of the Montreal Provident and Savings Bank,” parties hereto and herein acting and stipulated for and accepting by William Lunn, Esquire, of the said city of Montreal, one of the said Trustees and President of the said Bank, in the sum of _____ for value, which the said _____ hereby acknowledge to have received in cash to _____ lent and advanced before the execution hereof, by the said Trustees of the Montreal Provident and Savings Bank to satisfaction.

who acknowledged and confessed to be truly and justly indebted on the day of the date hereof unto

And which said sum of _____

Appendix
(Q. Q.)

15th July.

do hereby bind and oblige heirs, executors, administrators, and assigns to well and truly pay or cause to be paid, to the said Trustees of the Montreal Provident and Savings Bank, their representatives or assigns at or before the expiration of six months from the day on which the said Trustees of the Montreal Provident and Savings Bank, their representatives, or assigns, shall serve a notice in writing unto the said heirs, executors, administrators, or assigns, that they the said Trustees of the Montreal Provident and Savings Bank, their representatives or assigns require payment of the said sum, with interest thereon until payment thereof, at the rate of six per centum per annum, the said interest to be payable on the day of _____ and _____ in each year, until payment of the said sum, the first payment whereof, to become due on the _____ day _____ next ensuing.

And for securing the payment of the said sum of _____ and the interest which may from time to time accrue thereon, the said _____ do hereby bind, charge, encumber, mortgage and hypothecate all and singular

And as further security in the premises, the said _____ hereby promise, bind and oblige _____ to cause the buildings erected on the said lot of land, to be forthwith insured against loss and accidents by fire, at the office of the Montreal Fire Assurance Company in this city, for an amount to be at no time less than the said sum of _____

from time to time and at all times, until full payment and satisfaction shall be made of the said sum of _____ and the interest which may from time to time accrue thereon, and the policy or policies of such assurance to be from time to time endorsed and transferred over unto the said Trustees of the Montreal Provident and Savings Bank, their representatives or assigns.

And at the passing of these presents, also personally came and appeared and intervened

who declared to have become and by these presents do become bail and security jointly and severally *solidairement* _____ renouncing to the benefits of division, discussion and fidejussion for and with the said _____ for the due, faithful, and punctual payment in manner aforesaid, of the said sum of _____ and of the interest which may from time to time accrue thereon, and thereof the said _____ hereby make _____ own personal affair.

And for the execution hereof, the said parties have elected their domiciles as follows, to wit, the said _____ at their respective places of residence above mentioned, and the said Trustees of the Montreal Provident and Savings Bank at their office in Montreal aforesaid.

Where, &c. Promising, &c. Obliging, &c.

Thus done and executed at the said city of Montreal, in the office of Thomas J. Pelton, one of the said Notaries, on the day, month and year first above written in the _____ noon. In witness whereof the said parties hereto have herunto set and subscribed their names with, and in presence of us the said Notaries, these presents having been first duly read in their presence.

APPENDIX H.

FINANCE COMMITTEE,
23rd May, 1848.

Present: Messrs. Morris, Redpath, Ferrier, Murray, Elder, and the Actuary.

Mr. Badgley to whom the 9th and 13th sections of the Act, 4 & 5 Vict. were referred, in relation to the loans made by the Bank, sent in his opinion as follows, viz:

MONTREAL, 22nd May, 1848.

After a careful examination of the statute 4 & 5 Vict., cap. 32, regulating Savings Banks, and more particularly the 9th and 13th sections of the Act, I am satisfied that the institution is limited in its investments to three quarters of its deposits, and altogether prohibited from the lending or investing upon personal security. If the prohibition were for revenue purposes, with penalty attached, I should not consider the thing done against prohibition, void, nor the action thereon untenable, but when the prohibition is for other than revenue protection, I am of opinion that the transaction loses all legal force and effect, and no action will lie. The principle of law being that, where a provision is enacted for public purposes, it makes no difference whether the thing be prohibited absolutely or only under a penalty.

W. BADGLEY.

The Actuary was instructed to draw up a short case to be submitted to Mr. Meredith for his opinion on the same point.

Memorial drawn up for the opinion of Mr. Meredith:—

A question having arisen involving the legality of loans made by the Provident and Savings Bank upon real estate, or personal security, or upon both. The opinion is required upon the following points, viz:—

1st. What is the legal construction of the 9th section of the 4 & 5 Vict., cap. 32, as to the employment of the balance, after investing three-fourths of the whole amount of deposits, namely, the one-fourth remaining?

2nd. In the event of the Bank suing for the repayment of any loan of this description, could the debtor or debtors to the Bank successfully plead that the Directors had exceeded their powers in granting said loan?

3rd. Has the 13th section any reference to this question as explaining the 9th, and what is the effect thereof?

4th. Have the Directors the power, under one or both sections, to employ this one-fourth, or any part of it, in loans for a limited period, on the securities herein alluded to, viz: real estate with personal security, or personal security only?

MEETING OF DIRECTORS,

14th June, 1848.

Present: Messrs. Morris, Torrance, Badgley, Lunn, Murray, Ferrier, Redpath.

The following opinion was received from Mr. Meredith, Q. C.:—

The Montreal Provident and Savings Bank, established under the Provincial Statute 4 & 5 Vict., cap. 32, are desirous of having the opinion of Counsel on the following points:—

Ques. 1. How ought moneys, invested in that Bank, to be invested, and is there any objection to

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

the Bank making investments upon the security of real estate?

Ans. The 9th section of our statute contains the provisions by which it was intended we should be guided in this matter. But this section has been framed so carelessly and unskilfully, that it is in my opinion impossible to say with certainty, what construction may be put upon it by our Courts. I find, however, that one statute is nearly a copy of the Lower Canadian Act, 2 William 4th, cap. 59, and that Act, in its turn, appears to have been taken from the English Act, 9 George 4th, cap. 92. In the uncertainty then in which we are left by our own statute, it may be proper to look to the sources from which it has been taken.

The English Act imperatively requires that all moneys to be invested by Savings Banks be paid into the Bank of England, or into the Bank of Ireland, as the case may require, to be invested in bank annuities or exchequer bills. From the provisions of the Lower Canadian Act, it is, I think, obvious that it was intended that the trustees of Savings Banks, to be established under that Act, should not invest the moneys under their controul otherwise than "in some incorporated bank or other public security in Lower Canada." The almost interminable delay in recovering money invested upon the security of real estate, was probably one of the reasons which induced the English Legislature, and the Legislature of Lower Canada, thus to reject security of this kind, and the sufficiency of this reason in this Colony can hardly be doubted, when it is borne in mind that debtors of sums exceeding £500, can in our Courts, easily, certainly, and without any great expense, prevent the obtaining of an executory judgment against them, for at least a period of two or three years, and that the satisfaction of such a judgment from the sale of real estate would be attended with still further delay.

It is true, however, that our law does not expressly prohibit investments upon the security of real estate, nor does it, as I think, even expressly say how the funds of the Bank ought to be invested, but still I think it may be gathered from the 9th section, taken in connection with the 13th, that it was the intention of the Legislature, that a part not exceeding three-fourths of the whole of the funds of the institution should be invested in debentures or bank stock, or other public securities, as mentioned in the 9th section, and that the remainder (excepting the amount in the hands of the treasurer, to meet the expenses of the institution, and which may be invested upon personal security) should, as mentioned in the 13th clause, be deposited with banks on interest, or be secured by bank stock, or loaned on the pledge of public securities, and to me it appears right in all respects, and necessary for the interests of institutions, that the intentions of the Legislature in this respect should be observed.

Ques. 2. If there be objections to the making of investments upon the security of real estate, are those objections of such a nature as to render the mortgages, taken by the Bank, null and void?

Ans. The observations which I have already made sufficiently show that I think there are objections to the making of investments upon the security of real estate; but it does not necessarily follow that the mortgages, taken for money so invested, are void. It is true that Corporations, and other such artificial beings, have no powers, excepting those expressly given to them, or which may fairly be considered necessary to enable them to fulfil the purpose of their existence. But the power of investing, is a power incidental to every Savings Bank; and if our Legislature has not expressly declared how that power is

to be exercised, then the Managers of the Bank may I think, use their own discretion in the exercise of that power.

I apprehend that our Legislature have not expressly declared the modes in which investments are to be made, as regards one-fourth of the funds of the institution; there is no such declaration; and as regards the remaining three-fourths, the words are:—"It shall be lawful for the Trustees to invest any moneys not exceeding three-fourths of the whole sums deposited, &c., &c."

Now, although the permissive words "it shall be lawful" may in some cases be taken as imperative, yet it appears to me, that, when taken in connexion with the words "any moneys not exceeding, &c., &c." (which import the exercise of a discretion on the part of the Trustees,) they cannot, for the purpose of annulling obligations entered into in good faith, be considered so imperative as to annul every thing done contrary to them.

I am therefore of opinion that the objections which exist to the taking of mortgages by the Savings Bank, are not such as to render the mortgages, taken by that Bank, null.

Ques. 3. Could a borrower from the Bank, in a suit against him, take advantage of the fact, that in the loan to him the Bank had exceeded its powers, if such were the case?

Ans. I am of opinion that if a borrower from the Bank, in a suit against him, could show that in the contract between him and the Bank, the latter had exceeded its powers, such borrower could take advantage of that fact so as to defeat the proceedings against him. But I have already endeavoured to point out the difference that exists between a total absence of power and an improper exercise of power.

Ques. 4. What is the effect of the prohibition in the 9th clause to loans upon personal security?

Ans. The words "but it shall not be lawful for the Trustees to invest any such moneys upon personal security" ought not, I think, to be interpreted as prohibiting the taking of personal security under any circumstances, but only as rendering it the duty of the Trustees in every case, to take other sufficient security. This construction is conformable to our common law, which prohibits tutors, curators, and others administering property not their own, from investing the funds under their care in personal security only, but does not prevent such security from being taken in addition to other security; besides, a contrary construction would render it impossible for the Bank to take security upon real estate. For with us a mortgage is merely an incident or addition to the debt or personal liability secured by it. Moreover, the dealings indicated in the 13th section, imply that personal security may incidentally be taken.

In fine, I may be permitted to observe, that the difficulties which might result from the institution of suits under the present Provincial Act, respecting Savings Banks, are of so grave a character that I would deem it prudent to postpone, if possible, any such proceedings under that Act, until it be amended.

W. C. MEREDITH,

Q. C.

Montreal, 16th June, 1848.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

APPENDIX I.

No. 1.

£1200.

MONTREAL, 25th July, 1845.

Pay to self or bearer, twelve hundred pounds
currency.(Signed,) D. DAVIDSON,
Secretary High School of Montreal.To the Actuary of the Provident
and Savings Bank.

(A true copy,)

MONK, COFFIN, AND PAPINEAU,
Prothonotaries.

No. 2.

DEAR SIR,—Will you let me have £600 to account
of the loan for the High School.

Yours faithfully,

(Signed,) D. DAVIDSON, Secretary.

John Eadie, Esquire, Actuary.

(A true copy,)

MONK, COFFIN, AND PAPINEAU,
Prothonotaries.

No. 3.

MY DEAR SIR,—Mr. Murray will explain to you
the cause of the delay in completing the security to
be given by the High School.Meanwhile I must pay some of the tradespeople,
and will thank you to give me a cheque for £700.

Yours faithfully,

(Signed,) D. DAVIDSON, Secretary.

John Eadie, Esquire.

(A true copy,)

MONK, COFFIN, AND PAPINEAU,
Prothonotaries.

No. 4.

BANK OF BRITISH NORTH AMERICA.

MONTREAL, 25th July, 1845.

No. 189.

Pay to David Davidson, Esquire, or order,
twelve hundred pounds, which charge to the
Montreal Provident and Savings Bank.(Signed,) J. REDPATH, Director,
JOHN EADIE, Actuary,
HENRY SHARROCKS, Teller.

To the Manager.

(A true copy.)

MONK, COFFIN, AND PAPINEAU,
Prothonotaries.

No. 5.

BANK OF BRITISH NORTH AMERICA.

MONTREAL, 4th December, 1845.

No. 584.

Pay to David Davidson, Esquire, or order,
seven hundred pounds, which charge to the
Montreal Provident and Savings Bank.(Signed,) J. FERRIER, Director,
JOHN EADIE, Actuary,
HENRY SHARROCKS, Teller.

To the Manager.

(A true copy.)

MONK, COFFIN, AND PAPINEAU,
Prothonotaries.

No. 6.

BANK OF BRITISH NORTH AMERICA.

MONTREAL, 30th August, 1845.

No. 301.

Pay to David Davidson, Esquire, or order,
twelve hundred pounds, which charge to the
Montreal Provident and Savings Bank.(Signed,) J. FERRIER, Director,
JOHN EADIE, Actuary,
HENRY SHARROCKS, Teller.

To the Manager.

(A true copy.)

MONK, COFFIN, AND PAPINEAU,
Prothonotaries.

No. 7.

BANK OF BRITISH NORTH AMERICA.

MONTREAL, 4th October, 1845.

No. 415.

Pay to David Davidson, Esquire, or order
six hundred pounds, which charge to the
Montreal Provident and Savings Bank.(Signed,) WILLIAM MURRAY, Director,
JOHN EADIE, Actuary,
HENRY SHARROCKS, Teller.

To the Manager.

(A true copy.)

MONK, COFFIN, AND PAPINEAU,
Prothonotaries.

No. 8.

Montreal, Queen's Bench.

Hon. Wm. Morris, et al. Plif's,
vs.

The High School of Montreal, Def'ts.

List of Exhibits filed by Plaintiffs at Enquête.

Exhibit D Statement of Account.

E Draft by David Davidson, Secretary of
Defendants upon John Eadie, Actuary, of
Plaintiffs.

F Letter from Davidson to Eadie.

G do. do. do. do.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

H Cheque in favour of Davidson, dated 25th
July 1845.
I do. do. do 4th Dec. 1845.
K do. do. do. 30th Aug. 1845.
L do. do. do. 4th Oct. 1845.

(Signed) BADGLEY & ABBOT.
Pliff's Att'y.

Montreal, 11th July, 1849.

(A true copy.)

MONK, COFFIN, AND PAPINEAU,
Prothonotaries.

We, the Joint Prothonotary of Her Majesty's Superior Court for Lower Canada, District of Montreal, do hereby certify that the foregoing papers respectively marked E. F. G. H. I. K. and L., and list of exhibitors also annexed, are true copies of the originals fyled of record by the Plaintiffs, at the Enquête held on the eleventh day of July, one thousand eight hundred and forty-nine, in a certain cause now pending before the said Court under No. 1195, wherein the Honourable William Morris, the Honourable James Ferrier, and John Redpath all of Montreal, in the District of Montreal, Esquires, in their capacities of Trustees of the Montreal Provident and Savings Bank of Montreal are Plaintiffs, and the High School of Montreal at Montreal are Defendants.

Given at Montreal this 7th day of January, 1851.

MONK, COFFIN, & PAPINEAU,
Prothonotaries.

APPENDIX K.

On this, the _____ day of _____ in the year of our Lord, one thousand eight hundred and forty five, before the undersigned public Notaries duly commissioned and sworn in, and for that part of the Province of Canada, heretofore constituting the Province of Lower Canada, residing in the City of Montreal, in the said Province, personally came and appeared "The High School of Montreal," duly incorporated by Act of Parliament, passed in the last Session of the Parliament of this Province, herein acting, and represented by James Ferrier, Benjamin Holmes, and David Davidson, Esquires, of the said City of Montreal, three of the Directors of the said High School, and duly authorized and appointed a Committee for the purposes hereof, by a resolution passed at one of the recent meetings of the Board of Directors of the said High School, who acknowledged and confessed to be truly and justly indebted on the day of the date hereof unto, "The Trustees of the Montreal Provident and Savings Bank," parties hereto and herein acting and stipulated for, and accepting by William Lunn, Esquire, of the said City of Montreal, one of the said Trustees, and President of the said Bank, in the sum of four thousand pounds currency, for value which the said High School of Montreal do hereby acknowledge and confess to have received in cash, to them lent and advanced before the execution hereof by the said Trustees of the Montreal Provident and Savings Bank, to their satisfaction.

And which said sum of four thousand pounds the said High School of Montreal, represented as aforesaid, do hereby promise, bind, and oblige themselves and their successors, to well and truly pay, or cause to be paid unto the said Trustees of the Montreal Provident and Savings Bank, their representatives or assigns, at or before the expiration of six months from the day on which the said Trustees of the

Appendix
(Q. Q.)

15th July.

Montreal Provident and Savings Bank, their representatives or assigns, shall serve a notice in writing unto the said High School of Montreal, or their successors, or their Secretary or Treasurer, or any of the Directors of the said High School of Montreal, for the time being, that payment of the said sum is required, together with interest on the said sum of four thousand pounds, until payment thereof, from this day, at the rate of six per centum per annum, the said interest to be payable on the thirty-first day of December, and thirtieth day of June, in each year, until payment of the said sum, the first payment whereof to become due and payable on the thirty-first day of December now next ensuing.

And for securing the payment of the said sum of four thousand pounds, and the interest to accrue thereon, the said High School of Montreal, represented as aforesaid, do hereby bind, charge, encumber, mortgage, and hypothecate all and singular that certain lot of land, situate, lying, and being in the said City of Montreal, containing two hundred and forty feet in front by the depth which may be found from Lagauchetière Street to Belmont Street, that is to say, 100 hundred and forty-four feet in depth on the south west side, and but two hundred and ten feet on the other side, to the north east, at which said depth the said lot of land contains but two hundred and thirty-seven feet and ten inches in breadth, as the whole appears and is laid down on a figurative plan, and *procès verbal* of survey annexed to the deed of sale of the said lot of land from the heirs Lamothe to the said High School of Montreal, passed before E. Guy and his colleague, notaries public, bearing date the seventh day of June now last past, the whole more or less, and English measure; bounded in front by Lagauchetière Street aforesaid, in rear by Belmont Street aforesaid on one side, to the south west by the continuation of St. Geneviève Street, and on the other side by the said Heirs Lamothe, with an extensive stone house or building now being thereon erected.

And as further security in the premises, the said High School of Montreal, represented as aforesaid, do hereby further promise, bind, and oblige themselves and their successors, to cause the buildings erected and to be erected, on the said lot of land, to be forthwith insured against loss and accidents by fire, at the office of the Montreal Fire Assurance Company in this city, for an amount to be at no time less than the said sum of three thousand pounds, on the full value of the buildings erected, or to be erected on the said lot of land from time to time, and at all times, until full payment and satisfaction shall be made of the said sum of four thousand pounds and interest to accrue thereon, and the policy or policies of such assurance to be from time to time endorsed and transferred over unto the said Trustees of the Montreal Provident and Savings Bank, their representatives or assigns.

And at the passing of these presents also personally came and appeared and intervened the said James Ferrier, Benjamin Holmes, and David Davidson, for themselves, and in their own personal and individual names, the said William Lunn also for himself and in his own personal and individual name, and James Ferrier of the said City of Montreal, Esquire, Benjamin Holmes of the same place, Esquire, David Torrance of the said City of Montreal, Merchant, Benjamin H. Lemoine of the same place, Esquire, John Young of the same place, Merchant, Charles Geddes of the same place, Merchant, George William Campbell of the same place, Physician and Surgeon, Michael McCulloch of the same place, Physician and Surgeon, James Crawford of the same place, Physician and Surgeon, the Hon. George Moffatt of the same place, Merchant, Wm.

Appendix
(Q. Q.)

15th July.

Collis Meredith of the same place, Advocate, John J. Day of the same place, Advocate, William Murray of the same place, Esquire, who declared to have become, and by these presents do become, bail and security, jointly and severally, *solidairement*, each renouncing to the benefits of division, discussion, and fidejussion for and with the said High School of Montreal, for the due, faithful, and punctual payment, in manner aforesaid, of the said sum of four thousand pounds, and the interest which may from time to time accrue thereon; and thereof they the said James Ferrier, Benjamin Holmes, David Davidson, William Lunn, David Torrance, Benjamin H. Lemoine, John Young, Charles Geddes, George William Campbell, Michael McCulloch, James Crawford, George Moffatt, William Collis Meredith, John J. Day, and William Murray, do hereby make their own personal affair.

And for the execution of these presents, the said parties hereto have elected their domiciles respectively at the office of the Prothonotary of and for the District of Montreal, in Montreal aforesaid, where, &c.

Thus done and passed at the said City of Montreal, in the office of Thomas J. Pelton, one of the undersigned notaries, on the day, month, and year herein before written.

In witness whereof, the said parties hereto have hereunto set and subscribed their names with and in presence of us the said Notaries, these presents having been first duly read.

JAMES FERRIER
B. HOLMES,
D. DAVIDSON,
W. LUNN,
D. TORRANCE,
B. H. LEMOINE,
JOHN YOUNG,
CHARLES GEDDES,
G. W. CAMPBELL,
M. McCULLOCH,
JAS. CRAWFORD,
G. MOFFATT,
W. C. MEREDITH,
J. J. DAY,
WM. MURRAY.

APPENDIX L.

Excerpts from Minute Book High School of Montreal.

MONTREAL, 29th April, 1845.

The meeting of the Corporation adjourned from the 26th instant was this day held.

Present:

Messrs. J. G. MacKenzie,	D. Torrance,
Meredith,	Fisher,
Kinnear,	J. Torrance,
Cannolly,	McCulloch,
Boston,	Sewell,
McDonell,	Davidson,
Murray,	Campbell,
Footner,	Day, and
Savage,	Crawford.
Duncan,	

John Boston, Esq. in the Chair.

The Chairman informed the meeting that the Act of Incorporation had been obtained from the Legislature, and the object of the present meeting was to adopt the By-laws, Rules, and Regulations which were to govern the Corporation.

Appendix
(Q. Q.)

15th July.

The Secretary read the Rules and Regulations which had been prepared by the Directors, which, upon the motion of Mr. D. Fisher, seconded by Mr. Kinnear, were unanimously adopted.

The Chairman informed the meeting that the Directors were in treaty with Mr. P. Lamothe, for a piece of ground situated Belmont and Lagache's streets, and that they were desirous of purchasing it as a site for the proposed School House.

The meeting approved of the situation, and unanimously authorized the Directors to purchase the property, provided the price did not exceed the sum of three thousand four hundred pounds, and also to commence as soon as possible the erection of the School House.

MONTREAL, 5th June, 1845.

A meeting of Directors held this day.

Present:

Messrs. J. Ferrier,	D. Torrance,
J. J. Day,	J. Savage,
W. Murray,	G. W. Campbell, M. D.
W. Lunn,	And the Secretary.

James Ferrier, Esquire, in the Chair.

The Secretary informed the meeting that the Committee appointed at the previous meeting had found it impossible to obtain any ground suitable for the erection of a school house. They had therefore deemed it advisable to purchase Mr. Lamothe's property upon the following terms, namely: for £3200, payable £300 in cash; a like sum upon the 15th July next; £800 on 15th May 1847, and £450 upon the 15th May of the four succeeding years.

The Secretary also mentioned that the Committee had agreed to give Mr. Donegan possession of the present school house, in consideration of his paying £400 at six and twelve months' date.

It was then moved by Doctor Campbell, and seconded by Mr. Savage, and Resolved, that Messrs. Ferrier, Lunn, and the Secretary, with the Rector, be appointed a Committee for the purpose of superintending the erection of the School House, with power to arrange the plans and make the necessary contracts.

It was further Resolved, on the motion of Mr. Torrance, seconded by Mr. Lunn, that Messrs. Holmes, Murray, and the Secretary be appointed a Finance Committee for the purpose of making such arrangements as may be necessary, for providing the funds necessary for paying the instalments upon the property, and defraying the cost of the buildings to be erected as the School House.

MONTREAL, 9th Sept. 1845.

The Directors met this day,

Present:

Messrs. Ferrier,	Geddes,
Meredith,	Murray,
Lemoine,	McCulloch,
Torrance,	And the Secretary.

James Ferrier, Esquire, in the Chair.

The Secretary informed the meeting that the building formerly occupied by the City Bank, had been engaged as a temporary school house at the rent of £50.

The meeting took into consideration the financial

Appendix
(Q. Q.)

15th July.

statements prepared by the Secretary, from which it appeared necessary to borrow the sum of four thousand pounds for the purpose of completing the new school house.

It was resolved to apply to the Savings Bank for a loan of that sum, and to offer the guarantee of the Directors as security.

MONTREAL, 10th October, 1845.

The Directors met this day,

Present :

Messrs. D. Torrance, McCulloch,
Geddes, Murray,
Young, Meredith,
And the Secretary.

John Young, Esquire, in the Chair.

The meeting requested Mr. Davidson to continue his services as Secretary for the current year.

A Committee was appointed, consisting of Messrs. Meredith, Day and Young, for the purpose of revising the form of security to be given to the Provident and Savings Bank for the loan of £4000, for which the previous meeting had authorised an application to be made.

MONTREAL, 29th November, 1845.

The Directors met this day.

Present :

Messrs. Moffatt, Geddes,
McCulloch, Lunn,
Murray, And the Secretary.

The Hon. G. Moffatt in the Chair.

The Secretary stated that he had called the meeting for the purpose of giving him authority to complete the loan from the Savings Bank.

The Chairman having expressed a doubt as to the power of the Directors to borrow money, it was resolved to call a general meeting for the purpose of passing a by-law authorising the Directors to do so.

The Secretary was requested to take the necessary steps for calling the members together.

MONTREAL, 18th September, 1845.

At a meeting of the members of the Corporation held this day, there were

Present :

Messrs. Lunn, D. Torrance,
Geddes, Murray,
Holmes, Crawford,
Griffith, And Davidson.

William Lunn, Esquire, in the Chair.

The Secretary laid before the meeting a statement of the financial affairs of the Corporation; also of the result of the expenditure and income of the school during the last session, from which it appeared that the expenses of the institution had exceeded the amount of fees by the sum of £137 12s. 9d.—also a statement of the attendance of the Directors in conformity with By-law 21.

The Secretary also stated that the Directors after making every endeavour to procure a suitable site for the erection of a school house, had found none

Appendix
(Q. Q.)

15th July.

which they deemed it advisable to purchase, except the property of Mr. Lamothe, which the Directors had been authorised to purchase at the general meeting of the members held upon the 29th April. They had therefore bought that property for the sum of £3,200, payable as follows: £300 in cash, £300 in July, £800 in May 1847, and £450 upon the 15th May of each of the four succeeding years.

MONTREAL, 20th December, 1845.

At a special general meeting of the members of the Corporation held this day,

Present :

Messrs. Boston, Meredith,
C. Phillips, Barrett,
Leeming, Campbell,
Elder, Tait,
J. Torrance, Geddes,
Ostell, Day,
And the Secretary.

John Boston, Esquire, in the Chair.

The Chairman having stated that the object of the meeting was as mentioned in the notices which had been sent to the members, for the purpose of authorising the Directors to give security, on the property of the Corporation, for money borrowed or to be borrowed, it was moved by Mr. John Leeming, seconded by Mr. Barrett, and unanimously Resolved, That it shall be the duty of the Directors to make from time to time such arrangements as may be necessary for the obtaining delay, borrowing money, and giving security for the payment of the debts which have been, or hereafter may be contracted for the erection of the school house, and other works connected therewith, and for the purchase of the land upon which the said school house has been erected, and the Directors are hereby (so far as may be needful) authorised to mortgage and hypothecate the real estate now belonging, or any real estate that may hereafter belong to the Corporation for the purposes aforesaid, or any of them.

MONTREAL, 9th January, 1846.

At a meeting of the Directors this day,

Present :

Messrs. Murray, McCulloch,
Campbell, Day,
Ferrier, And the Secretary.

Dr. McCulloch in the Chair.

The Secretary mentioned that in conformity with the resolution of the previous meeting, a special general meeting of the members had been held, and at which a by-law had been passed authorising the Directors to borrow money upon the security of the property of the Corporation.

MONTREAL, 9th January, 1847.

This day the Board met.

Present :

Messrs. Campbell, Day,
Crawford, Geddes,
Ferrier, Torrance,
The Rector, And Secretary.

The Secretary stated that he feared the sum required to meet the interest upon the debt would be even larger than that mentioned above (£350), as several of the subscribers would from various causes

Appendix
(Q. Q.)

15th July.

be found defaulters, and also, because the outlay upon the building would exceed what had been anticipated when the accounts were under consideration at the time of the last annual meeting.

MONTREAL, 21st August, 1847.

At a meeting of the Directors this day.

Present :

The Honourable J. Ferrier in the Chair ;
 Doctors Crawford, Campbell,
 And McCulloch,
 Messrs. Savage, Murray,
 Torrance, Day,
 H. Allen, Davidson,
 H. Ramsay.

Messrs. Davidson and Ramsay were appointed to wait upon the Directors of the Savings Bank respecting the loan.

Mr. Davidson having announced his desire of being relieved from the office of Secretary to the Board, though he had no objection to continue to act as Treasurer, the meeting proceeded to elect a successor to him in the former office, when Mr. Ramsay was unanimously elected thereto.

Thereafter it was moved by Dr. Crawford, seconded by Dr. Campbell and unanimously agreed to, that the thanks of the Board be presented to Mr. Davidson for the able and zealous manner in which he had for so long a period discharged the duties of Secretary. The Chairman communicated the resolution to Mr. Davidson.

MONTREAL, 23rd October, 1847.

At a meeting held this day,

Present :

The Honourable J. Ferrier in the Chair ;
 Dr. Campbell, G. Elder,
 R. McKay, H. Allen,
 Dr. Crawford, W. Murray,
 Dr. McCulloch, J. Savage,
 D. Davidson, J. J. Day.

A long conversation ensued on the debt and prospects of the School. A Committee consisting of Messrs. Davidson, Day and Ramsay was appointed to confer with the Directors of the Savings Bank, to ascertain their views with respect to the furnishing of personal security for part of the debt, which Committee was appointed to report to a meeting of Directors to be held on Saturday next.

MONTREAL, 22nd November, 1847.

At a meeting of the Directors held this day in the school house,

Present :

Mr. Davidson in the Chair.
 Messrs. Lunn, R. McKay,
 Murray, J. J. Day
 Allan, Dr. Campbell,
 H. Ramsay.

The Minutes of last meeting having been read and approved of, the Committee appointed to confer with the Directors of the Savings Bank reported that they had met these gentlemen on the 26th ultimo, and that the result of the conference was embodied in a minute from the books of the Savings Bank

with a copy of which the Secretary had been furnished. The following paper was then read, with this explanation from the Reporting Committee: that they had made no proposal (having no power to do so) to the Directors of the Savings Bank, but that the arrangement of the terms on which the debt should be guaranteed, proceeded from the Directors of the Bank themselves. At the same time the Reporting Committee thought the Bank was well entitled to have the account with the High School placed on a more satisfactory basis than that on which it now stood.

(Here follow copy Minutes Savings Bank.)

On considering the above Minutes the Directors of the High School approved of what their Committee had done on the matter, and appointed Messrs. Ferrier, Davidson, Lunn, Allen, and Ramsay to digest a plan for securing the required guarantee to the Savings Bank.

MONTREAL, 2nd December, 1847.

At a meeting of the Directors this day,

Present :

Honourable J. Ferrier in the Chair.
 Messrs. D. Davidson, G. Elder,
 H. Allen, W. Lunn,
 W. Murray, Dr. Crawford,
 Dr. McCulloch, Dr. Campbell,
 H. Ramsay.

The Committee reported that the only way in which they thought the guarantee required by the Savings Bank could be obtained was by the Directors themselves setting the example of signing a personal obligation for such amount as they thought expedient, and then appointing a Committee to wait upon the stockholders generally, to solicit their assistance in the same way. A lengthened conversation ensued, which ended in the meeting resolving to follow the opinion of the Committee, and constituting the Board into a Committee of the whole to wait upon the stockholders.

MONTREAL, 26th February, 1848.

A meeting of the Directors was held this day,

The Honourable J. Ferrier in the Chair.

Messrs. Lunn, Davidson,
 Day, Mackay,
 G. Elder, Ramsay,
 Campbell, McCulloch.

Messrs. Murray, Elder, Dr. McCulloch, Dr. Campbell, Dr. Crawford, and Mr. Ramsay were directed by the Board to take up further subscriptions to the obligation in favour of the Provident Bank, so as to hasten to a conclusion the arrangement with that institution.

MONTREAL, 6th April, 1848.

At a meeting of the Directors held this day,

Present :

Mr. Davidson in the Chair.
 Doctors Campbell, McCulloch,
 And Crawford.
 Messrs. Savage, Lunn,
 Elder, Day,
 And Ramsay.

A lengthened discussion then took place respecting the condition and prospects of the School, when it

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)
15th July.

was resolved to renew the attempt to furnish the required security to the Savings Bank, and to place the school in an efficient state.

MONTREAL, 26th July, 1848.

At a meeting of the Directors,

Present :

Mr. Davidson in the Chair.

Messrs. Day, Murray,
H. Ramsay,
Doctors McCulloch, And Campbell.

A letter from the Honourable W. Morris, President of the Savings Bank, was read, calling on the Directors of the School, to execute a mortgage in favour of the Bank. A conversation ensued as to the propriety of the Directors executing such a deed, unless the other creditors of the school were similarly protected. Finally it was agreed to postpone a decision till Friday next, when it was hoped more members of the Board would be present.

MONTREAL, 28th July, 1848.

At a meeting of the Directors,

Present :

Mr. Davidson in the Chair.

Doctors Campbell, Crawford,
McCulloch.
Messrs. G. Elder, W. Lunn,
R. McKay, William Murray,
Day, And H. Ramsay.

The Board resumed consideration of the subject of granting a mortgage to the Savings Bank. A difficulty occurred to some of the members, whether it would be proper to do so without at the same time making provision for the protection of the tradesmen's claims. After much discussion it was moved by Mr. Ramsay and seconded by Mr. Elder, "That Messrs. Hutchison and Morrison, Mr. Alexander Macdonald, Mr. Moir, and Mr. Glen be waited on and offered twenty-five per cent. on their claims, and the Promissory Notes of this Corporation for an equal amount, provided they agree to take mortgages in security for the balance of their debt, such mortgages to be executed after one has been granted in favour of the Provident and Savings Bank. The said amount of 25 per cent. to be raised among the Directors." The motion being put from the chair, four voted for, and five against it, so it was lost.

Thereafter it was moved by Mr. J. J. Day, seconded by Dr. Crawford, "That mortgages be at once simultaneously executed in favour of the Savings Bank and builders for the amount of their respective claims, and that the mover and seconder be a Committee to communicate this to the Bank."

In amendment it was moved by Mr. Elder, seconded by Mr. Murray, "That a last Mortgage be given in favour of the Savings Bank, and the Directors take steps by means of a subscription to satisfy the claims of the builders."

The amendment being put first from the Chair, four voted for, and five against it, so the amendment was lost.

Appendix
(Q. Q.)
15th July.

The main motion (Mr. Day's) being then put, five voted for, and four against it, so the motion was carried, and the Board directed the mover and seconder to lose no time in communicating with the Directors of the Provident and Savings Bank.

MONTREAL, 28th September, 1848.

At a meeting of the Directors,

Present :

Mr. Davidson in the Chair.

Messrs. Day, McKay,
Elder, And Ramsay,
Doctors McCulloch, And Campbell.

The Honourable W. Badgley on the part of the Provident and Savings Bank met with the Board, and a lengthened discussion took place on the subject of the debt due by the institution to the Bank. Mr. Badgley was to report to the Directors of the Savings Bank, and take their instructions as to future proceedings. Mr. Badgley having withdrawn, the Treasurer submitted the following statement of the affairs of the High School:

25th Sept. 1848—Due Savings Bank to			
this date as open account.	£4501	12	0
Notes with interest.....	834	12	5
	£5336	4	5
Due on property with int.	£2765	0	0
" Savings Bank as above.	4501	0	0
" Other claims.....	685	0	0
	£7951	0	0

MONTREAL, 7th July, 1849.

At a meeting of the Directors,

Present ;

Mr. Davidson in the Chair.

Messrs. Leeming, Howe,
Ferrier, Ramsay,
Day, McKay,
McCulloch, And Campbell.

The Secretary was instructed to write to the Actuary of the Provident and Savings Bank, stating that in the event of the Bank becoming the purchaser of the School at the approaching public sale, the Directors were willing to pay a rent of two hundred pounds for one year from August next, and to pay the City Assessment and premium of insurance against fire. For the due payment of the rent the Directors of the School will hold such sum or sums as may be received from the Provincial Government in payment of the education of pupils appointed by the Governor General.

MONTREAL, 24th January, 1851.

I certify that what is written on this and the fourteen preceding pages are true extracts from the Minute Book of the High School of Montreal.

HEW RAMSAY,
Hon. Secretary.

APPENDIX M.

No. 1.

PROCEEDINGS of the Montreal Provident and Savings Bank, until the year ending 31st
December, 1845.

The number of accounts opened from the commencement in October, 1841, to December 31st, 1842, was 1319, and the amount deposited	£ 84,145	1	0
The number during 1843 was 1000, and the amount deposited.....	91,052	9	4
The number during 1844 was 1209, and the amount deposited	132,696	17	9
The number during 1845 has been 1350, and the amount of deposits, in all cases including interest,.....	151,973	4	5
<hr/>			
Making since the commencement 4878 depositors, and an amount of.....	459,867	12	6
In the first period there were closed 385 accounts, and withdrawn	41,216	0	4
In 1843 there were closed 570 accounts, and withdrawn	64,139	16	4
In 1844 there were closed 543 accounts, and withdrawn	100,273	14	9
And in the last year there have been closed 785 accounts, and withdrawn	124,316	10	6
<hr/>			
	329,946	1	11
<hr/>			
Leaving a balance due to 2569 depositors of	£ 129,921	10	7
Of these 2569 depositors there are having balances :—			
Not exceeding £ 1	...	...	£231
“ “ 5	...	...	233
£5, and not exceeding £10	...	...	299
10, “ “ 20	...	...	501
20, “ “ 50	...	...	629
50, “ “ 100	...	...	307
100, “ “ 200	...	...	202
200, “ “ 300	...	...	99
300, “ “ 400	...	...	30
400, “ “ 500	...	...	38
			<hr/>
			£2569
			<hr/>

*The Montreal Provident and Savings Bank, of Montreal, being the balance at 31st
December, 1845.**Dr.*

Amount due to depositors at this date	£ 125,438	9	11
Interest on do. to this date	4,483	0	8
Total due to depositors	<hr/>		
	129921	10	7
Amount at credit of interest account.....	9276	0	0
Deduct placed to credit of depositors as above ...	£4483	0	8
Expenses of management,.....	164	0	2
Salaries of the Actuary and assistants	622	10	0
			<hr/>
	5309	10	10
Balance of interest, being surplus after paying all interest and charges	<hr/>		
	3966	9	2
			<hr/>
			£133887 19 9
			<hr/>

Appendix
(Q. Q.)

15th July.

Cr.

	£	s.	d.	£	s.	d.
By Bank stock, cost and interest	38,973	3	8			
By Bank stock held by the Bank in security for loans to sundry	4545	13	3			
				48,518	16	11
By Road, Harbour and Canal debentures, cost and interest....	24,972	19	0			
Ditto, held in security for loans to various parties	5316	17	9			
				30,289	16	9
Corporation of the City of Montreal bonds belonging to the Bank, with interest,				6,738	14	0
Loans on mortgage of real estate, with personal security, with interest.....				52,962	19	6
Office furniture, cost.....				56	19	0
Cash in hand.....				320	13	7
				<u>£133,887</u>	<u>19</u>	<u>9</u>

Appendix
(Q. Q.)

15th July.

I certify that the above is, to the best of my knowledge and belief, a true and faithful account of the Montreal Provident and Savings Bank, as presented at the annual meeting held on the 20th April last, 1846.

(Signed,)

WILLIAM LUNN, President.

I certify that the above is a just and faithful account of the transactions and state of the funds of the Montreal Provident and Savings Bank, for the period ending 31st December, 1845.

(Signed,)

JOHN EADIE, Actuary and Treasurer.

No. 2.

The Provident and Savings Bank of Montreal, being the Balance at 31st Dec, 1846.

Dr.

	£	s.	d.	£	s.	d.	£	s.	d.
To amount due to depositors, per statement of 31st Dec., 1845,				120,921	10	7			
To amount deposited in 1846,.....	171,802	16	3						
To interest paid to depositors during the year, or placed at their credit, 31st December,	5,860	9	4						
				177,663	5	7			
Amount withdrawn during the year,.....	151,401	11	1						
Increase during 1846,				26,261	14	6			
To amount due to depositors at this date,.....				156,183	5	1			
To amount of reserve or guarantee fund per statement of 31st Dec., 1845,				3,966	6	8			
To amount of interest account,	8,532	7	10						
Credited to depositors, viz: £5,860 9 4									
Expense of management, including the fitting up of the new office, rents, assessments, salaries of the Actuary and assistants, &c.,	1,319	13	4						
				7,180	2	8			
Profit and interest this year, after paying all expenses,				1,352	5	2			
To amount of reserve or guarantee fund, at this date,.....							5,318	11	10
				<u>£161,501</u>	<u>16</u>	<u>11</u>			

Appendix
(Q. Q.)

15th July.

Cr.

	£	s.	d.	£	s.	d.
Bank Stocks of the different banks in the Province, owned by the Bank, cost and interest,.....	41,295	12	2			
Loans to various parties upon stock of the same Banks, transferred in security,	7,986	8	2			
	<hr/>			49,282	0	4
Road, Harbour, Canal, and other debentures, owned by the Bank, cost with interest,.....	25,125	7	8			
Loans on the security of ditto,.....	7,414	11	7			
	<hr/>			32,539	19	3
Corporation of the City of Montreal, Bonds owned by the Bank, cost and interest,.....	6,830	8	2			
Loans on the transfer of the same, with security,.....	3,316	5	4			
	<hr/>			10,146	13	6
Loans to churches, chapels, schools and other corporate bodies,.....				19,453	11	0
Loans on mortgage, with personal security,.....				48,911	13	3
Office furniture,				163	14	7
Cash, balance in hand,				1,004	5	0
	<hr/>			£161,501	16	11
	<hr/>					

Appendix
(Q. Q.)

15th July.

A correct statement to the best of my knowledge and belief.

(Signed,)

WILLIAM LUNN, President.

A just and faithful statement of the transactions and funds of the Montreal Provident and Savings

Certified by me, 26th July, 1847.

(Signed,)

JOHN EADIE, Actuary and Treasurer.

No. 3.

STATEMENT of the Liabilities and Assets of the Montreal Provident and Savings Bank,
December 31st, 1848:

LIABILITIES.

Amount due depositors this date	£84,366	15	0
Amount due Banks of Montreal and British North America.....	23,637	3	7
	<hr/>		
	£108,003	18	7

ASSETS.

Bank stocks	20,536	6	9
Railroad and Gas Companies' stock.....	2,389	0	7
Government, Road and Harbour debentures.....	25,610	17	6
Corporation bonds.....	7,139	17	10
Loans on mortgage, with other securities.....	52,960	4	3
Bills receivable	849	11	10
Cash.....	143	12	7
	<hr/>		
	£109,629	11	4
	<hr/>		

Certified to be a true and correct statement of the affairs of the Montreal Provident and Savings Bank
at the above date.

(Signed)

J. REDPATH, Trustee.

CHAS. FREELAND, Treasurer

Montreal, February 1, 1849.

RETURN of the names of the Presidents, Vice Presidents, Managing Directors, Finance Committee, Trustees, and Officers of the Montreal Provident and Savings Bank, since its formation in 1841 until 15th November, 1850.

Presidents :

William Lunn,appointed September 9, 1841, resigned May 6, 1848.
 Hon. William Morris, ditto May 6, 1848, ditto October 17, 1849.
 John Redpath, ditto October 17, 1849.

Vice Presidents :

John Redpath,appointed September 9, 1841, resigned October 17, 1849.
 J. T. Brondgeest, ditto ditto, ceased April 19, 1847.
 Hon. James Ferrier, ditto April 24, 1847.
 John Torrance, ditto October 17, 1849.

Managing Directors :

William Lunn,appointed September 8, 1841.
 James Ferrier, ditto ditto, 1841.
 J. T. Brondgeest, ditto ditto, 1841, ceased April 19, 1847.
 Robert Armour, ditto ditto, 1841, ceased May 4, 1848.
 John Dougall, ditto ditto, 1841, resigned February 12, 1845.
 Thomas Kay, ditto ditto, 1841.
 John Redpath, ditto ditto, 1841.
 David Torrance, ditto ditto, 1841, ceased February 6, 1843.
 John Mathewson, ditto ditto, 1841.
 Stanley Bagg, ditto ditto, 1841, ceased February 6, 1843.
 William Cormack, ditto ditto, 1841, ceased February 5, 1844.
 William Dow, ditto ditto, 1841.
 William Murray, ditto ditto, 1841.
 James Scott, ditto February 6, 1843, ceased May 4, 1848.
 Jos. Bourret, ditto ditto, 1843, ceased February 5, 1844.
 John Torrance, ditto February 5, 1844.
 James Henderson, ditto ditto, 1844, ceased February 24, 1845.
 James Logan, ditto February 24, 1845, ceased April 29, 1846.
 Moses J. Hays, ditto ditto, 1845, ceased April 29, 1846.
 William Watson, ditto April 29, 1846, ceased May 4, 1848.
 Henry Stuart, ditto ditto, 1846, ceased April 19, 1847.
 T. B. Anderson, ditto April 19, 1847, ceased May 4, 1848.
 George Elder, Jun., ditto ditto, 1847, resigned December 30, 1848.
 Hon. William Morris, ditto May 4, 1848, resigned October 17, 1849.
 Hon. William Badgley, ditto ditto, 1848.
 Hew Ramsay, ditto ditto, 1848, resigned October 12, 1848.
 John Leeming, ditto ditto, 1848.

Finance Committee :

William Lunn,appointed September 28, 1841, resigned May 4, 1848.
 John Redpath, ditto ditto, 1841.
 J. T. Brondgeest, ditto ditto, 1841, ceased April 19, 1847.
 James Ferrier, ditto ditto, 1841.
 Stanley Bagg, ditto ditto, 1841, ceased February 6, 1843.
 Robert Armour, ditto February 6, 1843, ceased May 4, 1848.
 William Murray, ditto May 1, 1846.
 George Elder, Jun., ditto April 24, 1847, resigned December 30, 1848.
 Hon. William Morris, ditto May 4, 1848, resigned October 17, 1849.
 John Torrance, ditto October 17, 1849.

Trustees :

Hon. William Morris,appointed May 6, 1848, resigned October 17, 1849.
 James Ferrier, ditto ditto, 1848.
 John Redpath, ditto ditto, 1848.
 John Torrance, ditto October 17, 1849.

Appendix (Q. Q.)

15th July.

Appendix (Q. Q.)

15th July.

Officers:

John Eadie, Actuary,.....	appointed	September 14, 1841,	discharged	July 14, 1848.
William Hargreaves, Asst. ditto,.....	ditto	May 8, 1843,	ceased	August 31, 1843.
Henry Sharrocks, ditto,	ditto	August 26, 1843,	ceased	April 1, 1849.
James Cox, ditto,	ditto	February 25, 1845,	ceased	May 1, 1850.
James L. Mathewson, Accountant,	ditto	June 8, 1847,	ceased	April 1, 1849.
F. F. Blackadder, Accountant, pro. tem.,..	ditto	June 14, 1848,	ceased	September 30, 1848.
Charles Freeland, Actuary,.....	ditto	July 27, 1848,	ceased	August 12, 1850.
James Court, ditto,	ditto	August 12, 1850.		

I certify that the foregoing statement is correct, according to the best of my belief,

JAMES COURT, Actuary.

MONTREAL, 15th November, 1850.

APPENDIX O.

No. 2.

No. 1.

(Copy.)

(Copy.)

Due 5-8 February, 1848.

Due 5-8 February, 1848.

MONTREAL, 30th Jan., 1844.

MONTREAL, 15th Jan., 1844.

£310 0 0
5th, 9th, 93 9 2
£403 9 2

£350 0 0
106 7 8
£456 7 8

Six months after demand we jointly and severally promise to pay to the order of the Trustees of the Montreal Provident and Savings Bank the sum of three hundred and ten pounds currency, with interest accruing thereon, for value received.

Six months after demand we jointly and severally promise to pay to the order of the Trustees of the Montreal Provident and Savings Bank the sum of three hundred and fifty pounds currency, with interest thereon, for value received.

(Signed)

D. DAVIDSON,
J. FERRIER,
WM. MURRAY,
D. TORRANCE,
M. McCULLOCH,
B. H. LEMOINE,
BENJ. HOLMES,
JOSEPH SAVAGE,
G. W. CAMPBELL,
WM. LUNN.

(Signed)

D. DAVIDSON,
J. FERRIER,
WM. MURRAY,
D. TORRANCE,
M. McCULLOCH,
B. H. LEMOINE,
BENJ. HOLMES,
JOSEPH SAVAGE,
G. W. CAMPBELL,
WM. LUNN.

Notified August 5th, 1848.

Notified August 5th, 1848.

(Signed)

J. L. MATHEWSON.

(Signed) J. L. MATHEWSON.

Provident and Savings Bank, Montreal, April 20th, 1849. Received on account of the within bill three hundred pounds currency. (Signed) CHARLES FREELAND, Actuary.

APPENDIX P.

No. 1.

REPORT of the Directors of the Montreal Provident and Savings Bank.

Some months ago, when this Institution first got into difficulties, a promise was made by the Directors that a detailed report of its affairs would be laid before the depositors, so soon as this could be prepared with anything like satisfactory precision.

The Directors are now enabled to redeem that promise, and in doing so, it is their painful duty to communicate that, in consequence of a combination of adverse circumstances, such as the depreciation in all kinds of stocks and securities, the fall in the value of real estate, and the necessity imposed on them of precipitately realizing the assets of the Bank, the loss on the final liquidation of its affairs threatens to be much heavier than was at one time anticipated.

The following sketch will show, at a glance, the probable extent of that loss:

Loss on stocks already realized,.....	£2,400	0	0
Ditto on Bank stocks, assuming them at present market value,.....	3,068	7	7
Loss on Railroad and Gas Companies' stock at present market value,.....	1,126	10	7
Loss on Government, Road, Canal and Harbour debentures,.....	3,561	1	0
Loss on loans on mortgage,.....	10,839	10	5
	<u>£21,095</u>	<u>10</u>	<u>4</u>

Appendix
(Q. Q.)
15th July.

Appendix
(Q. Q.)
15th July.

To meet this large deficit, there is the Contingent Fund, amounting, with the interest accrued on the Bank's investments, to about £6,000, and ten per cent. on the amount of all deposits, which the Directors resolved to withhold until the final liquidation. Thus—

Estimated surplus from Contingent Fund, and interest,.....	£6,124 17 11
Amount of deposits on the 15th July, when Bank suspended, £156,458 13s. 3d., ten per cent. on which is.....	15,645 16 1
	<u>21,770 14 0</u>
Deduct estimated amount of loss,	21,095 10 4
Leaving a surplus of	<u>£675 3 8</u>

Which, with the future accruing interest on unrepaid investments, will be required to defray the expenses of winding up the Bank.

Although the progress in liquidation is necessarily slow, still a good deal of ground has already been gone over, as the following statement will shew :

The amount of deposits on the 1st January last, was.....	£210,913 6 3
The amount of deposits at the present date,.....	93,421 18 3
	<u>£117,491 8 0</u>
Diminution in deposits since January 1st,.....	£117,491 8 0
The amount of deposits at 15th July, when the Bank suspended, was £156,458 13 3	
Add amount in suspense, with other two accounts,.....	2,261 6 1
	<u>£158,719 19 4</u>
The amount of deposits at date,.....	93,421 18 3
Diminution in amount of deposits since 15th July,	<u>£65,298 1 1</u>

This important reduction of £65,298 1s. on the amount due depositors since the suspension of the Bank, has been effected in the following manner :

Paid off twenty per cent. on amount of deposits,	£22,682 15 10
Paid by transfer of mortgages,	37,943 8 5
Retained of ten per cents.,	4,671 16 10
	<u>£65,298 1 1</u>

It is proper, however, to explain that the liabilities of the Bank have not been diminished in the same proportion as the amount of deposits, since, in order to meet the dividend of twenty per cent., it was found necessary to borrow a large sum from the Banks of Montreal and British North America, on account of the difficulty of effecting sales of stock, or of promptly realizing the loans of the institution. The following is the amount of indebtedness to the above mentioned Banks at the present date :

Due Bank of Montreal,.....	£19,909 13 6
Due Bank of British North America,.....	14,809 18 8
	<u>£34,809 12 2</u>

In addition to this large liability to the Banks, there are deposits to the amount of £27,432 4s. 8d., on which the dividend of twenty per cent. has not yet been claimed; but which may be called for at any moment, and which the Bank must pay on demand. The dividend on this sum will amount to above £5,000. There is a further sum of about two thousand pounds due to depositors for moneys lodged with the Bank since the suspension, and which, according to the rule laid down by the Directors, can be claimed in full on demand. The immediate liabilities of the institution will, therefore, stand as follows :

Owing to the Banks as above,	£34,809 12 2
Unclaimed dividend of twenty per cent.,.....	5,486 8 11
New deposits,.....	2,091 13 2
	<u>£42,387 14 3</u>

The Directors are endeavouring to realize, with all practicable speed, the available assets at their disposal, in order to clear off this debt to the Banks; but so extremely depressed is the money market at present, and so difficult is it, in consequence, to convert securities into money, that this will be a work of some time; and as this debt, as well as the £7,578 2s. 1d. due to depositors, must be discharged from the first sales of the property of the Bank, it will be manifest to the depositors that a considerable period must elapse before the Directors will be in a position to declare a second dividend on the deposits.

It will be observed that the process of liquidation has been very much assisted by the assumption, on the part of many of the depositors, of the mortgages on real estate held by the Bank, to the amount of ninety per cent. of their deposits. Transfers of these loans have already been effected to the extent of £37,943 9s. 5d., to the mutual advantage of both the Bank and the depositors; for, as regards the former, it expedites the liquidation of its affairs, and, as respects the latter, it enables him to reap immediate benefit.

Appendix
(Q. Q.)
15th July.

Appendix
(Q. Q.)
15th July.

from his funds, which would otherwise, it is to be feared, prove unproductive. Indeed, as these mortgages bear the legal rate of interest, the depositor will obtain a larger return from ninety per cent. of his deposit thus converted, than he would have done from the Savings Bank on the whole amount of it at the rate of five per cent. The Bank still holds mortgages on real estate to a considerable amount, and the Directors would invite depositors to assume these in lieu of their deposits, on the terms pointed out, as being not only advantageous to the institution, but still more advantageous to the depositors themselves.

The depositors will remark, from the statements submitted to them, that there is very little likelihood indeed of the Bank being eventually able to pay more than ninety per cent. of the deposits. It may be taken for granted that the losses of the Bank, together with the expenses of liquidation, will absorb ten per cent. of the deposits, along with all the accruing interest during the period of winding up. The Directors sincerely deplore this result; still it must be admitted that there is scarcely a monetary institution in this country that has not suffered to as great, if not a greater extent. If, for example, the depositors, instead of placing their money in the Savings Bank, had purchased the stock of any of our chartered banks, or, indeed, almost any other description of stock, their loss would have been equally large, and in many cases much larger. It must also be observed that the material portion of the loss that will be sustained by this institution, has been owing to the necessity imposed on its Directors of suspending its payments, and of liquidating its affairs. At the time the panic originated, the Directors warned the depositors of the result which would attend the continuance of a run upon the Bank; matters, however, had proceeded too far to admit of a restoration of confidence, and the effects predicted by the Directors, aggravated by an unusual stringency in the money market, are now in the course of being experienced. Had it been practicable to sustain the credit of the Bank, till a return of better times, the enormous sacrifices which must now be submitted to on its stocks and securities might have been altogether avoided.

The same causes which have acted in depreciating the value of the stocks held by the Bank, have led to a serious loss on the loans on mortgages, increased by local circumstances affecting the value of real estate in Montreal. In many cases, property which, independently of personal security, was well worth the money advanced on it by the Bank, is now so much reduced in value, that it would not realize the amount of the loan; while the personal securities, amidst the fluctuations of fortune in this community, are no longer responsible for the debt. The Directors, however, trust that the sum estimated for loss under this head, viz.: £10,339 10s. 5d., will be found sufficient to cover the ultimate deficiency.

In this estimate of £10,339 10s. 5d., is included the loss sustained with the late Actuary. For the amount of deficiency on his personal account, as well as for loans unwarrantably made by him without the knowledge of the Directors, mortgages were obtained from him on all his real estate; but these will be insufficient to cover his liability, more particularly as heritable property in Montreal has declined so much in value. The total deficiency on the accounts of the late Actuary, deducting the value of the mortgages and personal securities, is estimated at £3,000, a sum very much larger than the Directors anticipated at the time the deputation was appointed to wait on them, to investigate the affairs of the Bank, on behalf of the depositors.

Owing to the position of the Bank, and the necessity there exists for realising its funds as speedily as practicable, it is to be hoped that parties indebted to it will feel it to be their duty to make payment of their engagements to it as soon as they may mature. The Directors on their part will have no alternative but to put into the hands of the Solicitor of the Bank, for immediate law proceedings, all overdue notes of hand and claims for loans, the notarial notices of which have expired.

The Directors crave reference to the accompanying statements of accounts, marked respectively Nos. 1 and 2, and Nos. 3 and 4, with the abstracts subjoined, which, with the foregoing explanations, it is hoped by them, will render the affairs of the institution sufficiently intelligible to the depositors.

JOHN REDPATH, Vice President.
JAMES FERRIER, Ditto.
CHARLES FREELAND, Actuary.

MONTREAL, 31st October, 1848.

No. 1.

Statement of liabilities, at 31st October, 1848.

Amount of deposits on which no dividend has been paid,.....	£27,432	4	8
Amount of balances of deposits remaining after paying dividend of twenty per cent., and which have not been paid off by transfer of mortgages,	65,989	13	7
Amount due on deposits, made since suspension of the Bank,.....	2,091	13	2
Due Depositors,	£95,513	11	5
Amount of balances of ten per cent. remaining in the Bank, of accounts reduced by transfer of mortgage,	4,671	16	10
Balance due Bank of Montreal,	19,090	13	6
" " Bank British North America,	14,899	18	8
	£134,995	0	5

Appendix
(Q. Q.)

15th July.

No. 2.

Statement of Assets, valued at cost to the Bank.

Bank stocks,.....	£25,536	6	9
Railroad and Gas Companies' stock,	2,389	0	7
Government, Road and Harbour debentures,	35,610	17	6
Corporation bonds,.....	7,139	17	10
Loans on mortgage, with other securities,	66,804	9	9
Bills receivable,.....	1,108	13	3
Cash,	112	13	3
	<u>£138,701</u>	<u>18</u>	<u>11</u>

ABSTRACT.

Amount of assets,.....	£138,701	18	11
Amount of liabilities,	134,995	0	5
Surplus,.....	<u>£3,706</u>	<u>17</u>	<u>11</u>

The difference between this surplus and that exhibited by the Directors, previous to the suspension, is accounted for by the loss on stock since sold.

No. 3.

Particular Statement of Liabilities on 31st October, 1848, with special reference to the retention of ten per cent. for final discussion.

Amount of deposits on which no dividend has been paid,.....	£27,432	4	8
Deducting ten per cent.,	2,743	4	6
	<u>£24,689</u>	<u>0</u>	<u>2</u>
Amount of balances remaining after paying dividend of twenty per cent., and which have not been paid off by transfer of mortgages,	65,989	13	7
From which deduct ten per cent. of the original amount before paying dividend,	8,248	14	2
	<u>57,740</u>	<u>19</u>	<u>5</u>
Amount due on deposits made since the suspension of the Bank, payable without deduction,	2,091	13	2
Balances due Bank of Montreal and Bank of British North America for cash advances,.....	34,809	12	2
	<u>£119,331</u>	<u>4</u>	<u>11</u>

No. 4.

Present Valuation of Assets.

Bank stocks—cost.....	£25,536	6	9
Estimated loss,	3,668	7	7
	<u>£21,867</u>	<u>19</u>	<u>2</u>
Railroad and Gas Companies' stock,	2,389	0	7
Estimated loss,	1,126	10	7
	<u>1,262</u>	<u>10</u>	<u>0</u>
Government, Road, Canal and Harbour debentures,	35,610	17	6
Estimated loss,	3,561	1	9
	<u>32,049</u>	<u>15</u>	<u>9</u>
Corporation bonds,	7,139	17	10
Loans on mortgages, with other securities,	66,804	9	9
Estimated loss,	10,339	10	5
	<u>56,464</u>	<u>19</u>	<u>4</u>
Bills receivable,.....	1,108	13	3
Cash,	112	13	3
	<u>£120,006</u>	<u>8</u>	<u>7</u>

ABSTRACT.

Assets according to present value,	120,006	8	7
Liabilities, retaining ten per cent. on all deposits,	119,331	4	11
Surplus,.....	<u>£675</u>	<u>3</u>	<u>8</u>

This surplus, with the accruing interest on the investments, to go against expenses of winding up.

Appendix
(Q. Q.)

15th July.

APPENDIX P.

No. 2.

REPORT of the Directors of the Montreal Provident and Savings Bank.

The Directors of the Montreal Provident and Savings Bank feel it a duty they owe to depositors, again to lay before them a statement of the affairs of the institution, a year having now elapsed since the last was published. Although the progress in liquidation is necessarily slow, still a considerable reduction has taken place in the liabilities, effected chiefly by transfers of mortgages and sales of stocks. At the commencement of this period the Directors hoped that ere now they would be able to report a greater reduction than now appears; but the continued commercial depression, and other causes well known to the public, have retarded their efforts, and prevented a progress equal to their expectations.

The following is an abstract of the Assets and Liabilities of the Bank, as they appear at this date:—

LIABILITIES.		£	s.	d.	£	s.	d.
Amount of accounts on which no dividend has been paid,		5,019	6	9			
Less 10 per cent. estimated loss,		501	18	8			
					4,517	8	1
Amount of balances remaining after paying dividend of 20 per cent.		48,219	11	7			
Less 10 per cent. of the original amount before paying dividend,		6,027	8	11			
					42,192	2	8
Amount due for deposits made since the suspension of the Bank, payable without deduction,					552	2	2
Balance due Bank of Montreal,		8,343	18	1			
Balance due Bank of British North America,		7,500	0	0			
					15,843	18	1
Amount in suspense,					175	0	0
					<u>£63,280</u>	<u>11</u>	<u>0</u>

ASSETS.		£	s.	d.
Bank and other Stocks estimated at their present value,		11,370	0	0
Road, Harbour and other debentures, present value,		22,523	5	9
Loans on mortgage, present value,		20,446	10	10
Corporation bonds,		6,845	0	0
Water Works bonds,		300	0	0
Bills receivable,		423	6	6
Cash on hand,		299	4	10
		<u>£62,207</u>	<u>7</u>	<u>11</u>

RECAPULTATION.		£	s.	d.	£	s.	d.
Liabilities, retaining 10 per cent.,		63,280	11	0			
Assets, according to present value,		62,207	7	11			
Deficiency,					1,073	3	1

For convenience of reference, the Assets and Liabilities, as they appeared on the 31st October, 1848, in the report then published, are subjoined:—

LIABILITIES.		£	s.	d.	£	s.	d.
Amount of Deposits on which no dividend has been paid,		27,432	4	8			
Deducting 10 per cent.,		2,743	4	6			
					24,689	0	2
Amount of balances remaining after paying dividend of 20 per cent.		65,989	13	7			
From which deduct 10 per cent. of the original amount before paying dividend,		8,248	14	2			
					57,740	19	5
Amount due on deposits made since the suspension of the Bank, payable without deduction,					2,091	13	2
Balances due Bank of Montreal and Bank of British North America for cash advances,					34,809	12	2
					<u>£119,331</u>	<u>4</u>	<u>11</u>

Appendix
(Q. Q.)Appendix
(Q. Q.)

15th July.

15th July.

ASSETS.		£	s.	d.	£	s.	d.
Bank stocks—cost,.....		25,536	6	9			
Estimated loss,.....		3,668	7	7			
					21,867	19	2
Railroad and Gas Companies' stock,.....		2,389	0	7			
Estimated loss,.....		1,126	10	7			
					1,262	10	0
Government, Road, Canal, and Harbour debentures,.....		35,610	17	6			
Estimated loss,.....		3,561	1	9			
					32,049	15	9
Corporation bonds,.....					7,139	17	10
Loans on mortgages, with other securities,.....		66,804	9	9			
Estimated loss,.....		10,339	10	5			
					56,464	19	4
Bills receivable,.....					1,108	13	3
Cash,.....					112	13	3
					<u>£120,006</u>	<u>8</u>	<u>7</u>

ABSTRACT.

	£	s.	d.	£	s.	d.
Assets, according to present value,.....	120,006	8	7			
Liabilities, retaining 10 per cent. on all deposits,.....	119,331	4	11			
Surplus,.....	£	675	3	8		

This surplus, with the accruing interest on the investments, to go against expenses of winding up.

As appears by the above the indebtedness of the institution on the 31st October, 1848, to the Bank of Montreal and Bank of British North America, for cash advances, was, in round numbers, £34,800—and since that time further advances have been received, viz., to pay the balance of the dividend of 20 per cent., £5,500, and for new deposits, £2000, making in all the sum of £42,300. Every effort has been made by the Directors to reduce their debt by the sale of stocks and other securities; but so great has been the depression in the money market, that these have been almost wholly unsaleable except at ruinous sacrifices; and besides, they have been obliged to grant a further extension of time on a large amount of overdue bonds, so that, with all their endeavours, a debt of £15,843 18s. 1d. still remains, which must be paid before any further division can take place.

The Directors would not have hesitated to realize these securities even at a considerable loss, were this the only obstacle to the winding up of the Bank; but, as it would require a large portion of this description of assets to clear off the indebtedness above mentioned, they do not think themselves justified in making such a sacrifice, until the results of the legal proceedings, taken for the recovery of the amounts still due by debtors to the Bank for loans on mortgage, be determined, especially as these form the principal source from which the means of paying another dividend can be obtained.

It is much to be regretted that so great delay has occurred in the realization of these loans. The Directors, in fulfilment of their duty, have sought to enforce their settlement by legal proceedings; but every possible obstacle has been thrown in the way by the debtors themselves, for no other end than the Directors could see, at least in a number of cases, than to avoid the payment of their just debts.

To obviate this difficulty, and to prevent delay in the law courts, an Act of Parliament was obtained which was intended to set aside all unnecessary and vexatious pleas, and bring to a more speedy issue all contestations of the claims of the Bank; but, after passing both Houses of the Legislature, this act was reserved for Her Majesty's sanction. Much delay in proceedings at law has been the consequence, a circumstance the Directors deeply regret, as tending to prolong the final settlement of the affairs of the Bank.

In the estimate of the value of the loans on mortgage given above, the Directors have been obliged, in consequence of the continued decrease of the value of real property, and the failure in several cases of the personal securities, to make a still larger deduction for probable losses than was made in the statement of last year, which, but for the accruing interest, would have further reduced the assets as compared with the liabilities.

Having carefully estimated the assets of the Bank, the Directors are still of opinion that they will be able to close its affairs without much greater loss than that originally contemplated, excepting the loss of interest, and that it is probable that all necessary legal proceedings will be brought to an issue, and the present liability to the Banks discharged, within the next twelve months, after which the assets will be divided as fast as realized.

By order of the Board of Directors,

CHARLES FREELAND,
Actuary & Treasurer

Montreal, October 31st, 1849.

EVIDENCE,

Taken by and in virtue of an Act of Parliament, passed in the thirteenth and fourteenth years of Her Majesty's Reign, No. 221, cap. 98, intituled, "An Act to provide for the appointment of Commissioners to inquire into the affairs and management of the MONTREAL PROVIDENT AND SAVINGS BANK."

Province of Canada, }
District of Montreal. }

On this twenty-fourth day of October, in the year of our Lord one thousand eight hundred and fifty,

Personally came and appeared, the Honourable *Peter McGill*, of the City and District of Montreal, who, being duly sworn, deposeth and saith: Witness was present at the last annual meeting previous to the suspension of the Bank; he believes it was in May, one thousand eight hundred and forty eight. Witness at that meeting strongly cautioned the Directors against receiving large sums of money in deposit at a high rate of interest. Witness then stated that he considered the receiving of such large deposits was at variance with the spirit of the law on which the Savings Bank was regulated, the intention of such law being for the benefit of the poor man, and not to receive large sums in deposit from the rich at a high rate of interest, which he considered would inevitably lead the bank into embarrassment and difficulty. At this public meeting, to the best of witness's recollection, there were from twenty to twenty-five persons present, amongst whom witness thinks were John Redpath, Esquire, William Murray, Esquire, the Honourable William Morris, the Honourable James Ferrier, John Torrance, Esquire, David Davidson, Esquire, the Honourable Adam Ferrie. Witness has repeatedly, in private conversation with Mr. Lunn, and others connected with the management of the Savings Bank, long before its suspension, said to Mr. Lunn and other Managers, that they were paying too high a rate of interest, and that injurious results would ensue in consequence. Witness also said that they were receiving too large sums of money in deposit, and acting altogether contrary to the principles of a Savings Bank. Witness had expressed similar opinions at one or two annual meetings held previous to the one above referred to. Witness considers that the large amount taken from individuals in deposit, subject to be drawn out at a short notice, was one of the main causes of the suspension of the Bank.

And further this deponent saith not, and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

PETER MCGILL.

Sworn before me at Montreal,
this twenty-fourth day of
October, one thousand eight
hundred and fifty,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this twenty-fourth day of October, in the year of our Lord one thousand eight hundred and fifty,

Personally came and appeared, *William Sinnett*, of the City and District of Montreal, servant, who, being duly sworn, deposeth and saith: I was a depositor in the Montreal Provident and Savings Bank. I had in the latter end of October, or the beginning of November last, a pass-book showing the balance at my credit of fourteen pounds fourteen shillings and one penny. At the recommendation of Owen Heeny, coachman to Samuel Gerald, Esquire, I asked Mr. Gerald to sell my book for me; about two hours after, Mr. Gerald paid me seven pounds six shillings and five pence, which was all I could get for it. When I gave my book over to Mr. Gerald, I signed my name in it, in presence of one witness, a Mrs. Bogue, cook to Mr. Gerald, who also signed it.

And further this deponent saith not, and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

WILLIAM SINNETT.

Sworn before me at Montreal,
this twenty-fourth day of
October, one thousand eight
hundred and fifty,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this twenty-fourth day of October, in the year of our Lord one thousand eight hundred and fifty,

Personally came and appeared, *Andrew Anthony Adams*, of the City and District of Montreal, dancing master, who, being duly sworn, deposeth and saith: At the time of the failure of the Savings Bank, I had about twenty-two or twenty-three pounds in it. The second or third day of the run, I drew a small cheque, leaving a balance due me of eleven to thirteen pounds, after the closing of the Bank. I deposited one hundred and three pounds, to the best of my knowledge, in consequence of an advertisement in the papers, that all monies deposited in that Bank would be paid in full on demand, and a few days after that I drew on the Bank for twenty or thirty pounds, and continued to do so until I drew the full amount; that is, including the balance I had in the Bank when it stopped payment. There were no objections made to me to the payment of any of my

Appendix
(Q. Q.)

15th July.

cheques. When the last was presented, the paying teller asked if the cheque was correct, and I answered, yes. The paying teller did not refer to the books, but took my word for it. The paying teller did not then ascertain from me whether any part of the previous balance remaining due at the time of the suspension was included in this last cheque or not. I did not, in drawing my last cheque, draw any interest on my deposits. There is interest due to me of probably two or three pounds, which I have not been paid. I have no reason to believe that I was paid in full as an act of favour, or in preference over other creditors of the Bank.

And further this deponent saith not, and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

A. A. ADAMS.

Sworn before me at Montreal,
this twenty-fourth day of
October, one thousand eight
hundred and fifty.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this twenty fourth day of October, in the year of our Lord one thousand eight hundred and fifty, Personally came and appeared, *Robert Cooke*, of the City and District of Montreal, shoemaker, who, having been duly sworn, deposeth and saith: Some time in the month of December, eighteen hundred and forty five, to the best of my belief, at the last time when the municipal elections were held under the old law, I assisted in negotiating with the Savings Bank a loan for John Kelly and Company, of one thousand pounds, and about a fortnight before I had also assisted in negotiating with the same institution a loan for Daniel O'Connor, of five hundred pounds, and a few days after of two hundred and fifty pounds, for the same party. The loans from the Savings Bank were on the following terms: that to John Kelly and Company was given on a mortgage on his property and on my property. Mr. Ferrier and Mr. T. M. Tobin were security on a notarial deed, passed before T. Pelton and Colleague, Notaries, to the best of my belief, that I should not be a loser by the transaction. The security on which the loans to Daniel O'Connor were granted was a mortgage on my property, and John Kelly was jointly and severally bound with me, on a mortgage on a part of his property. For the security which I gave for five hundred pounds for Daniel O'Connor, I had only his promise to keep me harmless: he said that the Honourable Dominick Daly and Mr. Higginson, private Secretary to the then Governor General, would see that I should sustain no loss, and that the Hon. James Ferrier knew the transaction. When the application was made to me for the further security on the two hundred and fifty pounds, I felt uneasy at the responsibility I had incurred, without any tangible guarantee from the parties whose names Mr. Daniel O'Connor had mentioned, and I said so to him. Shortly after I met the Honourable James Ferrier, who spoke to me about the loan. He asked me why I refused to become security for Mr. O'Connor. I said I had already given security for too much, and if I had the thing to do over again I would decline. Mr. Ferrier then told me to go security again with John Kelly and Company for Mr. Daniel O'Connor, and he, Mr. Ferrier, would see

me harmless, for the loan of two hundred and fifty pounds. When Mr. Ferrier applied to me to become security to the Bank for John Kelly and Company, I asked him why he wished me to be security? He replied, that he did not wish his name to appear as security directly to the Bank, as he was one of the Directors, and it would have a political appearance. I had several conversations with the Honourable Mr. Ferrier about the time of these loans, wherein I mentioned that Kelly and Company and Daniel O'Connor were then deprived of those facilities which they formerly had with the Bank of Montreal and the People's Bank, in consequence of their having changed sides in politics, and that I thought it would be a great shame to the Conservative party to let them fall. Mr. Ferrier replied that it would. The loans were negotiated after these conversations which I had with Mr. Ferrier. Mr. John Kelly was returned to the Corporation as Councillor for the St. Lawrence Ward, at the election alluded to in the foregoing part of my examination, with the understanding that he should vote for Mr. Ferrier as Mayor of the City, and he did so vote. I consider that all the mortgages given to the Bank as security for the sums to which I have referred, as lent to John Kelly and Company and Daniel O'Connor, were quite sufficient in amount at the time to save the Bank from loss. I do not know whether the Bank has sustained loss from the securities or not. I cannot get my account from them, though I have applied several times for it. At the time the loans alluded to were made to Daniel O'Connor, I was aware that he was not able to meet his payments. Mr. Ferrier asked me about his standing, and I said I knew he was embarrassed. Mr. Ferrier said, if he, O'Connor cannot stand, it is better to let him fall, and set him up again. I communicated this to O'Connor, as Mr. Ferrier's opinion. He said that a loan of five hundred pounds would make him quite easy; but, as already mentioned, after he got the five hundred, he required two hundred and fifty more. At the time also that the loan was made to John Kelly and Company, Mr. Ferrier knew that they were in embarrassed circumstances. I had told him so, and that they could not stand without assistance. Both Daniel O'Connor and Kelly became bankrupts in a short time, say within a year, of their obtaining these loans, to the best of my belief; and my property has been sold by the Savings Bank on account of my security to the former.

On this twenty fifth day of October, eighteen hundred and fifty, the examination of the witness, Mr. *Robert Cooke*, was continued as follows:

When I spoke yesterday of the dates of my transactions with the Savings Bank, relative to the loans to O'Connor and Kelly and Company, I gave the dates from recollection, only coupling them with the municipal election, which I was aware was held about the time of those loans, and it is very possible that I was in error as to the precise dates. The conversations that were held between me and Mr. Ferrier were generally in his own house, and sometimes in the street; but I never, to my knowledge, had any conversation with him in the Savings Bank. I never made any formal application to the Bank respecting these loans, nor had I ever any communication about them with any of the other Directors. I cannot say whether I have ever been called upon by the Bank to pay the amount of my indebtedness, on account of the loan to Kelly and Company. Mr. Freeland, the Actuary, that succeeded in the management of the Bank after its failure, informed me that I should suffer no loss on account of that security. The Bank has proceeded against me for the amount of the two obligations which I came under for Daniel O'Connor and have sold the property that was mortgaged, for

Appendix
(Q. Q.)

15th July.

Appendix

(Q. Q.)

15th July.

that and other debts I owed them. My fixed property that was mortgaged to the Bank was sold at Sheriff's sale, that is to say, a certain lot of ground, situate in Lagauchetière Street, with three brick houses. They were bought in by Mr. Freeland, in the name of Mr. Redpath, for one hundred and twenty pounds in all. This lot originally cost me about sixteen hundred pounds. The other property belonging to me in Mountain Street, containing eleven wooden tenements, was also sold at Sheriff's sale, to William Rodden, for one hundred and twenty pounds. He bought them in for all persons concerned. This property cost me four hundred pounds. In addition to my liabilities to the Bank, for security already mentioned, I got on my own account, I think in the spring of forty seven, the sum of five hundred pounds, advanced on a mortgage of my fixed property already specified. I gave also as security, by a notarial deed, the names of J. B. Smith, S. Frost, D. P. Janes, William Rodden, John Holland and W. W. Janes. This is the sum for which I was sued by the Bank. This last loan to me was granted on an application that I sent in to the Bank. Before sending in this application to the Bank, I spoke to Mr. Ferrier, either in his house, or the street, or in the hall of the Bank, I am not sure which. I asked him if I could have a loan of five hundred pounds. He asked me what I was going to do with it, and how apply it if I got it. I told him that I was going to refund it to the above-named securities on the loan to me, that they obliged me with paper to retire the notes of John Kelly and Company; and, on this explanation, Mr. Ferrier was satisfied, and told me he would use his influence to get me the required amount. Mr. Ferrier's name was not on that paper which I wanted to withdraw; but it was at the instance of Mr. Ferrier that I endorsed John Kelly and Company's paper, which I had been obliged to withdraw with the paper of the above-named gentlemen. I consider Mr. Ferrier was bound to indemnify me for endorsing Mr. Kelly's paper, as I did it without any interest of my own, at the representation of Mr. Ferrier, and without which recommendation I should not have incurred the responsibility. When I first mortgaged my property to the Savings Bank, it was clear of encumbrances, except to the *Baillieur du fonds* of about two hundred and eighty pounds, and a dower of twenty five pounds on the property in Mountain Street. After my mortgages to the Savings Bank, I granted a mortgage to J. B. Smith, and others already named, in consideration of a loan to be furnished by them to assist me from my liabilities on account of Kelly and Company. Smith and the others agreed to rank after the Savings Bank's claim for the five hundred pounds last borrowed from them.

Ques. by Commissioner. Is it not then the fact that the five hundred pounds of the Savings Bank money was borrowed by you from that institution for the purpose, and was paid by you for the liquidation of your debt to J. B. Smith, N. S. Frost, D. P. Janes, William Rodden, John Holland, and W. W. Janes.

Ans. Yes.

Ques. Is it or is it not true that you explained to the Hon. James Ferrier, one of the Directors of the Montreal Provident and Savings Bank, that you required to borrow from that institution the said sum of money, for the purpose of liquidating your debt to J. B. Smith and others enumerated in the last interrogatory?

Ans. Yes.

Ques. What security did you give to the Savings Bank for the said loan?

Ans. A notarial obligation, with a general mort-

gage on my property, and the securities of J. B. Smith and others above named.

In addition to my examination of yesterday, I would add that the commission of Bankruptcy was issued against Kelly and Company, in August, eighteen hundred and forty six, against Daniel O'Connor some months previous.

Since the failure of the Savings Bank, I have had conversations with Mr. Ferrier, with respect to his liability to me, and he has acknowledged that he is liable to me for a hundred and twenty five pounds, being the half of the two hundred and fifty pounds for which I became security for O'Connor, with Kelly, and for which Mr. Ferrier promised to indemnify me, but he has not paid me anything.

And further this deponent saith not, and having had this his deposition or evidence read over to him, he declares it to contain the truth, persists therein, and hath signed.

ROBERT COOKE.

Sworn before me at Montreal,
this twenty-fifth day of Oct.
one thousand eight hundred
and fifty.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this day, the twenty-fifth day of October, eighteen hundred and fifty,

Personally came and appeared, the Hon. Peter McGill, of this City, and District of Montreal, who, being duly sworn, states as follows:—I find that I was in error yesterday in stating that I believed Mr. Redpath was present at the meeting therein referred to; that in answer to the question which was put to me, whether Mr. Lunn, Mathewson, and Mr. Geo. Elder were present, I stated that I did not recollect. I now remember that they were present, and that the Hon. George Moffatt was also present.

And further this deponent saith not, and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

PETER MCGILL.

Sworn before me at Montreal,
this twenty-fifth day of Oct.,
eighteen hundred and fifty.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this twenty-fifth day of October, eighteen hundred and fifty,

Personally came and appeared, James Doran, office keeper in the Engineer Department, in the city and district of Montreal, who, being duly sworn, deposes and saith:—On the twenty-ninth of November, eighteen hundred and forty-seven, I went to the Montreal Provident and Savings Bank for the purpose of making a deposit there of six hundred pounds. Mr. Eadie, the Actuary, informed me that it was contrary to the rules to take more than five hundred pounds from one individual, but that he would re-

Appendix

(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

ceive five hundred pounds from me, and that I might deposit the remaining hundred pounds in the name of some other person. I did so in the name of my son, Sigismund James Doran. Since the failure of the Bank I have received twenty per cent. on the amount of the two above named deposits, with twenty per cent. on the interest thereon accruing, to the 31st of December, eighteen hundred and forty seven; and I have also received a transfer of a mortgage on certain property, to the extent of seventy per cent., on the amount of my claims, on the above accounts. The balances of my account, £50 4s. 2d., and of my son's account, £10 0s. 11d., with the interest on £602 10s. 11d. since the thirty-first of December, eighteen hundred and forty seven, are still due to me, and unpaid by the Bank.

And further this deponent saith not; and, having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JAMES DORAN.

Sworn before me at Montreal,
this twenty-fifth day of Oct.,
eighteen hundred and fifty.

W. BRISTOW,
Commissioner. *

Province of Canada, }
District of Montreal. }

On this twenty-sixth day of October, eighteen hundred and fifty,

Personally came and appeared, *Archibald Macafrlane*, Esquire, Merchant of the City and District of Montreal, who, having been duly sworn, deposeth and saith: I have kept an account at times with the Montreal Provident and Savings Bank. I was in the habit of making deposits there. I think I have deposited as much as five hundred pounds at one time—perhaps not frequently so large a sum—I kept an account for about six months. My reason for doing so, was, that I could obtain interest there for any surplus funds that I might have which I could not obtain from the other Banks, at the same time that the money would be at my call. I think I have had from seven hundred to a thousand pounds in the Bank at one time, but I cannot speak precisely, not having my bank-book with me. I think, still speaking from recollection, that, within the six months, I deposited from two to three thousand pounds. No objection was at any time taken to the extent of my deposits, and I believe I might have lodged there any sums I might have thought proper. I never gave notice of any cheques I was about to issue on the Bank; they were always paid on presentation. I never overdraw my account; I was always credited with the interest on any sums I had in the Bank; I never had any notes discounted there, nor any notes collected for me. I never had any loans from the Bank, either on securities or otherwise. The time that I kept my account at the Savings Bank, was up to a short time previous to its suspension. I had two accounts—one that of my Commercial firm, and the other as Treasurer of the St. Gabriel Street Church. The former I closed very shortly before the suspension of payment. I do not recollect any particular reason for closing my account.

Ques.—Did you or did you not, prior to the withdrawal of your account from the Savings Bank, hear that that institution was in difficulties, or likely to be so?

Ans.—I think that I did.

The witness here expressed a wish to retire, in order to produce his bank-book, which was allowed.

The witness having returned with his bank-book, the examination was continued.

I opened my account with the Savings Bank on the eleventh of April, eighteen hundred and forty-eight. The first deposit I made on that day was £502 10s. I made various deposits afterwards, up to the ninth of June, eighteen hundred and forty-eight, amounting in all to about two thousand five hundred pounds. I gave a cheque on one day, namely on the eighteenth of May, for one thousand pounds. The last cheques I drew, are marked in the books as on the tenth of June; they were for the whole amount at my credit, except two pounds one shilling and a penny. Those cheques amounted to £295 2s. 3d. On the twenty-sixth of June, I appear to have been credited with £2 7s. 5d. interest, making the balance of my credit £4 8s. 6d., which I drew out shortly before the stoppage. I cannot say when the stoppage took place, that is, the precise day. I think I went the day before I drew this balance, and asked one of the officers of the Bank to balance my account. I cannot say whether I asked them to include the interest or not, but they did so, and, as already mentioned, I then drew out the exact balance. It is within my knowledge, that, within a month after I drew this balance, there was a run on the Bank. I am not sure that it might not have been within three days. At the time that I drew out the balance, it was of public notoriety that the Bank was in difficulty; but I considered, at the time, the Bank to be perfectly good. I never before that asked that the balance should be calculated for me, and the interest made up to a point. I do not recollect any particular circumstances that caused me on that occasion to get the interest calculated. I was not induced to that by any apprehension of loss from the embarrassment of the Bank. I do not think I had come to any determination to discontinue keeping an account at the Savings Bank.

Ques.—Would you, on the twenty-sixth of June, eighteen hundred and forty-eight,—the day on which your interest account appears to have been made up,—had you had some considerable amount of funds, say some hundreds of pounds for deposit, have felt sufficient confidence in the Savings Bank to have lodged it there?

Ans.—I would not, in consequence of the rumour respecting the Bank; but smaller sums I would have had no objection to deposit.

Ques.—Would you, supposing you had had some hundreds of pounds in the Bank, at that time have withdrawn that money from the Bank, in consequence of those rumours?

Ans.—Yes.

Ques.—Would you, if you had had one hundred pounds, have withdrawn it?

Ans.—Yes.

Ques.—Would you, if you had fifty?

Ans.—I think I would.

Ques.—Would you, if you had had twenty?

Ans.—No. I have no recollection of any particular conversation with any individual concerning the embarrassment of the Savings Bank, previous to the run on the Bank. Referring again to the bank-book of my firm, I find that on the ninth of May, eighteen hundred and forty-eight, I deposited £280; on the tenth, £284 12s. 5d.; and on the 12th, £5 in two different sums—£516 4s. 9d. I also kept an account with the Savings Bank, as Treasurer of the

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Gabriel Street Church, since January, forty-seven. I produce the book: it consists of small sums deposited and withdrawn, amounting in no single instance to over £50. On the twenty-sixth of June, forty-eight, I deposited five pounds; and on the seventh of July, two pounds ten. The balance now due by the Bank on this account, is five pounds nineteen and eightpence, with a small amount of interest.

And further this deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

ARCHIBALD MACFARLANE.

Sworn before me at Montreal,
this twenty-sixth day of Oct.,
eighteen hundred and fifty.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this twenty-sixth day of October, eighteen hundred and fifty,

Personally came and appeared, *Daniel O'Connor*, shoemaker, of the City and District of Montreal, who being duly sworn, deposes and saith: Some three years since, I cannot state the precise time, I obtained two loans from the Savings Bank, amounting together to seven hundred and fifty pounds. The first loan was for five hundred, the second loan for two hundred and fifty. I personally, verbally applied, in the first instance, to Mr. Ferrier, now the Hon. Mr. Ferrier; it was in Notre Dame street. On further recollection, I state I had, previous to this conversation with Mr. Ferrier, made application to Mr. Ferrier through another party, for a loan for the purpose of defraying my just debts.

Ques. Who was that third party?

Ans. I do not answer that question, because I think it has no bearing on the transaction.

Ques. Was that third party the Hon. Dominick Daly?

Ans. I refuse to answer that question, considering it irrelevant.

My first application was to Mr. Ferrier; it was out of the Bank. I think it was in the street, he told me some time after, that I could have five hundred pounds, providing I could find security. I afterwards applied to Mr. John Kelly and Mr. Robert Cooke to become security, and they agreed to become so. I think I then made application to the Bank; the security of Cooke and Kelly was accepted, and I got the five hundred pounds from the Bank. I had no conversation with any other of the Directors of the Bank about the loan, that I recollect. I think that when I conversed with Mr. Ferrier, he understood I was embarrassed at the time. I was in difficulties. I am not sure whether any of my paper was under protest. I cannot say precisely how long, but it may be from a fortnight to a month after, I got a second loan from the Savings Bank of two hundred and fifty pounds. On that occasion it was through Mr. Ferrier, whom I met in the street, and who told me I could have two hundred and fifty pounds more. I know it was given on the same persons' security, but I do not remember whether that was mentioned at the time or not. I did not give any fixed property as security on that occasion; nor do I recollect whether my name was included in the

Appendix
(Q. Q.)

15th July.

obligation that was taken or not. Mr. Ferrier did not, for either of the above loans, desire me to apply on his behalf to Mr. Cooke or Mr. Kelly to become security for me. I never assigned to Mr. Ferrier any other reason why I should obtain a loan from the Savings Bank, except that I needed the money for my business. I never said to Mr. Ferrier that in consequence of my supporting the Conservative party, that I had been deprived of facilities I had formerly obtained at the Banks, and that I ought to be assisted by the Conservatives. Mr. Ferrier never promised to me to hold my securities harmless from any loss, from their becoming liable for me at the Bank. Mr. Ferrier never, to my recollection, told me that he would ask any one to become security for me. I may have said, in conversation with Mr. Ferrier, that Mr. Kelly needed assistance. I stated as the cause, that he wanted it, and that he was a good, generous man. I assigned no other reason to my knowledge. I did not speak of any political services rendered by Mr. Kelly. I did not speak of the circumstances of Mr. Kelly at the time, because I did not know them. I did not promise to Mr. Ferrier, either political support or assistance in consideration of obtaining a loan myself, or of his obtaining it for other people; nor did I ever authorise any other person to make such an offer. I became a bankrupt some months after the loans were made to me; it could not have been later than August, forty-six. I am not sure, but I do not think the Bank has sustained loss by its loans to me. At the time I offered Messrs. Cooke and Kelly as my securities, I considered them perfectly good.

And further this Deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

DANIEL O'CONNOR.

Sworn before me, at Montreal,
this twenty-sixth day of October,
eighteen hundred and fifty.

WM. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this twenty-eighth day of October, one thousand eight hundred and fifty,

Personally came and appeared, *John Kelly*, carpenter, of the City and District of Montreal, who being duly sworn, deposes and saith: I believe, in the beginning of April, eighteen hundred and forty-six, I had a loan of one thousand pounds from the Montreal Provident and Savings Bank. I gave as security, a mortgage on the property of John Kelly and Company, the firm of which I was the principal. The property consisted of houses, and is described in a deed passed before J. Pelton, Notary. As further security, were mentioned in the deed Messrs. James Ferrier, (now the Hon. James Ferrier,) and J. M. Tobin, both of this City, who thus became personally liable, as mentioned in the deed. My name did not, I believe, appear in the deed as borrower, though the loan was actually to me, as member of the firm of John Kelly and Company. The reason why my name did not appear as borrower was to prevent cavil. At that time there was a set made against me to ruin me in my business, and injure my reputation; and therefore the name of Mr. Robert Cooke was substituted instead of mine as the borrower. I do not remember whether I made any formal written

Appendix
(Q. Q.)

15th July.

application to the Directors, but I think I did. I do not remember ever making any verbal application in the Bank for such a loan. I never myself personally made application, out of the Bank, to any of the Directors for a loan from the Bank, but a person suggested to me that he would make a personal application for me to Mr. James Ferrier, for a loan from the Bank; and I authorised him to do so, I think, for a thousand pounds; it was in my own house that this proposition was made to me by the person to whom I have alluded. We had had some conversation together on the state of my affairs, and I had mentioned to him the withdrawal of the accommodation from me of late, by the Montreal and People's Banks, where I had done my business. The party understood well enough that that withdrawal arose from political reasons; that is, because I had voted for Mr. Ferrier, as Mayor of Montreal, whom I considered the most competent person at the time; and that got me ill will from those who entertained different opinions. The person whom I authorised to apply for a loan for me, had no connexion with the Bank, nor did he give any security for me; I would not have made an application personally, myself; I would have shrunk from doing so; for I considered the party, whose political views I was deemed to espouse at the time, would think that I had some ulterior motive in the course I had pursued, and therefore I would have suffered all inconveniences rather than have made an application myself. The party who made this application did not profess to have any power or influence over the Bank; but he seemed to be under the impression that Mr. Ferrier would exert himself, in order to obtain the loan. I do not know any reason why he should suppose that Mr. Ferrier would so exert himself, except from that feeling that is natural to every man, to sympathise with one who had suffered some odium in connexion with his name. The person with whom I had this conversation, to which I have alluded, was Mr. Daniel O'Connor. I never had any other loans from the Bank, but the thousand pounds, to which I have already alluded; nor have I ever had any notes discounted there. I was security for two loans by the Bank to Mr. Daniel O'Connor, amounting together to seven hundred and fifty pounds. My fixed property, or rather that of my firm, was mortgaged to the Bank on both these occasions. The loans to Mr. O'Connor, on which I was security, were prior to the loans to me. My fixed property was free of all encumbrance, in the way of mortgage, except that of the *Baillieur du fonds*—besides those to the Bank which I have specified. The claim of the *Baillieur du fonds* was about twelve or thirteen hundred pounds; the value of the property altogether, I consider about seven or eight thousand pounds, at a very low estimate, as property then stood rated. It produced a rental of six hundred and seventy pounds, including property occupied by the members of my firm. I became insolvent, and a Commission of Bankruptcy was issued against me on the twenty-ninth of August, eighteen hundred and forty-six. The loans already mentioned, for which I was security to the Bank, were then unpaid, and the Bank claimed on my estate for the amount. I do not know the exact sum for which my property was sold, but I believe it did not produce enough to pay the *Baillieur du fonds* and the Bank. The Bank had therefore a claim against my general estate for the balance. I do not remember any particular conversation that occurred between me and Mr. Cooke, relative to my obtaining in his name a thousand pounds from the Bank. I promised, however, to hold him harmless, and I performed that promise by the security which I obtained, namely, the personal security to him of Messrs. James Ferrier and J. M. Jobin, besides the mortgage on my property. I have never since made

any promise to Mr. Cooke, that he should be held harmless.

And further this Deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JOHN KELLY.

Sworn before me, at Montreal,
this twenty-eighth day of
October, 1850.

W. BUSTROW,
Commissioner.

Province of Canada, }
District of Montreal. }

On the twenty-eighth day of October, eighteen hundred and fifty,

Personally came and appeared, *William Murray*, Manager of the Montreal Insurance Company, of the City and District of Montreal, who, being duly sworn, deposed and saith: I am, and have been one of the Managing Directors of the Montreal Provident and Savings Bank, since its foundation, in eighteen hundred and forty-one, up to the present time. The minute book of the Savings Bank being presented to the witness, the following entry therein being exhibited to him:

"The meeting proceeded to appoint the ordinary office bearers, when the following were balloted, to wit:

"William Lunn, Esquire, President.
"John Redpath, Esquire, } Vice Presidents.
"J. T. Brondgeest, Esq., }

"Finance Committee,

"The President, Vice President, William Murray, Esquire, Robert Armour, Esquire."

he was asked, Were you appointed a member of the Finance Committee on the date specified in the above extract, viz., on the first of May, eighteen hundred and forty-six?

Ans. I do not recollect, but I was under the impression that I was not elected until eighteen hundred and forty-eight; but the entry may be correct.

The witness's attention was then called to the minutes of the Finance Committee, held on the following days, in which minutes he is stated to have been present at such meetings—namely, on the 19th of June, 1846; 4th of November, 1846; 17th of December, 1847; 11th of January, 1848; 22nd of February, 1848; 16th of May, 1848; 18th of May, 1848; 23d of May, 1848; 27th of May, 1848; 29th of June, 1848; 31st of August, 1848; 5th of September, 1848; 18th of September, 1848; 26th of September, 1848; 12th of December, 1848; 29th of December, 1848; 16th of January, 1849; 23d of January, 1849; 4th of July, 1849; 27th of January, 1850. And he is asked whether he has any recollection of having been present at any, and which of such meetings?

Ans. It is very probable that I was present at all of such meetings, but I think not at all of them as a member of the Finance Committee; but I have a perfect recollection of some of the matters mentioned in the minutes having been discussed at meetings when I was present. I have a general knowledge of the management of the institution; not a very intimate knowledge, as I am

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

a good deal engaged with my own business. I had no desire to be put on the Finance Committee, having a great deal else to attend to. I have read the Act under which the Bank was established, but I have no distinct recollection at present of its provisions. At the time the Savings Bank Act was passed, viz: 4 and 5 Victoria, cap. 32, the Montreal Savings Bank was about to be established, and the Provisional Committee who were taking the trouble of getting up the Bank, of whom I was one, were in correspondence with B. Holmes, Esquire, M. P. P., who introduced the Bill, respecting some of its provisions. I cannot recollect whether the provisions of Mr. Holmes' Bill were modified to suit the views of the Provisional Committee, but I think some alterations were made at their request. I drafted the first rough copy of the Rules and Regulations of the Bank, with a sincere desire for the protection of the Bank, and to ensure the proper performance of the duties of its officers. The substance of my draft was adopted, but partial modifications made in its details.

Ques. From your own knowledge of the Montreal Provident and Savings Bank, do you consider that it has been conducted in accordance with the provisions of Act 4 and 5 Victoria, cap. 32, and if you are aware of any deviation from the provisions of that Act, or violation of the Rules and Regulations of the Savings Bank, say in what those deviations or violations have consisted?

Ans. I believe it to have been the sincere desire of the Directors, so far as it has come to my knowledge, to carry out the law, and conduct the business in accordance with the rules of the Bank: but some few irregularities have been discovered, such as receiving larger amounts at times than the rules allowed of, and for which the Actuary has been censured in my presence by Mr. Redpath and others. There were also one or two persons who kept accounts with the Bank of a higher class than that contemplated by the Savings Bank Directors as depositors, and the Directors found fault with such accounts having been kept there, when discovered. I am not aware of any other deviation from the rules. I recollect by-laws having been passed for the management of the Savings Bank, and I believe a copy of them was made out, and deposited with the Clerk of the Peace. I have also a recollection of some additional by-laws being passed, which the Actuary, to the best of my belief, was directed to furnish a copy of to the Clerk of the Peace. I am aware that the Actuary was directed to make returns to the Legislature in accordance with the provisions of the Act, viz., 4 and 5 Victoria, cap. 32. I have no actual knowledge of these instructions being carried out. I do not recollect ever to have seen any such returns.

Ques. Are you aware of the following provision in the Rules and Regulations of the Bank, originally adopted at its opening in Eighteen hundred and forty-one?

"The amount of deposit shall not exceed two hundred pounds from any one depositor, or at any one time, except under special circumstances, of which the Director in attendance, or the Actuary shall be the judge: and shall not exceed the sum of five hundred pounds, to the credit of any one depositor, at any time; but these restrictions shall not apply to deposits made for any Religious or Charitable Associations or Friendly Society, who may place their funds in this Institution."

Ans. I have a recollection of such a by-law or rule.

The attention of witness is called to the minutes of the proceedings of the following meetings of the

Directors, as recorded in the minute book, at all which meetings the witness is mentioned as having been present, viz.—the 4th of October, 1843: the 11th of October, 1843; and the 3rd of Nov. 1843; and he was asked whether he had any recollection of the diminution of the amount to be received in deposit, say from £500 to £200, having been then agreed to, under the circumstances which are stated to have occurred at such meetings, with reference to a change in the by-law relative to the amount of deposits?

Ans. It has altogether escaped my recollection.

Ques. Have you any knowledge of any of the moneys of the Bank, having been invested at any time upon personal security, if so state the circumstances of such investment, and by whom, as far as you are aware, authorized?

Ans. I do not recollect the Directors authorizing any investments on personal security, unless in one or two cases, until such time as other securities could be completed. I remember a temporary loan to the Trustees of the Canadian Mission, the particulars of which are described in the minutes of the Finance Committee's proceedings, as recorded in the minute book under date 19th June, 1846. But any system of discounting notes in the usual banking manner, was not done by or with the knowledge of the Directors.

The Witness's examination is here adjourned, witness promising to attend to-morrow to resume his evidence, and hath signed.

WM. MURRAY.

WM. BRISTOW,

Commissioner.

On this twenty-ninth day of October, eighteen hundred and fifty, the examination of the witness Mr. William Murray was continued as follows:

In addition to my answer to the last question yesterday, I would state that there might have been, on one or two occasions, a temporary advance to a tradesman for a few days, to oblige him. Mr. David Brown, a builder, is one of them, by a *bon* either by me or to me for fifty or a hundred pounds for about a week. There were other notes, but of course in addition to those notes other security was taken. This has been the case in every instance that I recollect.

Ques. Do you state positively that no notes have been discounted by the Bank to your knowledge, with your sanction as a Director, without additional security to the notes themselves having been taken?

Ans. It was the intention of the Directors that no notes were taken without additional security being contemplated or intended to be completed, and I do not recollect of any other instances than those I have already enumerated, as exceptions to this practice being sanctioned by the Directors. I recollect some cases having been discovered, but they were done, to the best of my knowledge, by the Actuary himself, without the sanction of the Directors. I never had any papers of my own discounted by the Bank. I recollect a loan of about a hundred pounds to the Rev. Mr. Esson, for which all the Committee of the Gabriel Church signed a note, and the Church was to be mortgaged. The sum has been since paid.

Ques. Were you formerly, and are you now, a Director of the High School of this City?

Ans. I was, but am not now.

Ques. When did you cease to be a Director?

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

Ans. I am not sure if it was last year, or the year before.

15th July.

Ques. Has not the High School occasionally had loans from the Savings Bank ?

Ans. Some time after the School was first opened, a number of the Directors, perhaps eight or ten, gave one or two promissory notes, which were lodged as security in the Savings Bank for a loan. I do not consider this an exception to my remarks about the discounting of notes, the High School being an incorporated body. Subsequent to that transaction, Mr. Davidson the Secretary or Treasurer to the High School, made application to the Bank for a loan, which was to have been secured by a mortgage on the school house and the individual security of all the Directors of the School. That loan was agreed to without my knowledge, or approval.

Ques. Be good enough to state all the particulars of the loans by the Savings Bank to the High School, so far as you are aware of them ?

Ans. The mortgage I refer to in my last answer was prepared, and the places where the Directors were to sign their names was put down in pencil by Mr. Davidson on the mortgage or deed, but I understand that upon that document being presented to some of the Directors, they declined to become parties to it. With the understanding that such a security should be given by the Directors of the High School, two sums, amounting together to, I think, about two thousand four hundred pounds, had been advanced by the Bank previous to the deed being prepared; Mr. Davidson as the Treasurer or Secretary of the School, drew the money. About two months, I think, after the advance of the two thousand four hundred pounds had actually been made by the Savings Bank, Mr. Davidson called a meeting of the Directors of the High School, and then suggested to them the propriety of applying to the Savings Bank for a loan. I think I was present at that meeting. I believe the idea of getting the money was approved of. I believe at that time there would have been no difficulty in getting the deed signed by the directors, but when it was handed round, some took objections, and the deed could not be completed. There was another proposal made by the Directors of the School afterwards, to obtain from the Bank an additional sum, giving a mortgage on the school, and the security of a number of the proprietors of the schools, and others, for the sum set opposite their respective names on a list prepared for that purpose, the amount I think, required was twenty-five hundred pounds; a number of the Directors, myself amongst the rest, subscribed to that list, but as the amount could not be raised, that proposal fell to the ground. I think that I first learnt about a month or two after the advance of two thousand four hundred pounds of which I have already spoken, that it had been done without any deed having been previously executed. I expressed to Mr. Eadie the then Actuary, who first mentioned it to me, that the loan had been approved of, my disapprobation of the transaction, this was not on account of any doubt I had to the security as proposed, but on account of the amount being so large, I consider that it could not be realized at a short notice, should the Bank require the funds back again. Mr. Eadie stated in answer to the objection, that should the Savings Bank require the money, they might overdraw their account at the British North American Bank to the extent of that loan. I do not recollect ever having found fault with Mr. Eadie for having advanced the £2,400, before the security had been completed. I do not know whether Mr. Eadie had had any authority from any of the Directors of the Savings Bank, to pay out the £2,400 before the security had been completed, nor do I remember Mr. Eadie ever having al-

leged, that he had the authority of the Directors for so doing.

The witness's examination is here adjourned, witness promising to attend again when required, to resume his evidence, and hath signed.

W. M. MURRAY.

Appendix
(Q. Q.)

15th July.

Province of Canada, }
District of Montreal. }

On this Thirtieth day of October Eighteen hundred and Fifty,

Personally came and appeared, *Andrew McFarlane*, Merchant, of the City and District of Montreal, who having been duly sworn, deposeth and saith. I never kept regular account with the Montreal Provident and Savings Bank, but I occasionally deposited sums of money there, for which I had no particular use, and because I could draw there a larger interest than I could elsewhere. The Savings Bank offered five per cent, and the British North American Bank only gave me four per cent. The following are the particulars of the sums I deposited in the Savings Bank, viz.

In 1848, March 10th, Cash	£800
“ “ 15th, “	250
“ “ 17th, “	150
“ “ 28th, “	500
“ April 8th, “	300
	<hr/>
	£2,000

It was with the Actuary, Mr. Eadie's consent, that I made these deposits. He furnished me with a book containing an abstract of the Rules and Regulations, and signed, "John Eadie, Actuary," and dated from "their office, "No 9, corner of St. François Xavier and Great St. James Street." I do not remember the time, but it was after the last deposit above mentioned, that I entertained some suspicions of the solvency of the Bank. I called at the Bank, and told the Actuary I wished to draw a part of the funds I had there for exchange. Mr. Eadie asked when I wanted the money. I said in two or three days, and Mr. Eadie said it was all right: accordingly in two or three days I drew for the amount I had in the Bank, with the exception, I believe, of about two or three hundred pounds, and a short time afterwards I drew the balance. Previous to doing so, I think I met Mr. Eadie in the street, and told him I intended doing so. It was some little time before the failure of the Bank—I cannot say how long—that I withdrew my account. I had heard some flying reports that the Bank was mismanaged. In the first place I thought Mr. Eadie's expenses were far greater than his income warranted. I knew he had no funds of his own, independent of his salary from the Bank; and that he was engaged with Mr. Footner in the purchase of a property for several thousand pounds, and he had also commenced building an expensive house. Mr. Elder, one of the then Directors, spoke to me previous to the withdrawal of my funds, and said he thought I was wrong in depositing so large an amount of money in the Savings Bank, and said if I continued to deposit such sums, that he would be under the necessity of calling a full meeting of the Board of Directors, to prevent Mr. Eadie from receiving such sums as the charter would not allow; and it would ultimately injure the Bank, as these sums would be drawn from them when they would not probably be prepared to pay without inconvenience, as it was quite impossible for them to invest large sums of money, liable to be drawn out at

Appendix
(Q. Q.)
15th July.

a short notice in securities which would pay as high a rate of interest as they were allowing. I have no knowledge from any person connected with the Bank, that the conduct of Mr. Eadie had given dissatisfaction to the Directors prior to the suspension. Mr. Elder, in the conversation to which I have above alluded, said that the Bank was rendering itself liable to a heavy penalty in receiving such large sums of money in deposit; it being altogether contrary to their charter. After the stoppage of the Bank, which occurred in the summer of forty-eight, a public meeting of depositors and others was called. I was present, and was appointed one of a committee, consisting of five persons, namely, John Greenshields, Town Major McDonald, Edward Prentice, myself, and some one else, whose name I do not recollect. We went to the Bank in pursuance of the duty to which we were appointed, which was to investigate its affairs. We met there the following Directors: the Hon. W. Morris, John Redpath, Esquire, the Hon. James Ferrier, I think William Murray, Esquire, and perhaps some others. We examined, in the first instance, the securities, particularly, I remember, those relating to Mr. Footner's, Mr. Eadie's, and Mr. Lunn's account, and we subsequently made a report to the depositors of our proceedings, which was published. There was a statement exhibited by the Directors, but I cannot state its purport. We did not carefully examine the books; it would have taken us months to have examined them thoroughly. A balance sheet, I think, was exhibited to us, and from that and the remarks of the Directors, we came to the conclusion that a loan should be recommended to be obtained to assist the Bank, and that it should freely pay all demands upon it by depositors. I think the statement exhibited to us shewed a considerable surplus. I never had any paper discounted at the Bank, nor any loan from it. At the time of the stoppage of the Bank I was not a creditor, except for the interest which had accrued on my deposits, and which I have never received.

And further this deponent saith not; and, having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed,

ANDREW MACFARLANE.

Sworn before me at Montreal,
this thirtieth day of Oct.,
1850.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this thirty-first day of October, one thousand eight hundred and fifty,

Personally came and appeared, *Joseph Belle*, Esquire, notary public, who, having been duly sworn, deposeth and saith: I was a depositor in the Montreal Provident and Savings Bank prior to its suspension, and had been, I think, since eighteen hundred and forty-seven. I have not my bank pass book with me, but I have a memorandum on a notarial instrument which I have with me, detailing my transactions with the Bank since the 31st of December, 1847. The following is a copy:—

“Debt due J. Belle, notary public, for deposits by him, made in the Montreal Provident and Savings Bank, as per pass book, by No. 7,400.”

		As per account in folio 6,379.		Appendix (Q. Q.) 15th July.	
Balance on the 31st Dec., 1847,....	1848.	£276	10	4	
February 1st.—By cash,.....		75	0	0	
“ 2nd do.		42	10	0	
March 9th do.		56	0	7	
“ 9th do.		412	0	0	
May 4th.—To cash,.....		62	0	0	
	Balance,.....	£800	0	11	
June 26th.—By cash,.....		100	0	0	
		£900	0	11	
July 21st.—Received by transfer made on A. M. Delisle and Norbert Dumas, Esquires, before J. J. Gibb and his colleague, notaries,.....		810	0	0	
Balance due on the 21st July, 1848,...		£90	0	11	

By the above account it will be observed that there was a balance to my credit, at the time of the suspension of payment by the Bank, of £900 0s. 11d., with interest accruing since the 31st of December previous; and that I have received a transfer of ninety per cent. on the above balance, by a mortgage held by the Bank. I negotiated this transfer through the Hon. W. Badgley, who was counsel for the Bank. Mr. Badgley said that any depositor, a creditor of the Bank, could have a transfer in like manner, of a mortgage or deed to the extent of ninety per cent. on the amount of their just claims. The mortgage, of which a portion was transferred to me by the Bank, as above mentioned, was on a property which had been sold, previous to my transfer, to Messrs. Dumas and Delisle, under a certain deed, by which they were bound to pay a portion of the price for consideration therein contained, for, and at the discharge of the debtor, in said obligation to the said Bank, who were not parties in the deed, to accept the said delegation, and who, that is, the said Bank, did not fyle any opposition against the demand of the said Messrs. Dumas and Delisle, for a confirmation of their title, in order to preserve their claims. These facts I hold from Mr. Dumas, who told me that he did not acknowledge the Bank as creditor, but the money was due, and he was willing to become my debtor. I do not consider that the Bank took proper care to protect their own interest in the matter of this mortgage. In the first place, the mortgage was not enregistered at the public register office for about a month after it was made; and in the second place, they did not fyle an opposition, as I have already stated, for the preservation of their rights.

And further this deponent saith not, and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed,

J. BELLE.

Sworn before me at Montreal,
this thirty-first day of Oct.,
1850.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this thirty-first day of October, eighteen hundred and fifty,

Personally came and appeared, *Lawrence Moss*, Merchant of this City, and District of Montreal, who, being duly sworn, deposeth and saith: I was a de-

Appendix
(Q. Q.)
15th July.

positor, in my wife's name, in the Montreal Provident and Savings Bank. The following is the particulars of my account there, as per my deposit book, which I now exhibit. The account was kept in the name of Rosetta Nathan or Rosetta Moss.

Deposit No. 6,751, folio 1,694.

1847.	
July 5th.—By cash,.....	£400 0 0
Dec. 31st, Interest,.....	9 15 0
	£400 15 0
1848.	
August 24th.—To cash,.....	81 19 0
	£327 16 0
September 19th.—To transfer from H. Jeremie,.....	91 1 0
	£236 15 0

Being aware that a number of claimants on the Bank had mortgages transferred to them in payment, I made application to Mr. Cox, one of the Clerks at the Bank, to have the mortgage transferred to me, for or on account of the debt to me. I think the first application I made must have been towards the end of September, eighteen hundred and forty-eight. He told me that he had no mortgage deeds that he could give me a transfer of at present. He said I must wait with patience for the payment of my debt, as others did. I made repeated applications, ineffectually, for a transfer. The first deposit I made at the Bank, I gave to Mr. Lunn in person; he made no objection to the amount being larger than the rules admitted. The transfer of the 19th September, 1848, referred to in my statement of account above, was of a mortgage on some fixed property of Mr. Jeremie, held by the Bank; and this is the only security I have been able to get transferred.

And further this deponent saith not; and, having had this deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

L. MOSS.

Sworn before me at Montreal,
this thirty-first day of Oct.,
1850.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this thirty first day of October, eighteen hundred and fifty,

Personally came and appeared, *Walter McFarlane*, merchant, of the City and District of Montreal, who, being duly sworn, deposeth and saith: I believe I kept a book with the Savings Bank, and deposited money there some years since, but I afterwards closed the account. I had only one or two deposits with them at this time. They probably amounted from fifty to eighty pounds. I do not remember the precise date when I closed my account; but it is some years since. There may, perhaps, be a few shillings due upon it. It was in my individual name. Subsequently to the closing of that account, I became a member of the firm of D. and W. McFarlane, merchants, of this City; and, as a member of that firm, I had transactions with the Savings Bank. Also, I think, previous to D. McFarlane becoming my partner, I had some business transactions with

Appendix
(Q. Q.)
15th July.

the Savings Bank, while I carried on business in my own name. The time when I kept a book, to which I have already referred, was when I was a clerk in the employ of Mr. William Macintosh. My transactions with the Savings Bank, since I have been in business, have been of various descriptions. I have several times purchased bills of exchange on Scotland, in sums varying probably from twenty five to a hundred and fifty pounds sterling. These bills of exchange, to the best of my recollection, were headed, "Montreal Provident and Savings Bank," and were drawn on the Western Bank of Scotland at Glasgow. They were signed, "J. Eadie." I am not sure whether he put the word "Actuary" at all times or not. I think I bought exchange in this way from 1846 to 1848. I considered the transactions were with the Bank, and not with Mr. Eadie individually; but I never asked him any questions on the subject; but I acted with him as I would with the President of the Montreal or any other Banks. I paid for the exchange sometimes in cash and sometimes in promissory notes, with my endorsement. Sometimes I received, not only bills of exchange for those notes, but a balance in cash. I have had notes discounted at the Bank perhaps on half a dozen different occasions. Speaking from memory, I may have had three to four hundred pounds discounted or advanced on notes all together. These transactions were, I think, also from 1846 to 1848. I considered that the discount of notes was with the Bank, and not with Mr. Eadie in his private capacity individually. All these transactions were openly in the Bank, in Mr. Eadie's public office there. Sometimes he handed me cheques for the money, signed by him, I think, as Actuary, and invariably headed, "Montreal Provident and Savings Bank;" and sometimes he, or one of the clerks of the Bank, handed me the money over the counter. I have seen Mr. Lunn occasionally in the Bank when I have had these transactions, but he never interfered in them. In the fall of 1846, I left in the hands of Mr. Eadie, Actuary, a number of notes for collection, which were regularly attended to, and the proceeds paid over. I am not certain that I am correct as to the time, but I am certain as to the fact.

And further this deponent saith not; and having had this his deposition read over to him, he declares it contains the truth, persists therein, and hath signed.

WALTER MACFARLANE.

Sworn before me at Montreal,
this thirty-first day of October,
one thousand eight hundred and fifty.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this second day of November, eighteen hundred and fifty,

Personally came and appeared *Alexander Frederick Sabine*, Merchant, of the City and District of Montreal, who, having been duly sworn, deposeth and saith: I have never been a depositor in the Montreal Provident and Savings Bank, nor have I kept an account there, nor have I ever discounted any paper there. I recollect, on one or two occasions, having taken up one of my notes at the Savings Bank, it being there, and I also took up one of my notes at the British North American Bank, it having been lodged there by the Actuary of the Savings Bank. All the above notes, I think, were payable to John Watson or order, and some of them

Appendix
(Q. Q.)

15th July.

were endorsed by W. S. McFarlane. I have been examined on the subject of these notes, in a cause pending in the Court of Queen's Bench, between John Watson and the Savings Bank; and the notes, I believe, have been filed in Court by the plaintiff in that cause. The first note that I took up at the Savings Bank was, I believe, notified as due by a notice written by Mr. Eadie. Whether he subjoined "Actuary" to his name or not, I do not remember. I took up the note at the counter of the Savings Bank, paying the money for it to one of the Clerks, not Mr. Eadie, considering it a payment to the Bank itself, and not to an individual. I had never heard that Mr. Eadie individually discounted paper on his own account, nor do I know that Mr. Eadie did so; but I have heard it alleged since the failure of the Bank, that the discounts by Mr. Eadie were for his own account. One of my notes I received a personal notification in the street, from Mr. Eadie, that it was about to fall due. He said it was due at the Bank, and he supposed there was no occasion for a written notice.

And further this deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

A. F. SABINE.

Sworn before me at Montreal,
this second day of November,
one thousand eight hundred and fifty.

W. BRISROW,
Commissioner.

Province of Canada, }
District of Montreal, }

On this second day of November, eighteen hundred and fifty,

Personally came and appeared *William Watson*, chandler, of the City and District of Montreal, who, having been duly sworn, deposeth and saith: I never was a depositor in the Montreal Provident and Savings Bank, nor did I ever keep any account there. At several times paper in the possession of my late firm, Watson and Ewing, has been discounted at the Savings Bank. Generally my late partner, Greuville Ewing, when these discounts were effected, arranged for them; but on one occasion I myself went to the Savings Bank with a promissory note, whose I do not recollect, and got it discounted there. I spoke to Mr. Eadie, who said he would discount it for me. I think he charged me two and a half per cent., being one per cent. more than the legal interest, it being a note at ninety days. He paid me the proceeds over at once, in silver. The transaction was in his own office at the Bank, where he publicly transacted the business of the Bank. I never thought whether I was acting with Mr. Eadie, as the Manager of the Bank, or in his individual capacity. I never understood that Mr. Eadie conducted a private business in the Bank. I consider my transaction with him precisely the same as I would have considered a transaction with any other Manager of a Bank. I remember that on one occasion my late firm received a notification from the Provident and Savings Bank, that a note of ours was in that Bank, and calling upon us to take it up there. It was in manuscript. I do not recollect who signed it. I do not recollect whether the notice purported to have been issued from the Bank itself. This, I think, occurred in the year 1846 or 1847. It was in those years that the discounts to which I have alluded were given to my late firm. In those notes of ours discounted for the

firm no collateral security was given. I once, I think in 1846, bought a bill of exchange for £17 or £18 from Mr. Eadie. He charged me seventeen per cent. I think it was on a firm in London. It was on an engrossed plate, but I do not recollect whether it purported to have been drawn by the Montreal Provident and Savings Bank. It was signed by Mr. Eadie, and to him I paid the money, in cash. No other person in the Bank had anything to do with the transaction, as far as I saw, but it was conducted in Mr. Eadie's private office already referred to. I had no reason to suppose Mr. Eadie was selling this exchange on his private account.

And further this deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

WILLIAM WATSON.

Sworn before me at Montreal,
this second day of November,
eighteen hundred and fifty.

W. BRISROW,
Commissioner.

Province of Canada, }
District of Montreal, }

On this fourth day of November, eighteen hundred and fifty,

Personally came and appeared, *William Lunn*, Esquire, of the City and District of Montreal, who, being duly sworn, deposeth and saith: I was one of the Managing Directors of the Savings Bank at the time it was first instituted, in 1841. I was the first President that was elected, and continued President until the 6th of May, 1848. Since that latter date I have not interfered very actively with the management, but I attended several of the meetings up to the end of 1848. I do not think that I have been at any meetings of Directors since that time. I suppose I am still a Director. I have never formally resigned as such. During the time I was President of the Bank, my attendance there was very frequent: at least twice a week I was in the habit of visiting the Bank. The Actuary was in the habit of consulting me on matters connected with his duties, and should have done so on all; but many things of an improper character were done by him latterly without my knowledge, and other things in direct opposition to my instructions, and those of the other Directors. I recollect on several occasions I met Mr. Walter McFarlane, of the firm of D. & W. McFarlane, in Mr. Eadie's office. I inquired of Mr. Eadie whether Mr. McFarlane was there on business of the Bank. Mr. Eadie said that he was not; that his elder partner was out of the country, and that he came to consult Mr. Eadie on his own business. Mr. McFarlane had spoken several times to me to get discounts for him at the Bank of Montreal, and I cautioned Mr. Eadie not to discount any paper for him, or any one else. I had not the least reason whatever to suppose then that Mr. McFarlane was at the Savings Bank endeavouring to get discount there; afterwards it was discovered that Mr. Eadie had discounted paper for Mr. McFarlane. The first I knew of it was immediately after the suspension of the Bank, which took place in July, 1848. I do not think that any entries connected with these discount transactions with McFarlane were made in the general books of the Bank. I have no knowledge where Mr. Eadie derived his funds for these discounts. Another irregularity on the part of Mr. Eadie which has come to my knowledge, is in trans-

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

actions with Mr. W. S. McFarlane, late grocer, of this city. The first intimation I had on this subject, was from Mr. Murray, one of the Directors of the Bank. It was after the suspension of the Bank that I received this intimation, but prior to Mr. Eadie's dismissal, I believe. Mr. Murray said that he and Mr. Ferrier had been making a private investigation, in the evenings, into transactions which they had discovered, of notes having been discounted for Mr. W. S. McFarlane, by Mr. Eadie, which I understood from the conversation to have been with funds of the Bank. This was the first intimation I ever received of Mr. Eadie having discounted notes for Mr. W. S. McFarlane, nor had I ever suspected any such transaction. I never met Mr. W. S. McFarlane at the Bank, that I recollect. These discounts were to a considerable amount, several thousand pounds, I believe. They had all occurred within a few months prior to the suspension of the Savings Bank, during my Presidency at that institution. I suppose they were effected with the funds of the Savings Bank. I never discovered the deficiency in the cash occasioned by these discounts, but the Savings Bank account was kept at the British North American Bank, and was frequently overdrawn, Mr. Davidson sending over occasionally to have the balance rectified or made good; but these transactions were of course not entered in the cash book. I did not audit the cash book in the year above referred to, that is, 1848; but I carefully examined all the securities held by the Bank, such as harbour debentures, road debentures, canal debentures, Bank stock, &c., amounting altogether to some forty or fifty thousand pounds. I was in the habit for the first few years, say perhaps for two or three years, at the end of each month, of checking the balances in the Banks where the Savings Bank money was deposited, and seeing that those balances corresponded with the balances as stated in the Savings Bank books, and at the same time I used to count the cash on hand in the Savings Bank, which was always confined to a small amount, chiefly in small change. On my examinations I always found the cash correct. I cannot speak from my own personal knowledge of any formal audit of the cash since my last audits, to which I have referred; but a Standing Finance Committee was appointed, of which I was one, and the accounts were examined at the termination of each year, prior to the annual meeting, when the general statement of the affairs of the bank was exhibited and published. I believe, but I cannot state on my personal knowledge, that the cash was verified on each of these occasions, except that at the end of 1847, when I had not time to examine the cash, but examined the securities, such as I before specified. I cannot say whether on the 31st December, 1847, there was or was not a deficiency in the cash; but I had no reason to suspect, nor did I suspect, that there was any. I cannot undertake to state from recollection whether the cash was verified on the 31st December, 1846, but the general statements were regularly examined. I am fully cognizant of the Rules and Regulations of the Savings Bank, originally adopted. I was one of the persons who was active in getting up the Savings Bank, and I, with other gentlemen engaged in the same object, carefully examined these Rules and Regulations before they were adopted, in accordance with the provisions of the Act 4 and 5 Victoria, cap. 32, intitled, "An Act to encourage the establishment of, and regulate Savings Banks in this Province." I caused the Rules and Regulations to be copied, and deposited the same with the Clerk of the Peace, signing my name as "Trustee." I am aware of the terms of the eighth rule, limiting the amount of deposits to be received from any one depositor, and at any one time; that rule has not been strictly observed. It was frequently brought before the

Directors at their various meetings, and Mr. Eadie was strictly enjoined not to exceed the amount specified in the regulation, namely, £200, as it only gave the Directors additional trouble to invest moneys for parties who could invest it themselves. Mr. Eadie still persisted occasionally, in violating the rule. Some of those parties were, to my knowledge, requested to withdraw sums that they had deposited, larger in amount than the rules permitted. I recollect Mr. Elder, in particular, being requested to withdraw a sum that he had deposited. I have no knowledge of any of the Directors having authorized a violation of this rule. I never violated it myself, or authorized any other person to do so. I am aware that this rule was, during the last year of my Presidency, habitually violated, and with my knowledge. It was not at that time discouraged by the Directors of the Savings Bank, as the account with the British North American Bank was overdrawn, in consequence of the large demands on the Savings Bank. These large demands were occasioned by mechanics, in considerable numbers, leaving Montreal, and drawing their deposits out of the Savings Bank. This drain on the Savings Bank funds commenced, I think, about a year previous to its suspension. On reference to the minutes of the meetings of the Directors of the Savings Bank, I find that it was resolved, on the 26th January, 1847, to raise the rate of interest from and after the first day of January current, on all moneys deposited in the Bank, not exceeding three hundred pounds currency, to five per cent. per annum; and that on the 18th of February, 1847, it was further determined to allow five per cent. interest upon all deposits, without any limitation of amount. I was present at the meetings when these resolutions were adopted, and concurred in those proceedings. Since that time I believe there has been no limitation as to the amount of deposits received. I am aware, since the advanced rate of interest allowed by the Bank, and the removal of the restrictions on the amount deposited, large investments have been made by the Savings Bank, in loans on securities, and in stocks. Upwards of fifteen thousand pounds must have been so invested. I find fully that amount particularized in the minute book to which I now refer. It was the practice to note in the minute book all applications for loans, with the decision that might be come to by the Board upon them. Applications for loans were always made to the Directors, who generally decided whether the loans should be made. Any question arising as to the sufficiency of the security, was commonly referred to the Finance Committee for their opinion and decision. Some few loans were granted, not at formal meetings of the Board; but these were exceptions to the general rule, which was, that the Board should decide such questions. I cannot particularize any loans made by individual Directors without consulting the Board, but I know there were such. I believe that a large number of the loans that have been made by individual Directors, have never been recorded in the minute book. The minute book was irregularly kept for the year prior to the suspension of the Bank. The minutes of the proceedings of the Board were never signed by the Chairman from the time of the opening of the Bank to its closing, to the best of my belief; but the invariable practice when I took the chair, was to read over the minutes of the previous meeting. I am not aware that any book was kept except the minute book, in which applications for loans or sales of stock were recorded. On the 18th of February, 1847, the day on which it was determined to raise the rate of interest to five per cent. on all deposits, a new arrangement was made with the Bank of British North America, by which it was agreed that the Savings Bank should receive four and a half per cent. upon any balance that it might

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

have at any time in the Bank of British North America, and should be charged five and a half per cent. on any amount which it might overdraw. I was aware previous to the 24th of April, 1847, but I cannot say how long previous to that time, that Mr. Eadie was in the habit of selling small bills of exchange on his private account, to depositors who wished to remit small sums to their friends. I never considered that he did it on account of the Bank, nor that he used the funds of the Bank for that purpose. I certainly would not have allowed it to have been done in the name or with the funds of the Bank, because it would have been foreign to the object for which the Bank was established. I did consider that it was improper for the Actuary of the Savings Bank to conduct a private business of his own. I stated to Mr. Eadie my opinion that it was improper. The subject was brought before the Board, and on the 24th April, 1847, the following resolution was moved by Mr. Ferrier, seconded by Mr. Armour, and agreed unanimously:

"That it is expedient that Mr. Eadie, the Actuary, should not hereafter engage in Exchange transactions, or any other money matters, excepting the regular business of the bank; but that, for the accommodation of depositors and others wishing to send small sums of money to their friends in England, Scotland, or Ireland, arrangements should be made, under the sanction of the Finance Committee, to enable him to accommodate these parties by drawing small sums, in no case to exceed £20, on behalf of the Bank, and that the Finance Committee are authorized to make the requisite provisions for that purpose."

The above resolution was never acted upon; no account was opened by the Savings Bank in Britain or Ireland; but an arrangement was made with Mr. Davidson, of the British and North American Bank, to sell, at market rate, bills of exchange, in small sums, to suit the views of the depositors in the Savings Bank. When the Bank determined to raise the rate of interest on deposits in 1847, as already mentioned, the change was advertised in the newspapers. I believe the change in the by-laws of the institution was not notified to the Clerk of the Peace, according to the provisions of 4 and 5 Victoria, cap. 32: it was forgot; nor am I aware that any notification of the change has since been made.

The witness' examination is here adjourned until ten o'clock to-morrow. Hath signed.

WM. LUNN.

Sworn before me at Montreal,
this fourth day of November,
1850.

W. BRISTOW,
Commissioner.

On this fifth day of November, eighteen hundred and fifty, the examination of the witness *William Lunn, Esquire*, was continued as follows:

Referring to the minute book of the proceedings of the Directors of the Montreal Provident and Savings Bank, I find that on the 28th September, 1841, an account was opened with the Montreal Bank, pursuant to an offer made through its Cashier, Benjamin Holmes, Esquire, the Cashier of that institution, dated the 25th idem, to receive the deposits of the Savings Bank upon interest, at the rate of four per cent. per annum, with the understanding that three months' notice of any change be given upon either side. At that time the Montreal Provident and Savings Bank allowed interest on deposits at the

rate of four per cent.; this was the lowest rate of interest ever allowed by the Bank, on sums under £100. Subsequently to this the Bank of Montreal reduced their rate of interest to one and a half per cent. and the Directors of the Savings Bank, in consequence wrote to all the chartered Banks of the city for tenders. The Bank of British North America offered the most favourable terms, which were accepted, and the Savings Bank account transferred to that Bank. The terms agreed on are stated in the minutes of the proceedings of the Savings Bank of the 7th May, 1844. They are, that the British North American Bank shall allow the Savings Bank three per cent. on deposits, and charge for any sum that might be overdrawn, from five to five and a half per cent., according to the term for which the loan might be required.

On the 4th of October, 1843, at a meeting of the Directors, at which I was present, the attention of the Board was called by Mr. Redpath, one of the Directors, to the fact that he was aware, through Benjamin Holmes, Esquire, M.P., then member of Parliament for the City of Montreal, that Lord Stanley, the then Colonial Secretary, had expressed dissatisfaction with the Act of the Provincial Legislature under which the Savings Bank was established. On the 11th of October, a meeting of the Board assembled to consider these objections, and resolutions were adopted, authorising me, as President of the Bank, to address Mr. Holmes with a letter, embodying the opinion that the amount to be admitted as a deposit should be reduced from five hundred pounds, as at present, to two hundred and fifty pounds, and that where the aggregate of the deposits does not exceed £100, the interest of four per cent., at present allowed, shall be continued; but that wherever the aggregate exceeds that amount, the rate to be allowed upon such to be reduced to three per cent. Further securities from the officers of the Bank were also determined upon, and a more effectual system of checks ordered to be established. On the 14th of October, 1843, I addressed Mr. Holmes a letter in accordance with these instructions of the Board, which letter is duly recorded in the minute book. At a subsequent meeting of the Board, on the 3d November, 1843, at which I was present, the following formed part of the proceedings, as recorded in the minute book: "The previous minute, and Mr. Lunn's letter to Mr. Holmes, were read over. Mr. Redpath stated that in a letter from Mr. Holmes, he had been informed that no proceedings in regard to the Savings Bank Bill would be adopted this Session, provided that the maximum of the deposits were considerably reduced; whereupon it was resolved, that from and after this date, not more than £200 should be received to the credit of any depositor."

I have no knowledge of any other letter having been addressed to Mr. Holmes on the subject, except that of the 14th of October, 1843, to which I have referred. I do not think that these alterations of the Rules and Regulations of the Savings Bank were advertised. I do not recollect that they were publicly notified in any way; I believe they were not transcribed and deposited with the Clerk of the Peace, to be filed in his office. They were acted upon, but I do not recollect how long; I think they were deviated from previous to their being rescinded by the resolutions of the 23d January, 1847, which allowed interest at the rate of five per cent. on sums not exceeding three hundred pounds. It is to my knowledge that large sums were refused to be received in deposit, after the passing of the resolution of the 3d of November, 1843.

Ques. Can you state that any sums above £200 and less than £500 were ever refused to be received in deposit by the Montreal Provident and Savings

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Bank, since the 3d of November, 1843, the day on which the limitation of deposits to sums under £200 was made by the Board of Directors?

Ans. To the best of my belief there were, but it is so long since that I cannot state the particular occasions on which they were refused. I have no knowledge of the Bank having at any time discounted any paper, without receiving, or intending to receive, within a short time, further security on real estate, or other securities, such as public stocks, from the parties to whom such discounts were made. If any such discounts had been made at any meeting of the Board at which I was present, I should not have forgotten it; the rule was rigidly observed not to discount on personal security only. I have no knowledge of any Director having at any time discounted, with the funds of the Bank, paper submitted to him at times when the Board was not assembled; I speak to the best of my recollection. I have no knowledge that any of the Directors of the Bank, at any time, used any portion of the funds of the Bank for their own accommodation, or that any one of them, at any time, had the use of any of the funds of the Bank, without previously lodging ample security either in stocks or real estate. My attention being directed to page 95, in the general ledger of the Montreal Provident and Savings Bank, in which I am debited with the following amounts: April 5th, cash, £100; April 14th, cash, 150; May 2nd, cash, 100. I state that this was a loan granted to John McKenzie, on real estate, and charged in my name; the deeds of the property being in my possession. The loan was sanctioned by the Directors at a regular meeting, although I do not find it in the minute book. The sum to my debit, viz., £1370 13s. 7d., was also a loan on Montreal Bank stock. I repaid that amount by a sale of twenty-eight shares of that stock, at three per cent. premium. I do not find any entry in the minute book of the sale, but it is by no means usual to enter such. The sale of the Bank stock was approved by the Directors, and was at the market rate. A general order had been given to me and the Actuary to purchase Montreal Bank stock, at the market rate. On the 2nd of February, 1844, a loan was made by the Savings Bank of six hundred and sixty pounds, on the security of notes signed by a large portion of the Trustees of the High School. That sum, with the interest thereon, accruing to the 30th of September, 1850, amounting to £904 9s. 5d., appears in the ledger to have been paid in part in the following manner. See ledger, folio 139, headed

“ David Davidson—High School Account.”

“ April 20th, 1849—By deposits.....	£300	0	0
“ June 5th, “ By do.	20	0	0
“ Novr. 30th, “ By do.	150	0	0
“ June 1850—By W. Murray... ..	40	0	0
“ Sept. 30th “ By do.	11	19	8
“ The balance standing at the debit of			
“ that account in the Savings Bank }	373	9	9
“ Ledger, appears to be.....			

Referring to another account in the general ledger of the Provident and Savings Bank, page 220, headed “ David Davidson, for the Montreal High School,” I state that the sum of £1200, with which that account first stands debited, and which is described in the cash book as a payment on account of loan to the High School, was made without my knowledge. Mr. Eadie, the Actuary of the Savings Bank, informed me that such a payment was made. It may have been three or four days, up to eight or ten days after the payment was actually made, that Mr. Eadie gave me the information: I cannot exactly recollect what words Mr. Eadie used on the occasion; I know he stated that he had done it on some authority, but I could not at this moment specify on what authority,

Appendix
(Q. Q.)

15th July.

because I have not a distinct recollection. I think that Mr. Eadie did mention that he had made the payment on the authority of a Director of the Bank; I cannot state which, because I do not recollect so as to be perfectly sure; it was either Mr. Brondgeest or Mr. Ferrier, they being both Directors of the British North American Bank, with which the account of the High School was kept; Mr. Davidson, the Cashier of the British North American Bank, being at the time the Treasurer of the High School. Mr. Eadie stated to me that notes would be granted by the Trustees of the High School, for the amount similar to those granted for the loan of six hundred and sixty pounds, in 1844, to which I have already referred, and of which loan, the loan of £1200, was considered an extension. I felt dissatisfied that the loan should have been made without consulting me as President of the Bank. It had been made without receiving the formal sanction of the Board of Directors, and it was an irregular transaction. The subject was immediately brought before the Board of Directors and was frequently discussed there. We all then considered the loan good, as a subscription list was then going round, to which a large sum was actually subscribed. Mr. Eadie was ordered to obtain notes from the Trustees of the High School for the £1200 lent on the 25th of July, 1845.

On the 30th of August 1845, the High School is again charged in the name of David Davidson, their Secretary, with a further sum of £1,200, to account of loan to High School. I do not recollect whether that second payment was sanctioned by myself previous to its being paid or not. At the time this second payment was made, no notes had been received from the trustees of the High School for the former loan of £1,200 to them. I have no recollection by what sanction, or if by any sanction of the Board of Directors or of any of them, this second payment of £1200 was made. I do not recollect that either myself or any other of the Directors objected at any time to this second payment.

On the 4th of October 1845, the High School is again charged in a similar manner with the sum of £600, on account of loan to the High School. I do not think this sum was authorized by myself or by the Board of Directors, several sums were paid to this account without my sanction and I felt annoyed at it, it was the frequent subject of conversation at the Board, indeed at almost every meeting. Calculations were made shewing the ability of the High School at that time to pay its debts. I did not object to the High School's power of meeting its engagements, but I objected to the money being paid out without proper security being first obtained. This observation I made to Mr. Eadie when he told me of the moneys having been paid out. At the Board I do not recollect what I said. At the time the sum of £600 viz. on the 4th of October 1845, no securities had still been obtained either in notes or in any other way for the £2,400 previously advanced. On the 4th of December 1845, a further sum of £700 was advanced to Mr. Davidson to the same account. I have some indistinct recollection, that about the time of this payment, or the payment of the £600 on the 4th of October, 1845, which I have previously mentioned, Mr. Eadie informed me that Mr. Davidson had made some proposition about requiring a further sum of money, but I recollect nothing further, I do not think I was aware of this, or any of the sums being paid out until the payments were actually made. On the 4th of December, 1845, no notes had been obtained for the £3000, or for any part of it lent to the Trustees of the High School, nor had any other security been obtained. The whole sum advanced, amounting on the 4th of December to £3,700 with the interest that has accrued, still stands at the debtor of D. Davidson,

Appendix
(Q. Q.)

15th July.

Treasurer to the High School, and no portion of it has since, to the best of my belief, been paid.

No reference is made in the minute book of the proceedings of the Directors to the advances of £3,700 made to the High School as particularized above, until the 10th of August 1847, when a letter was ordered to be addressed to Mr. Davidson, the Secretary, insisting upon having the security completed, and especially having a large amount of interest liquidated; the further proceedings of the Board on this subject are detailed in the proceedings of subsequent meetings.

I do not recollect that at any meetings of the Board of Directors of the Savings Bank, that any of the Members stated that he had authorized the Actuary to make these payments to the High School or any of them. I do not recollect that the Actuary was ever censured at the Board for having made these payments, nor can I say it was ever stated at the Board that the Actuary had paid the money without proper authority. When I speak of my having expressed dissatisfaction at the payments having been made without my sanction, I mean that I said so to Mr. Eadie individually, and not to the Board of Directors, nor to any Director.

I frequently pressed Mr. Eadie to get notes for the advances made to the High School. I got Pet on, the then notary for the Savings Bank, to draw up an obligation to be signed by a number of parties connected with the High School. That obligation was never completed, some parties having refused to sign it. I cannot recollect the period when this occurred I think it was either in 1846 or 47, probably in the latter. I attended several meetings at the High School when the subject of the loan by the Savings Bank was discussed. It was at one of these that the obligation to which I have alluded was agreed on, provided all would sign. Some parties refusing to sign was the cause of the obligation falling to the ground.

The witness's examination is here adjourned until ten o'clock to-morrow, and he hath signed.

W. M. LUNN.

Sworn before me at Montreal this
fifth day of November, 1850.

W. BRISTOW,
Commissioner.

On this sixth day of November, Eighteen hundred and Fifty: the examination of the witness *William Lunn*, Esquire, was continued as follows,

I wish to make some addition or correction to my evidence given yesterday relative to the using of Savings Bank funds by the Directors. I recollect on one occasion, some time in 1847 or 48, that having purchased some Telegraph stock, I paid for it with the Savings Bank money, having in a few days to receive a much larger amount in Dividends on Bank Stock &c., &c. The Telegraph stock was security for the money advanced, namely, £205. I received the amount on the 30th of October, 1847, and repaid it with interest on the 19th of January, 1848.

After the failure of the attempt to get all the Trustees of the High School to become parties to an obligation to the Savings Bank, for the repayment of the loan made by it, I called on Mr. Davidson, some time between August and October 1847. My interview with Mr. Davidson was in the British North American Bank. My object was to obtain a mortgage for the Savings Bank on the property of the High School, I recollect Mr. Davidson put off the granting of a mortgage for some reason which I

cannot recollect. He acknowledged the liability of the High School for the debt, he did not say whether he had had any authority to draw the money from the Bank. I do not recollect that I complained to him of having taken the money from the Savings Bank, in an informal manner, without the sanction of the Board of Directors of the Savings Bank at one of their meetings. I do not think I complained to him of the nonfulfilment of promises made nearly two years before, at the times the Savings Bank lent these various sums of money, that the Trustees of the High School should grant their notes for the sums lent.

Ques. Can you state that between the periods of the advances made by the Savings Bank to the High School in 1845, and August 1847, which is, I believe, about the time at which the meeting in the High School, to which you referred in your evidence given before this Commission yesterday, you at any time, and if so, at what time or times, made application, or instructed any other person to make application to Mr. Davidson, Treasurer of the High School, or to any other Trustee or Trustees of the High School, to grant notes or other security for the loans made by the Savings Bank?

Ans. I frequently requested Mr. Eadie between those periods to get notes, and at meetings of the High School held between 1845 and August, 1847, I urged that notes or other securities should be given. I also made personal application to Mr. Davidson for such securities between those times.

Ques. Can you state the date, or nearly so, of your first urging, at a meeting of the Directors of the High School, the granting of securities to the Savings Bank?

Ans. I cannot state the date.

Ques. Can you state that you did so as early as the year 1846?

Ans. To the best of my recollection, I did so.

Ques. Can you state that prior to the 10th of August, 1847, you at any time addressed, or caused to be addressed, any written communication either to Mr. Davidson, the Treasurer, or to the Trustees of the High School, or to any of them, to urge either for repayment of the loan, or for the obtaining of security for its repayment?

Ans. I did not address any letter myself, nor do I think I caused any one to do so.

Ques. Did you take any, and if so, what steps further than you have already mentioned, prior to the 10th of August, 1847, to secure the Montreal Provident and Savings Bank, of which you were at the time the President, against loss by these loans, which you, in your evidence of yesterday, stated to have been "an irregular transaction?"

Ans. I do not recollect that I took any other steps. I would explain that I did all that I could to get the money secured. I am aware that Mr. Eadie, the late Actuary of the Bank, stands in the books a heavy debtor to that institution. He has appropriated the funds of the Bank for his own purposes, but I cannot say what particular purposes. I cannot say when Mr. Eadie's defalcation commenced, nor can I say any particular period up to which Mr. Eadie's cash account was correct, beyond that which I have already stated in my evidence. He may have been a defaulter for several years prior to the suspension of the Bank, without its being found out, and that to a considerable amount. I never had any suspicion that Mr. Eadie was a defaulter, up to the time that Mr. Murray told me of his having used the funds of the Bank, and of the investigation that

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

had taken place by him and Mr. Ferrier into Mr. Eadie's conduct, as mentioned in my evidence given before this Commission on the 4th instant. Since the dismissal of Mr. Eadie, I have heard mention made of two irregular transactions of his; one, of his having received a small sum of money from a girl, or woman, and signing a receipt without putting the word "Actuary" to it, and not entering it in the deposit book; the other, of a deposit made by one Watson, not entered in the deposit book; but I state positively that I did not hear of these, or other irregular transactions of a similar character, till after Mr. Eadie's dismissal. The only book in which the Rules, Orders, and Regulations for the management of the Savings Bank was kept, was the minute book. The Rules and Regulations were also printed in the Bank pass-books; I mean those relating to depositors. I do not recollect that any alteration was made in the rules and regulations as printed in the Bank pass-books, after the changes in the Rules and Regulations of the Bank made at different times. The minute book of the Bank would at any time have been shewn to depositors, on application being made. Before entering on the duties of my office as Trustee or Director of the Savings Bank, I took an oath for the faithful discharge of the duty thereof, before a Justice of the Peace, in the manner prescribed by the Act 4 and 5 Victoria, cap. 32. As President, I saw that other Directors took a similar oath. Security was taken from the Actuary of the Savings Bank; the amount, I believe, will be found in the minute book. An account was rendered to the Legislature of the affairs of the Savings Bank, under the provisions of the 13th section of the Act 4 and 5 Victoria, cap. 32. I believe this account was regularly furnished, but I may be mistaken. It was a general statement that was made out and sent. I cannot say how far the particulars enjoined by the 13th section of the Act were given. I do not recollect whether the account was sworn to by the Treasurer, but I fancy it was. I cannot recollect whether the Trustees or a majority of them made oath to the correctness of the statement. Large sums were lent by the Bank on mortgages, but only about one-fourth of the amount of deposits in the Bank was so lent at any one time, to the best of my recollection. Mr. Eadie, the Actuary, had positive instructions to attend to the fying of oppositions in all cases of applications for ratifications of titles on property sold, on which the Savings Bank had any claim. The Official Gazette was taken by the Savings Bank, in order that Mr. Eadie might be kept well informed. I recollect particularly enjoining Mr. Eadie to pay attention to this subject. I have no reason to think otherwise than that he did. I have no knowledge of the Bank having sustained any loss from neglect of this matter on the part of Mr. Eadie. I have heard, but I cannot state particulars, of loss having been sustained by the Bank, since its suspension, for want of proper precaution on this subject. I did not attend any of the meetings that took place at the time of the run on the Savings Bank, but I was at a meeting held at the Savings Bank on the 14th of July, 1848, the proceedings of which are recorded in the minute book. The continued pressure on the Bank formed a subject of discussion at that meeting. It was determined to proceed no further in paying in full, but to tender to all depositors twenty per cent. on the amounts at their credit, payable on certain dates, fixed by a circular which was published. At that meeting the following resolution was also adopted:

"The Board were of opinion that it would be satisfactory to some of the large depositors to receive transfer of mortgages on real estate held by the Bank as security on loans; and it was therefore ordered that facilities for that purpose be made

"by the Board to an extent not exceeding ninety per cent. on the amount of any such deposits, leaving the remaining ten per cent. to be accounted for when the affairs of the Bank were finally closed."

This resolution formed no part of the publication ordered by the Bank, nor can I say that the depositors ever received a public notification that such a resolution had been passed by the Board. Some of the large depositors might have been ignorant that such a resolution had been passed; but the excitement was so great at the time, that information of anything connected with the interests of depositors was immediately widely diffused. Persons at a distance would be less favourably situated than creditors of the Bank who might be on the spot. I believe all the principal large depositors were in Montreal at the time. The resolution was acted on immediately. Large transfers of mortgages on real estate were made under this resolution. The arrangements were effected between the debtors and creditors of the Bank, and concluded by transfers in the Bank books. Parties wishing to receive payments by mortgages, as well as those who, being debtors to the Bank on mortgage, were desirous to transfer their mortgages to others, made application at the Bank, and every information was rendered them. To the best of my belief, nothing like favouritism was shewn by the Bank in rendering information. When I sanctioned by my vote the transfer of mortgages in the terms of the above resolution, I had no doubt whatever but that the funds of the Bank would realize ninety per cent. to the other depositors, I think that most, if not all, the large depositors, did receive mortgages. I do not see that the resolution allowing the transfer of mortgages to large depositors retarded the payments of dividends to small depositors. On the 31st of October, 1848, the Directors of the Savings Bank published a report, in which they stated that up to that time they had paid, by transfers of mortgages, £37,943 8s. 5d.; consequently, certain depositors in the Bank, of a hundred pounds and upwards, the aggregate of whose credits with the Bank amounted to £42,150 7s. 1d., had at that time received a dividend, although not in cash, of ninety per cent. on the amount of their claims, while the depositors under £100 had only received twenty per cent. in cash. Up to last week, these small depositors had not received any further dividend. The securities transferred were all considered good, to the best of our knowledge. It would have been difficult to have realized most of them in a short time. The mortgagors could have interposed considerable delay; but the personal securities could have been realized much more quickly. We in all cases took personal security in addition to mortgages. The latter was always made collateral to the former. We were always very particular in the personal security that we accepted. At the time, however, of the stoppage of the Savings Bank, mercantile affairs were bad, and it was very difficult to get money from any one. Some parties, whose personal security, in addition to mortgages, had been taken, and who, at the time, had been considered perfectly good, became insolvent, either prior to or soon after the suspension of the Bank. Amongst the transfers of mortgages, under the resolutions of the Board of Directors, is one of mortgages granted by the Savings Bank on properties of my wife, Mrs. Lunn, and James Hutchinson, to the amount of £2,087. Colonel Wilgress took the transfer of this amount in payment of the ninety per cent. authorized to be made in securities to large depositors. In addition to the transfer of mortgages to which I have already alluded, I am aware that the Directors sanctioned the transfer of deposit books to the extent of ninety per cent.; that is, a party debtor to

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July

the Bank could have ninety per cent. of the balance due to any depositor at the time of the stoppage of the Bank, whose deposit book might be transferred to such debtor, applied to the payment of his debt to the Savings Bank. I believe, in all these cases of transfer of deposit books, the claimant on the Bank received his twenty per cent—the first dividend in cash—from the Bank, and merely transferred seventy per cent. I am not aware of any resolution of the Bank sanctioning these transfers of deposit books. It was never made public to my knowledge that such transfers were sanctioned by the Board. I know they were sanctioned by the Board, or the transfers could not have been made. I never was at a meeting of the Board where the subject was discussed, to my recollection; but it may have been incidentally mentioned at the meeting of the Board on the 14th of July, 1848, when the transfers of mortgages were sanctioned. I approved of these transfers and deposits. No means that I am aware of were taken to apprise creditors of the Bank that such transfers of deposit books were admissible; but I should think they must have been aware of it. The debtors of the Bank who purchased these books must have been aware of it, I presume, or they would not have bought them. The transfer of deposit books appears to have been adopted immediately after the 14th of July, at a meeting at which I have already stated I was present, and where I presume this transfer was sanctioned. I believe these transfers were made to a very large amount about that time and afterwards. Large numbers of books were sold to debtors of the Bank. I purchased, I think it must have been in the fall of 1848, or early in 1849, through Mr. Esdaile, a Broker of this City, some books, amounting, I think, to about five or six hundred pounds, to pay debts for which I was responsible, due by Duncan McVean, farmer, to my step-son, Mr. Hutchinson; his debt to the Bank amounted to four hundred pounds; also, in payment of a debt of about two hundred pounds due by my step-son, Mr. Hutchinson, to the Bank. I do not recollect the price at which I bought these Bank books; they were bought at various times. I think I got them at about thirteen or fourteen shillings in the pound. Twenty per cent. had previously been paid to the owners of these books by the Bank. Seventy per cent. was transferred by the Bank to the credit of the parties for whom I caused these books to be purchased, on the balances due by the Bank at the time of its failure to the depositors from whom the purchases of their books was so made. The sum that was paid for the books was less than the sum credited by the Savings Bank to the accounts of the parties for whom I was security. I think the profit realized by my purchase was about a hundred to a hundred and twenty pounds. When I made the purchase, I was aware I could have the transfer in the Bank of seventy per cent.; consequently I knew what I was about. I did not see the seller or sellers, but I presume they must have known that such a transfer would be made. The brokers had long previously to this advertised that they were buying Bank books, so that all parties knew what they were about. My broker, Mr. Esdaile, was aware, through other parties, by previous transactions, that transfers of books would be made. At this time, and since the payment of the first instalment of twenty per cent. up to last week, any person applying at the Bank for any portion of the amount at his credit, (and I have no doubt many have made application at the Bank,) would have been refused any portion of the sum due to him. I do not know that any of such applicants were ever informed at the Bank that, by communicating with debtors of the Bank, they could get seventy per cent. transferred. But as I have not taken an active part in the management of the Bank since that time, I cannot say what was

done there. I never recommended or ordered that a notification should be given to depositors that such transfers were admissible. I recollect two parties who spoke to me in the Montreal Insurance Office, who had pass books, and one of them offered me his book at a large discount. I told him I was not purchasing; that he could sell it in the market to debtors of the Bank, making the best bargain he could, debtors being credited to the Bank seventy per cent. I do not recollect with whom I had this conversation.

The examination of the witness is adjourned until to-morrow, at ten o'clock, and he hath signed.

WM. LUNN.

Signed before me, at Montreal,
this sixth day of November,
eighteen hundred and fifty.

On this seventh day of November, eighteen hundred and fifty, the examination of the witness, *William Lunn*, Esquire, was continued as follows:

I do recollect that the subject of transfer of deposit books was mentioned at the meeting of the 14th of July, 1848; but I do not recollect whether it was determined then to sanction it. I do not recollect myself to have expressed any opinion. I have never expressed to the Board of Directors any opinion against the sale of bank books.

Ques. Is the effect of the sale of bank books to benefit the debtors to the Bank, at the expense of those creditors of the bank who so sell their books?

Ans. That has been the result.

Ques. Were you a debtor of the Bank, either for yourself or as security for others, when the sale of these bank books was determined to be allowed?

Ans. I was not a debtor personally, but as security for others, as I mentioned yesterday.

Ques. Did the persons for whom you were security, or did you derive any pecuniary advantage from the sale of bank books authorized by the Directors of the Bank?

Ans. I myself derived no advantage; but the parties for whom I was security, and whom I mentioned yesterday, did. The sums for which I was security to the Bank became due, I think longer than six months, and perhaps as much as nine months, before they were paid. There was some difficulty in the payment, as Mr. Redpath insisted upon cash being paid. Mr. Freeland, the late Actuary, stated to me that Mr. Redpath consented to take the payment in bank books. Mr. Redpath had previously refused, at least so Mr. Freeland told me, to receive payment in bank books.

Ques. Were bank-books allowed in all cases to be transferred in debts to the Bank?

Ans. I can only speak as to my own knowledge in my own case.

Ques. Since you now state that you do not know that bank books could in all cases be transferred at the Bank, how could you draw the inference you did yesterday, that the sellers of bank books must be aware that transfers would be allowed at the Bank?

Ans. I should think that in most cases, creditors of the Bank would call at the Savings Bank for information, previous to their making sales.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Ques. Is this the only reason that led you to draw the inference referred to in the last question?

Ans. I can assign no other reason.

In the minutes of the proceedings of the Board of Directors of the 14th July, 1848, at which I have said the question of transfer of books was mentioned, no record appears of any resolution having been adopted on the subject; nor in the minutes of any proceedings of the Board held subsequently: neither is it mentioned in the published reports of the Directors of the Montreal Provident and Savings Bank, dated the 31st of Oct., 1848 and 31st Oct., 1849; neither is it mentioned that any such measure as the purchasing of bank-books had been allowed by the Directors of the Savings Bank. I cannot say of my own knowledge that the depositors of the Bank had any intimation of any description, that such transfers would be allowed. When I stated yesterday the profit on the purchases of bank-books made by my orders was about a hundred to a hundred and twenty pounds, I meant that the sum placed to the credit of the parties for whom I acted at the Bank, exceeded the sum paid for those books to that amount. I cannot say here whether in case the Bank should pay in full, the buyers or the sellers of those bank-books would receive the additional dividends.

And further this deponent saith not; and, having had this, his deposition, read over to him, he declares it to contain the truth, persists therein, and hath signed.

WM. LUNN.

Signed before me at Montreal,
this seventh day of Nov.,
1850.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this seventh day of November, eighteen hundred and fifty,

Personally came and appeared, *John Eadie*, Esquire, of Henryville, in the District of Montreal, who, having been duly sworn, deposeth and saith: I was Actuary of the Montreal Provident and Savings Bank from the time it was first opened, namely, the 1st of October, 1841, to July, 1848, when my services were dispensed with in that capacity. I am cognizant of the minutes of the Board of Directors as inserted in the minute-book now exhibited to me up to the first of July, 1848; but I cannot say that I have seen the minutes of proceedings since that date. In the minutes of the proceedings of a meeting of the Board of Directors, held on the 14th July, 1848, I find the following passage:—

“The President informed the Board, that upon further investigation of the accounts of the Actuary, Mr. Eadie, it would seem that he had used the funds of the Bank for his own private purposes, and accommodation of his friends, to an extent that may cause a loss of perhaps £3,000 after realizing the value of property mortgaged by him and them, as security to the Bank, and also besides the amount of personal security given by Mr. Eadie for the correct discharge of his duties. Whereupon it was resolved that the following letter be addressed and delivered to the respective securities.”

A blank in the said minutes then occurs of eleven lines, and the following passage appears after the said blank:—

“It was also the opinion of the Board, that after these highly improper transactions, a statement of which follows—it is their painful duty to acquaint Mr. Eadie, that his further services are dispensed with from this date.”

This is the first record in the minute-book of any allegation against me of my having used the funds of the Bank for my private purposes, or for the accommodation of my friends. It was quite well known by Messrs. Ferrier and Murray, towards the end of 1847, or the beginning of 1848, that I had lent to Mr. W. S. Macfarlane, then a Grocer of this City, a considerable amount in funds of the Bank. I think they must have been aware that those loans amounted to a thousand pounds or upwards. I believe the first communication Mr. Ferrier received was through Mr. Macfarlane himself. Mr. Macfarlane is Mr. Ferrier's son-in-law. Mr. Ferrier and Mr. Murray mentioned to me that they were aware of it. They blamed me for having made the loans to Mr. Macfarlane; they told me, however, to get from Mr. Macfarlane notes for the amount. I did obtain notes from Mr. Macfarlane. I think it was to the amount of about £2,800. There were five or six notes that I obtained. They were Mr. Macfarlane's own promissory notes in my favour as Actuary of the Montreal Provident and Savings Bank. I think these notes were granted to me some time in March, 1848. I think they were dated back some time, and made to fall due in the summer of 1848, originally say at the end of 1847, or the beginning of 1848, when Messrs. Ferrier and Murray first spoke to me. I think they believed the amount of the loans to Mr. Macfarlane to be about a thousand pounds, but it was in reality larger; and at the period when the notes were granted, it amounted to the sum for which the notes were given. I do not know at what time Messrs. Ferrier and Murray first communicated to the Directors, or any of them, the fact of my having lent some of the funds of the Bank to Mr. Macfarlane, but I am certain the subject was brought before the Board of Directors a considerable time before the suspension of the Bank. My reason for saying so is, that the bills to which I have referred, as having been given by Mr. Macfarlane, were regularly laid before the Board; and some time previous to my leaving the Bank, Mr. Redpath, as the organ of the Board, returned the bills to me, and requested that I should procure from W. S. Macfarlane a new set of bills of the same amounts, tenor, and dates, with the exception that they should be drawn in my favour, leaving out the term “Actuary of the Provident and Savings Bank.” I procured bills in accordance to these instructions of Mr. Redpath, and I gave them to him, having previously endorsed them in blank, not adding the word “Actuary” to my name. This change of notes occurred some time previous to the suspension of the Bank. I think it was in May or June; I cannot say positively. I believe that previous to this change of notes, that Mr. Macfarlane had become a bankrupt. Immediately before I left the Bank, I think the very day on which I left, I made, at Mr. Redpath's desire, an indorsation on the promissory notes above alluded to, to the effect of dispensing with the notice of protest, which otherwise it would have been necessary to give me. I believe, and indeed I have no doubt in my own mind, that the circumstance of my having lent money from the funds of the Bank to Mr. Macfarlane, must have been known to the Directors that were elected on the 4th of May, 1848. They were immediately engaged in investigating the affairs of the Bank. They examined into the loans generally.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

At the first time when I conversed with Mr. Ferrier himself, on the subject of my loans to Mr. W. S. Macfarlane, Mr. Ferrier said he had no doubt the Board would make me responsible for the amount.

I remember one evening, some time in March or April, 1848, a meeting at the Bank at which were present, Mr. Murray, Mr. W. S. Macfarlane, Mr. William Footner, Commission Merchant, and myself. Mr. Ferrier might have been (I think he was) there in the early part of the evening, but he did not remain as we did. The debt then due by Mr. Macfarlane was then investigated and ascertained, and the bills or notes first alluded to were then drawn. I only recollect one meeting at the Bank at which were present the parties first mentioned, and I feel confident it must have been in March or April.

It was represented to me by Mr. Ferrier, Mr. Murray, and Mr. Redpath, that as little notice as possible should be taken of my having applied the funds of the Bank for my individual transactions, and that they would use their endeavours to prevent any rupture between me and the Bank in consequence. These assurances were made to me in May or June. I do not consider that they have acted upon that agreement. The reason assigned to me for my removal in July, 1848, was, that it was necessary, in order to enable them to take proceedings against my securities. I made no remonstrance. I did not feel that I was in a position to make any. It was the Honourable Mr. Badgley who communicated this decision to me. It was at a meeting of the Board. I do not recollect precisely who were present, but there were present the Hon. W. Morris, the Hon. W. Badgley, Mr. Redpath, Mr. Torrance, Mr. Murray, Mr. Elder, Mr. Ramsay, and Mr. Lecning. It was on the 17th of July, 1848; I am quite certain as to the date.

In 1847, I on several occasions lent the funds of the Bank to Messrs. Mathewson and Sinclair, then merchants of this city. Particulars of these loans will be found in the ledger of the Provident and Savings Bank, page 270, viz:—

January 8th.—Cash.....	£200	0	0
March 6th do.....	300	0	0
April 10th do.....	400	0	0
May 31st do.....	120	0	0
October 28th do.....	1000	0	0
	<u>£2,020</u>	<u>0</u>	<u>0</u>

These sums are regularly charged to the debit of Mathewson and Sinclair, as will be observed in the ledger, with interest to the 31st December, 1848, £29 17s. 7d. Mathewson and Sinclair gave me their *bons* or promissory notes for these sums of money as they received them; and John Mathewson, Esquire, a Director of the Savings Bank, father to Mr. Mathewson of the firm of Mathewson and Sinclair, made himself responsible to me, I think in every instance. On one or two occasions Mr. John Mathewson wrote me a note, desiring me to advance to Mathewson and Sinclair certain sums, and his name sometimes appeared in the *bons* or notes given by Mathewson and Sinclair to me. I had no other security nor mortgage upon any of these loans.

On the 3rd of January, 1848, I advanced to Mr. Director Mathewson £500 in cash. I had nothing more than his *bon* for it. At the time of the failure of the Bank this loan had not been repaid. I have no doubt whatever that many other Directors knew of this loan to Mr. Mathewson.

The examination is adjourned until ten o'clock to-morrow, and he hath signed.

JOHN EADIE.

Signed before me at Montreal,
this seventh day of Nov.,
1850.

W. BRISTOW,
Commissioner.

On this eighth day of November, eighteen hundred and fifty, the examination of the witness, *John Eadie*, Esquire, was continued as follows:—

At the time the Bank suspended payment, viz., in July, 1848, the £500 advanced to Mr. Director Mathewson was unpaid; and of the sums advanced to Mathewson and Sinclair, the sum of £729 9s. 8d. was also unpaid. This balance, I observe by the ledger, is transferred to Mr. Director Mathewson, and he appears debtor on the 30th of June, 1848, in a balance of £1266 11s. 0d.

Mr. Lunn, I am aware, at the time that he was President of the Bank, had, on some occasions, some of the funds of the Bank without giving any security for its repayment. I believe the following payments to him were of that description; they are thus entered in the cash book to his debit:

April 5th, 1842—To paid William Lunn, for his note on demand....	£100	0	0
April 14th, 1842—By do. do.....	150	0	0
May 2d, " By do. do.....	100	0	0

These sums were repaid in the following days, and are thus noted in the cash book:

June 2d, 1842—To William Lunn, to account of loan on notes.....	£300	0	0
June 21st, 1842—To do. do.....	11	15	0
July 22d, " To do. balance of loan to him repaid.....	38	5	0

Mr. Lunn at the same time paid the interest on these loans. I observe in ledger, page 96, account W. Lunn, the sum of £140 charged to him on the 2d January, 1846. I cannot at present trace this payment in the cash book or journal, nor can I remember for what purpose this payment was made, or if on security. I observe on the 4th of March, 1846, £220 also charged to Mr. Lunn as having been paid; namely, £60 on the third, and £160 on the fourth of that month, on account of Montreal Bank stock. I believe the £140 to which I have already adverted, was advanced on the same stock. Mr. Lunn was to have transferred to the Savings Bank seven shares of Montreal Bank stock, but he never did so. On the 21st of September, 1847, Mr. Lunn also received from the Bank £384 in cash, which is charged to him as paid for instalments to the Montreal and Atlantic Railway Company. I paid this sum by order of Mr. Lunn, and no security of any description was given to the Bank for it. This advance, indeed no portion of it, had been refunded to the Bank at the time it suspended payment; neither had the £360 to which I have alluded as advanced, on account of Montreal Bank stock to be delivered.

On the 30th of October, 1847, Mr. Lunn is charged in the cash book with £205, paid for twenty shares of Montreal Telegraph stock. I paid this sum for Mr. Lunn by his order; he gave no security whatever to the Bank for it. This sum was repaid with interest by Mr. Lunn, on the 19th of January following, when he had sold the stock, as he informed me.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

In another account, viz: page 228 of the Savings Bank ledger, headed "Mrs. William" Lunn, the sum of £300 appears at the debit charged in the cash book, as a loan made to her on the 24th of October, 1845, on a security on property *côte à Baron*. Mrs. Lunn gave her promissory note in favour of the Bank for this amount, and no other security was given up to the spring of 1848, when I believe a mortgage was actually given. Interest was regularly charged on this loan each year.

On the 11th of August, 1845, appears in Savings Bank ledger, page 232, headed, James Hutchinson and others," a payment of cash, on that day, of £900, loan to James Hutchinson on mortgage, by promissory note payable on demand. For this no security was granted on real estate up to the spring of 1848. This sum was regularly charged with interest each year. The promissory note granted was signed by James Hutchinson and Mr. and Mrs. Lunn. On the 13th of May, 1847, the same account is debited with cash £253 16s. 10d., paid by request of William Lunn, to retire Hutchinson's note to Torrance. No security was given for this latter amount up to the spring of 1848. The Mrs. Lunn referred to in my examination is the wife of Mr. Director Lunn. Mr. Hutchinson is, I believe, also a relation of Mr. Lunn. The loans to these individuals were made by me, by order of Mr. Director Lunn, and paid to himself personally. I am satisfied that all the Directors who took an active part in the management of the Bank, were aware of these loans to Mr. Lunn and his family. I never was censured by any of the Directors for having made any of these loans.

On the 19th of June, 1846, a loan was determined, as appears in the minute book of the Savings Bank, by the Finance Committee, for £1,000, to the Trustees of the Canadian Mission. The security for this loan in the first instance was a promissory note, signed by Messrs. Ferrier and Redpath. The full particulars of this transaction will be found recorded in the minute book. The bill to which I have referred was for £1,000 only; the advances made under that minute amounted to £1,500. No mortgage was taken until the whole of this sum had been paid up, so that £1,000 was on the security of Messrs. Ferrier and Redpath, and the remainder on the order of Mr. Redpath alone.

In 1846, in September or October, I believe, a loan was granted to Mrs Brondgeest, wife of Mr. Brondgeest, one of the Directors of the Savings Bank, of £400, for which a mortgage was granted. I find no record of the transaction in the minute book.

In ledger page 97, headed "James Ferrier," appear some loans on Bank stock, in 1842 and 1845. These were made on Montreal Bank stock, transferred at par value by Mr. Ferrier to the Bank as security for such loans. On the 17th of December, 1845, Mr. Ferrier is credited for £2,100, being the amount of a note granted by William Lunn and myself in favour of Mr. Ferrier. That sum in cash was paid by Mr. Ferrier to the Bank at that date. That sum was paid away on the same day as a loan to Sir Allan MacNab. This was a pure Bank transaction, and Mr. Lunn's name and mine were signed, as President and Actuary of the Bank. This note was retired when due, by the Bank, with interest, and Mr. Ferrier is charged in the cash book with the amount, viz: £2,132 2s., paid 20th March, 1846, note to Mr. Ferrier, on account of loan to Sir Allan MacNab, and interest. The loan to Sir Allan MacNab which led to the bill transactions which I have narrated, was granted in April, 1845, and there were no minutes of the transaction entered in the minute-book. The security given for

the loan was a transfer of the rents of certain property belonging to Lady MacNab, situated in the town of Hamilton, and two promissory notes of a thousand pounds each, signed by the Honourable Henry John Boulton and Sir Allan MacNab. The loan was negotiated through the instrumentality of Benjamin Holmes, Esquire, then cashier of the Montreal Bank. It was examined by the Finance Committee at the time, and sanctioned by them. The moneys for this loan were paid by the Savings Bank, one thousand pounds on the first of April, 1845, and one thousand pounds on the 17th of December following. The property had been originally mortgaged to the Montreal Bank, and Mr. Holmes induced the Directors of the Savings Bank to assume it. When the second instalment of a thousand pounds was required, it was thought the Savings Bank might require funds, and Mr. Ferrier therefore advanced the two thousand one hundred pounds on the Bill already described, the interest paid by the Savings Bank to Mr. Ferrier on the £2,100 until the bill was retired, was at the rate of six per cent. per annum.

On the 4th of July, 1846, Mr. Director Ferrier is charged in the cash book of the Savings Bank with the sum of £650, cash paid W. Murray per Bryson and Ferrier's note to his order; on August the 20th 1846, Mr. Ferrier is further debited with £300 cash for a similar note, and on the 21st of August 1846, Mr. Ferrier is further debited with £400 cash for a similar note. These three sums, amounting together to £1,350, were advanced by me to Bryson and Ferrier, through Mr. Murray, without any other security than the notes described in the entries. Mr. Murray who was one of the Directors, and a member of the Finance Committee of the Savings Bank at the time, stated to me that, previous to Mr. Ferrier's departure for Europe, where he was at the time these transactions occurred, he, Mr. Ferrier, had requested Mr. Murray to procure these loans for Bryson and Ferrier should they require it. I believe Mr. Murray acted as authorized agent for Mr. Ferrier during his absence from home. I do not know whether he had a power of attorney or not, these sums remained unpaid until Mr. Ferrier returned. The Montreal Insurance Company were debited with the amount by Mr. Ferrier's orders. This transfer was dated in the Savings Bank books, on the 31st of December 1846. Interest was regularly charged on the transaction. These loans to Bryson and Ferrier were certainly known to Mr. Lunn and Mr. Murray two of the members of the Finance Committee. They were, as appears by the books of the institution, regularly entered, and such Directors who were in the habit of examining the Books could hardly fail to know them. I was never censured for having made these advances.

On the 20th of January 1848, William Murray, one of the Directors, received cash £197, proceeds of a discount of John Leeming's note discounted at the Bank. William Murray is credited with that sum on the fifth of May, and interest upon it. I do not remember whether this discount was sanctioned by any one else besides Mr. Murray, no other security was given to the Bank by Mr. Murray than the note of John Leeming, and there was no other endorser but Mr. Murray. Mr. Murray did not promise to lodge any additional security with the Bank.

I remember Mr. George Elder, Junior, one of the Directors of the Montreal Provident and Savings Bank, deposited at one time in 1847, about £3,000. The particulars will be found in a deposit ledger. This sum only remained a short time. So large a deposit being received, attracted some attention from persons connected with other Banks. The Directors of the Savings Bank in consequence of these remarks

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July

reaching their cars, ordered that Mr. Elder should withdraw the deposit, and it was withdrawn.

The examination of the witness is here adjourned until ten o'clock to-morrow, and he hath signed.

JOHN EADIE.

Signed before me at Montreal, this eighth day of November, 1850.

WM. BRISTOW,
Chairman.

On this ninth day of November, eighteen hundred and fifty, the examination of the witness *John Eadie*, Esquire, was continued as follows.

The Montreal Provident and Savings Bank did not profess to discount notes, that is to say, it was originally established as expressed in the first resolution of the public meeting held in Montreal on the 7th day of August, 1811, for the purpose of taking into consideration the propriety of establishing a Savings Bank, "as an institution, wherein the industrious tradesman, mechanic, and others might deposit their savings for safe keeping and laying out at interest." The account of the Montreal Provident and Savings Bank, was originally kept with the Bank of Montreal, which allowed four per cent. per annum interest on its deposits in consideration of its being "founded upon charitable principles and the encouragement of the poorer classes." This is expressed in a letter from Benjamin Holmes, Esquire, then Cashier of the Bank of Montreal, dated the 25th of September 1841, addressed to me as Actuary of the Montreal Provident and Savings Bank. The minute book of the Savings Bank contains a copy of the said letter of Mr. Holmes, and his offer was accepted at a meeting of the Directors of the Savings Bank held on September 28th, 1811. The rate of interest allowed by the Montreal Bank was higher than they would, under circumstances, have given.

Ques. Is it your opinion that the Bank of Montreal would have allowed at that time four per cent. interest on deposits by the Savings Bank, had it been supposed that the latter institution would have employed its funds or any considerable portion of them in the discounting of promissory notes.

Ans. I do not believe that the Bank of Montreal would have allowed such a rate of interest: on the contrary, I am strongly inclined to believe that no interest whatever would have been allowed, had such an application of the funds been contemplated.

The Savings Bank has never, whilst I was connected with it, discounted largely as a part of its regular business, but discounts have been granted occasionally. In the previous parts of my examination, I have given some instances of discounts, and I am enabled by reference to the books of the Savings Bank now before me, and by memory, to furnish other instances. The discounts which I will enumerate are merely such as were granted on the personal security of the parties to the notes, no security on real estate or shares of public institutions being taken as collateral. The first discount without security that I find in the books is of Macfarlane's note to James Ferrier, then a Director of the Bank, for £215 due the 4th of February, 1842. This discount was granted 31st December, 1841. I do not recollect the precise circumstances of this discount further, but Mr. Ferrier and Mr. Murray, Directors, could not fail to be aware of it; it was discounted for the Montreal Assurance Company, of which both those gentlemen were Directors. The transaction is recorded in the cash-book. Interest account being credited on the

same day for discount on the bill: the sum of £1 4s. 8d. I find in the minutes of the proceedings of a Board of Directors at which twelve members were present, held on the 11th of January 1842, the proceedings of the Bank and the investments made were submitted and approved.

On 25th January, 1842, J. Coote's note due 28th of July for £206 1s., including interest, was discounted, and the proceeds, £199 16s. 5d., was paid him. This note was signed by Mr. Coote and several other gentlemen of St. John's, and was for the purpose of raising funds to build a Wesleyan chapel there. No other security was given excepting the names on the bill. The discount of the bill was sanctioned, I remember, by Mr. Lunn and Mr. Ferrier, previous to being granted.

On 24th February, 1842, two bills were discounted for the Montreal Fire Insurance Company, viz: Mr. Director Ferrier's note, due 27th May, for £200, and Mr. Director Redpath's note, due 13th August, for £200. They were discounted by me for Mr. Murray, as Manager of the Montreal Fire Insurance Company. There were no other names on these bills, except those of the drawers and Mr. Murray.

On 26th February, 1842, Reynolds' promissory note to J. Mathewson and Son, for £100, was discounted at the Savings Bank, without any names besides the promissor and the payees. J. Mathewson, Director of the Savings Bank, was the principal of the firm of the payees. I have no doubt I had the authority of Mr. Ferrier, Mr. Murray, and Mr. Mathewson, to make this discount. This note, I believe, was renewed several times without further security.

On the 11th of May, 1842, I discounted, at the special request of Mr. Murray, and with the approbation of other Directors, a promissory note by Rambau, favour of P. Murphy, for £200. There was no other names on the bill but the promissor and the payee, nor had the Bank any other security.

On the 7th of June, 1842, two promissory notes of Mathewson and Sinclair to James Ferrier, one for £500, due the 10th of September, and the other for £500 due the 13th of September, were discounted at Mr. Ferrier's request, without other security except those names.

On the 16th of June, 1842, Patrick Reynolds' note, favour of John Mathewson, for £50, was discounted. I have no doubt by authority of Mr. Director Mathewson.

On the 8th of June, 1842, the day following that on which the two bills of Mathewson and Sinclair were discounted, Mr. Director Ferrier is credited for £1,000, being in satisfaction of a loan to that amount made by the Savings Bank to him, on security of Bank of Montreal stock transferred by him on the 8th of April previous. And the said stock was re-transferred to him, on the said 8th of June.

Ques. Does it appear to you, that the transaction of which you have spoken, relating to the discount of Mathewson and Sinclair's notes for £1000 had the effect of substituting the promissory notes of those parties in favour of Mr. Director Ferrier, in lieu of Montreal Bank stock on which originally Mr. Director Ferrier had obtained a loan of £1000 from the Bank?

Ans. Undoubtedly, there was no money paid in this case. The Bank re-transferred the stock previously held belonging to Mr. Ferrier, and held his bills in its place.

In my evidence given yesterday before this Commission, I stated that certain loans made by the

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Savings Bank to Mr. Director Ferrier, in 1842 and 1845, were granted on security of Montreal Bank stock. I wish now to add, that three sums, amounting to £1200, lent him in June 1845, were advanced on Montreal Bank stock, of the value, at par, of £1000 only, to the best of my belief. Previous to the suspension of the Savings Bank, I cannot say the precise time, but not earlier than 1848, further stock to the value of £200 or £250, may have been lodged by Mr. Ferrier as security.

On 27th July, 1842, the loan to Mr. Coote was renewed, with £50 additional, on the same security as the first note.

On 8th October, 1842, Adam Ferrie's draft on Mr. Director Ferrier, for £213 5s. 6d., was discounted. I believe, at the request of Mr. Murray; no other security except the note was given.

On the same date Mr. Director Ferrier's draft on Mathewson and Sinclair, due the 26th of October, for £300 17s. 9d., was also discounted; I have no doubt by order of Mr. Director Ferrier; no collateral security was taken.

On the 18th of October, 1842, an advance of £94 14s. was made to Melinda Adams, wife of David Handyside, and on the 30th of November, the sum of £26 14s. was further advanced to the same party, for which her promissory notes were taken in favour of the Savings Bank; and for further security, a box of silver plate was deposited in the hands of Mr. Director Murray, at whose desire the moneys were advanced. These sums had not been repaid when I left the Bank.

On the 19th November, 1842 Adam Ferrie's note for £103 was discounted. This was a loan granted at the request of the Montreal Fire Insurance Company. The note I believe was in favour of Mr. Murray, Manager of the Fire Insurance Company; no other security was taken.

In May, 1843, the following notes were discounted by the Savings Bank, for the Montreal Fire Insurance Company, viz:

May 1st—Watson, Black and Company, favour of Insurance Company, due 14th June,	£150 0 0
May 10th—Murray and Sanderson, favour ditto, due 13th Augt.	56 8 9
May 26th—Insurance Company, favour Mathewson and Sinclair, due 29th July,	302 12 6
	£509 1 3

On 25th July, 1843, Adam Ferrie's note to the Insurance Company, discounted in November previous, was renewed for £100.

On 30th September, 1843, G. D. Watson's note to Montreal Insurance Company, for £150, was discounted. This, I have no doubt, was by desire of Mr. Director Murray; no additional security was lodged.

On 18th of October, 1843, Ferguson's note, favour of Insurance Company, for £50, was discounted.

On the 5th of December, 1843, Macintosh's note to Insurance Company, for £150, was discounted. This note was not paid when I left the Bank, and had been transferred to his debit in page 201 of the ledger. William Macintosh, I believe, was a bankrupt very shortly after the granting of this note.

On the 10th January, 1844, G. Brock and others, had a loan of £30 on a note, due 22d October, endorsed by Directors Lunn, Ferrier and Mathewson.

On 1st May, 1844, Benn and others' promissory note, at 18 months, for £32 15s., was discounted by authority of Mr. Mathewson or Mr. Lunn, I am not sure which.

On 9th May, 1844, King's note, for £40, was discounted on the security of some plate lodged with Mr. Murray.

On 7th May, 1844, a loan was made to the Montreal Fire Insurance Company, on the promissory note of their manager, Mr. Murray, for \$500.

On 2d July, 1844, Doctor Black, note, favour I believe of the beadle of his Church, with no endorsers that I remember, on account of Missionary fund, for £40, was discounted.

On 8th October, 1844, W. P. Smith's promissory note, at 12 months' date, endorsed by Mr. Murray, I believe, for £100, was discounted at the desire of Mr. Murray.

On 10th October, 1844, A. Ferrie and others' note to Reverend H. Esson, at three months after demand, for £100, was cashed; the amount paid to W. Murray. This sum had not been repaid when I left the Savings Bank.

On 9th January, 1845, Coote's note to himself, endorsed by various parties, for seventy-five pounds, was discounted at request of Directors Ferrier and Lunn.

On 17th January, 1845, Judge Pyke, note to S. Tubby, endorsed by the latter's son, due 29th November, for £120, was discounted under authority of Director Ferrier. Tubby, the payee of the note, was at the time in the employment of the North American Bank, of which institution Mr. Ferrier was a Director at that time. Only £12 10s. of this bill was paid when I left the Savings Bank; this bill was for the accommodation of Tubby.

On 28th April, 1845, Cameron's note to William Murray, for £50, was discounted at the desire of Mr. Murray; it was paid by instalments in the course of 1846.

On 9th May, 1845, John Try's note, due 4th August, for £25, was discounted by desire of Mr. Director Murray.

On 29th July, James Cameron's note, above referred to, was renewed.

On 1st September, 1845, Hutchinson and Morrison's bill, due 4th December, for £58 11s. 1d., was discounted. I do not recollect on whose authority.

On 9th September, 1845, O'Meara's note to O'Doherty, due 14th November, £20 15s., was discounted, I believe, without any authority.

On 31st March, 1846, John Clark's promissory note, endorsed by McNamee and Hugh, due 23d March, 1847, was discounted at recommendation of Director Mathewson. This Bill was not paid when I left the Bank.

On 13th April, 1846, Mr. Director Murray's acceptance to Macdonald, due 18th May, for £28 4s. was discounted by desire of Mr. Murray.

On 26th May, 1846, J. H. Scott's note, favour of Smith, at two months, for £30, was discounted, I believe, without any authority.

On 15th July, 1846, D. Handyside's note, favour of J. Try, due 17th October, for £123 1s., was discounted by desire of Mr. Director Murray. This bill was not paid at maturity, and I believe was renewed on 17th February; £50 was paid on account. On 22d May, a further amount of £25 was

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

paid; the remainder, I think, was unpaid when I left the Bank.

On 1st August, 1846, Bennett's note to William Murray, due 4th November, for £200, was discounted; it must have been at Mr. Director Murray's desire.

On 8th August, 1846, Mathewson and Sinclair's note, I do not know in whose favour, due 5th October, was discounted, for £160, at the request of Mr. Director Mathewson.

On 8th August, 1846, J. H. Scott's note in favour of Doctor Smith, for £35, already referred to, was renewed; it was ultimately paid in April, 1847.

On 5th April, 1847, Maxwell's note, due 8th July, for £50, was discounted.

On 7th April, 1847, Lloyd's note at 12 months, for £60, in favour of William Gunn, was discounted. I think I had no authority for making this discount, but I had the sanction of the Bank afterwards. The payee and the promissor were both, at this time, in the Bank of Montreal. I believe this note was not paid when I left the Bank. I am aware that both Mr. Redpath and Mr. Lunn became cognizant of this discount. I am not aware that they ever found fault with it.

On 8th May, 1847, J. and A. Gunn's note on demand, for £50, was discounted; I know, with the authority of some one of the Directors, but I cannot say which. I do not know that there was any other name to the paper. I believe the note was not paid when I left the Bank.

On 19th May, 1847, the Honourable G. Moffatt and others' note, favour Reverend W. Adamson, for £150, at 12 months, was discounted with the sanction of the Directors. It had not been retired when I left the Bank.

On 21st May, 1847, Keller's note, due 23d August, for £52 17s. 6d., was discounted, I do not recollect on what authority. On further reflection, I believe it was without authority, and consequently charged to my debit.

On 26th June, 1847, Skaykell's note, due 28th July, for £99 8s. 6d., was discounted. I could not say that this was done by order of any of the Directors; my impression being that it was a transaction of my own; it was charged to my debit in June, '48, the amount not having then been paid.

In July, 1847, Lavender's note, £109 11s. 3d., was discounted. As with the last bill, I could not say with whose authority.

In July, 1847, no date being specified in the cash book, bills receivable are debited to cash (in the same entry with that for Lavender's note, to which I have just referred,) for Lyman's note, due 28th October, £600. This sum is not entered in the ledger as at that date, or any time subsequently, but this transaction was balanced by cash being debited to bills receivable in October, 1847, when the amount was repaid to me. Neither was the last entry recorded in the ledger.

The examination of the witness is adjourned until Monday next, the 11th instant; and he hath signed.

JOHN EADIE.

Signed before me, at Montreal,
this ninth day of November,
1850.

W. BRISTOW,
Commissioner.

Appendix
(Q. Q.)

15th July.

On this eleventh day of November, eighteen hundred and fifty, the examination of the witness, *John Eadie*, Esquire, was continued as follows:

On 3d August, 1847, Bryson and Ferrier's note for £287 7s. 2d. was discounted. My impression is, that I did this on my own authority. It was paid at maturity. I speak from recollection. My impression is the bill was in favour of the drawers, and not endorsed by any one. I do not recollect that this note was ever the subject of conversation afterwards with any of the Directors. I am inclined to think that it was given for bills of exchange that I had sold to Bryson and Ferrier. I was in the habit at the time of buying bills of exchange from officers and others, and selling them to other parties. Ferriers, of the firm of Bryson & Ferriers, are sons of the Honourable James Ferrier, Director of the Savings Bank. The transactions of exchange to which I have alluded, were on my individual account, and not on account of the Savings Bank.

On 1st and 4th of September, 1847, I discounted two small notes, amounting to £37 1s. 1d., for J. J. Gibb. I do not recollect that I had any authority.

On 22d September, 1847, I discounted Hughie's note, favour of J. J. Gibb, £101 15s. I think this was done without any authority. I have no recollection of its ever having been sanctioned at any time subsequently by any of the Directors. I paid this note away to W. S. Macfarlane, and I am charged in the ledger with the amount, June following.

On 24th January, 1848, D. Stewart's note to Shuter, for £254 13s. 8d., was discounted by me, I think at the request of Mr. Director Murray. This note was not paid, I believe, when I left the Bank.

On 21st March, 1848, I discounted Gibson's note for £98 14s. I think I had no authority. The amount was not paid when I left the Bank, and I am debited with the amount in June following.

On 19th of January, 1847, I discounted E. Thompson's note in my favour, at six months, for a hundred pounds. It was done, I believe, on the application of Mr. Thompson, and I have no recollection of having had the sanction of any of the Directors. It came before the Board afterwards. It had not been paid when I left the Bank. He was charged in the cash book with the the amount when it was discounted. The note was not protested when it fell due, being payable with interest. I believe I was desired by the Directors more than once to apply to E. Thompson for payment. I did so.

In April, 1848, John Fairburn's note, favour Donald McDonald, for 47 10s., four months, was discounted by me, by direction of Mr. Director Murray.

On 25th April, 1848, F. Bethel's note, favour of Patrick Reynolds, for £25, at three months, was discounted by the direction of Mr. Director Mathewson.

In May, 1848, I lent George Small £60, taking his note, favour Andrew Small, at six months. I had no authority at the time for the loan, but the matter subsequently came before the Directors, and was not disapproved, to the best of my belief. The foregoing discounts, enumerated in my evidence given before this Commission on the ninth instant and this day, commencing with the discount of Macfarlane's note for £215, due 4th February, 1842, and terminating with George Small's note for £60, are taken from Bills Receivable in the Savings Bank ledger, and comprehend such, under that head, as I consider to be discount transactions. The particulars of each I have given, to the best of my recollection. These

Appendix
(Q. Q.)

15th July.

discounts, with the exception of such as I have particularized, must have been known to such of the Directors that took an active part in the management of the Bank; and I consider them to have been sanctioned by their approbation. There was no mystery nor concealment in the matter. The transactions were regularly entered in the books. The notes given as securities, were kept in my bill case; when required (but this was not often) it was laid before the Board. On each year, previous to the annual meeting, the securities were regularly compared, with Mr. President Lunn. In addition to these notes under the head of Bills Receivable, I am aware of other notes having been discounted, which, with the circumstances attending each discount, I will, to the best of my recollection, recapitulate. When I speak of discounts, I mean such as are granted on notes without any other security than such as appears on the body of the notes.

On 14th May, 1842, £200 cash was lent to the Trustees of St. Gabriel Street Church, on John Fisher and Andrew Shaw's note to Hutchinson and Morrison, at 12 months' date. This was sanctioned by the Directors of the Savings Bank, but there is no record of it in the minute book; and on the 16th July following, a further loan of £100 was made, under similar circumstances, on John Fisher's note. On the 3d February, 1844, £46 12s. 10d. was repaid. On 26th April, 1847, a further sum of £150 2s. 7d. was repaid. At the time I left the Bank, the balance of the debit of that account was £166 19s. 7d. A portion of the sum had, I believe, been provided by the parties at that period, but not placed to the credit of the Trustees of the St. Gabriel Street Church in the Savings Bank ledger. It was originally contemplated, when these loans were made, that a mortgage on the manse should be given; but such a mortgage was never executed, nor any other security taken.

On 9th January, 1845, in addition to the loan of £75, which I particularized in my evidence of the ninth instant before this Commission, as made to Mr. Coote, the further sum of £75 was lent to the Wesleyan Chapel, St. John's, on the note of William Coote and others, by desire of Messrs. Ferrier and Lunn. The balance at the debit of this account at the time I left the Bank was £433 19s. 7d.

On 30th May, 1846, A. Laberge's note, due first September, was discounted and placed to the debit of Moses J. Hays, for £145. I had the approbation of Mr. Murray, and probably of other Directors. I think no collateral security was lodged. The note was paid at maturity. In December, 1847, I discounted Mr. J. Hayes' bill on Solomons for £100. I have no doubt this was done on the authority of Mr. Director Murray. This bill does not appear to have been paid when I left the Bank. The balance at the debit of Mr. J. Hayes at that time was £2,043 5s. 2d., as appears in ledger, page 122.

On 10th February, 1844, £200 was paid to W. Freeland, and on 17th June, 1844, a further sum of £200 was granted as a loan on two bills of Mathewson and others. These two loans were for the Congregational Church at Brockville. At the time they were made, I believe there was no security taken beyond that of the parties on the notes. These loans were regularly sanctioned by the Board of Directors of the Savings Bank; but I find no record of them in the minutes. The balance at the debit of the Congregational Church, Brockville, was, when I left the Savings Bank, £179 19s. 8d.

On 27th June, 1844, a loan of £1000 cash was made to Dr. G. W. Campbell. The entry in the cash book is to his debit, "per min. of 26th instant, "loan on security." Referring to the minute men-

tioned in the cash book, I find it as follows: "From "George W. Campbell, M. D., for a loan of £1000, "offering the joint promissory note of himself, Mr. "Lunn, and Mr. James Hutchinson, payable six "months after demand. Mr. Lunn offered, on the "part of Dr. Campbell, a mortgage on that house in "Great St. James Street in which the Doctor "resides, in addition to the bill. The Committee "was satisfied therewith, and authorized the loan to "be granted." I am not certain whether the security contemplated in this minute was ever given, but I do not think it was for two years, at all events; subsequent to the loan. At the time I left the Bank, the loan had not been repaid.

On 9th October, 1844, a loan of £300 was granted by me to Walter Miller, of St. Rose, on the bill of himself, W. Watson and A. Kimpton. No other security was taken but that which the bill gave. I had no authority at the time, I believe, to make the loan; but it was subsequently sanctioned by the Directors. The loan was repaid, with interest, on 25th February, 1846. A second loan of £500 was made to the same party, but a mortgage was taken for it.

There were two or three occasions on which I discounted bills: one, for £200, I know, was with the sanction of Mr. Lunn; the others, I do not remember particulars of. That for £200 was Unwin's note, favour Benjamin Hall. It was renewed once or twice, and ultimately paid. Particulars of this will be found in the deposit ledger.

On 13th of January, 1845, I advanced — Goodwin, by desire of Mr. Director Ferrier, £100, for which I received Goodwin's promissory note, Mr. Ferrier declaring himself responsible for it. To the best of my recollection, no other security was given for at least two years, and the note was unpaid when I left the Bank.

On 12th September, 1846, £200 was advanced to the Honourable James Smith, on his own note, and for which his stock in the Montreal Insurance Company was pledged.

On the July, 1847, the Honourable James Smith's note, due the 8th of October, without any other name, favour, I believe, of the Provident and Savings Bank, for £500, noted in the cash book as on mining stock, but for which no other security was placed than the mining scrip, upon which nothing, I believe, had been paid, was discounted, I think on the authority of Mr. Lunn and Mr. Murray, but I am certain it was on the authority of some of the Directors. The subject of this loan was frequently before the Directors; but the first record that is to be found is in the minutes of the proceedings of a meeting of the Finance Committee, held on the 24th April, 1848, at which were present Messrs. Lunn, Redpath, Ferrier, Elder, and the Actuary. The minute on the subject is as follows:—"After some "routine business regarding loans, the Actuary was "instructed to write to Judge Smith, that if the bill "for £500 be not paid within six days from this "date, the note will be put in suit, and the mining "stock sold." The following further note appears in the minute book under the same date:—"Sannie "day wrote Judge Smith in terms of the above." On the 2d May, Honourable Judge Smith, as appears by the minute book of that date, substituted his note at four months, endorsed by Hugh Taylor, for five hundred pounds, and the mining scrip was returned to him. On the 19th November, 1845, a loan appears to have been granted to the Honourable James Smith. He is debited in the cash book with £1000; paid him on that date "By arrangement of Mr. Lunn, on "security over the McTavish property, and the personal security of." This payment was ordered by

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Mr. Director Lunn. No security was lodged at the Bank at the time. I think I had a note from Mr. Judge Smith, acknowledging the receipt of that sum. The amount remained open in the Savings Bank book, to the debit of Mr. Smith, without any security being taken until the 2nd May, 1848, when the following minute with reference to this loan appears in the minute book of the Savings Bank:— "It was also ordered that a mortgage upon two certain lots in Sherbrooke Street should be accepted in the meantime, in place of personal security, for the loan of £1000 and balance of £400." In September, 1845, a bill for £52 13s. 9d., viz. his bill, favour Montreal Insurance Company, was discounted at the Savings Bank. This sum was originally placed at the debit of the Montreal Insurance Company, and transferred to the debit of the Honourable James Smith, it not having then been paid. The balance at the debit of the Honourable James Smith, at the time of the suspension of the Bank, was £1690 10s. 3d.

The examination of the witness is here adjourned until to-morrow, the twelfth instant, at ten o'clock, and he hath signed.

JOHN EADIE.

Signed before me, this eleventh day of November, eighteen hundred and fifty.

W. BRISTOW,
Commissioner.

On this twelfth day of November, eighteen hundred and fifty, the examination of the witness, *John Eadie*, Esquire, was continued, as follows:

On 15th November, 1845, a loan was made to Peter McNee of Sorel, it is thus charged in the cash book of that date, "to account of Peter McNee, paid Mr. Lunn on account of loan to him," £480. On 28th idem, a further sum of £70 is charged as paid to Mr. Lunn for P. McNee, and on the latter date a further sum of £100 to Mr. P. McNee himself. I have no recollection whether other members of the Board of Directors, besides Mr. Lunn, expressly authorised these loans, but of course they must have been aware of them, as they were regularly entered in the books. There is no minute of them in the proceedings of the Board of Directors. The only security we held for these loans, was originally either P. McNee's note, favour Mr. Lunn, or Mr. Director Lunn's note, favour P. McNee; there was to have been a mortgage on P. McNee's property at Sorel; but to the best of my recollection, it was never completed. I am certain no security was taken up to the end of 1847, and I do not recollect its being taken in 1848. The original condition, if I remember right was, Mr. Lunn promised that the money should be refunded in six months from the time of the loans. No portion of the principal or of the interest accruing had been paid, up to the time of my leaving the Bank. The balance of the debit of P. McNee in the Savings Bank ledger, "page 229," on the 30th June, 1848, was £752 1s. The loan to P. McNee was, during the latter part of my connection with the Bank, frequently discussed at the Board of Directors. I think Mr. Lunn was blamed for making a loan under such circumstances, I mean without taking proper security, and without having a proper sanction. I do not recollect that any thing was said about holding Mr. Lunn liable.

To David Brown, mason of this city, a considerable number of payments were made without any other than personal security, by his notes, sometimes

with another name. The following sums seem to be so advanced: January 2nd, 1846, cash, £50; February 18th, cash, £82; April, 25th, cash, £50; May 23rd, cash, £21; June 6th, cash for Mr. Murray's note, £100; August 4th, cash, £50; September 28th, cash, £45; October 24th, cash, £40; November 21st, cash, £40; November 22nd, cash, £30; December 3rd, cash, £60; December 7th, cash, £55; February 23rd, 1847, Hilton's note, £70; 27th February, his own note, favour Hutchinson and Morrison, £45; Feb. 23d, 1848, cash, £40. On 31st December 1847, his account was credited with W. Murray's note for £100 to D. Brown, due 17th June, Montreal Insurance Company were debited that amount, Mr. Murray not having paid his note when due; this sum still continued, when I left the Bank, at the debit of the Insurance Company, and at the credit of David Brown. I observe in the ledger now before me, that my entry of the 31st December, 1846, was reversed in March, no exact day specified, 1849, the following entry being made in the journal of the Savings Bank, in the hand writing of Mr. Cox, one of the Clerks of the Bank; the entry page, 156, is as follows: "David Brown debtor to Montreal Fire Insurance Company for this sum (£100), being W. Murray's note to D. Brown, charged in error to the Insurance Company in December, 1846." Mr. Murray was aware of my having charged this sum to the Montreal Insurance Company, at or about the time I did so. I rendered them a regular account, in which this transfer was noted. I think Mr. Murray said that properly the account ought to be paid by David Brown. I think it probable I gave up the note to Mr. Murray, but I cannot say positively; I had always notes and memorandums belonging to the Insurance Company on hand, and possibly it may have been placed amongst them. I must have rendered accounts to the Insurance Company in 1846 and 1847. The sum still remains, as already noted, at their debit during that time. I never had a counter statement from the Insurance Company, rejecting this sum. The first of these various sums that I paid to David Brown were, I believe, at the request of Mr. Murray; the £100 on the 6th June, 1846, was certainly so. Both Mr. Ferrier and Mr. Murray were aware of these payments at the time of their being made, or very soon after. These loans were never made, to my knowledge, the subject of animadversion or discussion, until about the time of the closing of the Bank. I consider that these loans were matter of perfect notoriety to Mr. Ferrier and Mr. Murray, but I cannot say that the other Directors knew of them. There is no record of these loans to Brown in the minute book of the Board of Directors.

In page 235, ledger, account, "Arthur Ross," I find particulars of various sums paid to him, viz.: 6th January, 1846, cash, £200, entered in cash book, "paid him to account of loan on mortgage of Seignior, &c.: 2nd February, 1846, £200," "paid him further to account of loan; February 25th, £200; do. do. March 4th, £50;" "paid his order further to account of loan to him; March 28th, £71 16s. "paid do. do. do.; May 15th, £100;" "paid him further to account of loan of £1000, June 25th, 1847, £154 8s. 5d.;" "paid him balance of loan on seignior." No security whatever was given for these sums, at the time they were paid, except Mr. Ross's receipt, or orders for the amount. These sums were paid on the authority of the Directors of the Savings Bank. A formal application was, I believe, made to them for a loan of £1000, on the security of a mortgage on a Seignior belonging to Arthur Ross, and his brother, Thomas Ross. The application was sanctioned by the Board, but no security was taken for at least eighteen months afterwards.—The first entry in the minute book of the Board

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

of Directors of the Savings Bank, relative to this transaction, appears in the proceedings of the Finance Committee, at a meeting held 27th May, 1848, at which were present "Messrs. Morris, Elder, Murray, Redpath, Ferrier, and the Actuary." The following is the minute there made: "The matter of Arthur Ross was brought before the meeting, and Mr. Lunn having been requested to attend, it was explained that this loan was agreed to at a meeting of the Directors; but as it was at the time uncertain when the money might be required or whether it might be required at all, no record of the application was made. That at the time Mr. Ross and his brother were considered wealthy and highly respectable."

I speak from recollection, but I think that the time between the application for the loan and the first portion of that loan being paid was about two or three months. I think it could not be more, but it might be less. I speak from recollection, but I think that this loan was made about the time of Mr. Ferrier's election to the mayoralty of Montreal. Mr. Ross, the party to whom the loan was made, was at the time the Treasurer of the Corporation of the City. Mr. Ferrier, and I believe Mr. Lunn, were the parties through whose instrumentality these loans were obtained. The only record that I find in the proceedings of the Board of Directors of the Savings Bank, relating to the loan to Arthur Ross, is that which I have extracted from the minutes of 27th May, 1848. I think in about February, 1848, or perhaps a month or two earlier, some security, viz., the obligation of John Ross of Quebec, and of another person of Quebec, whose name I do not recollect, was taken. At the time I left, no portion of this sum had been paid. The sum at the debit of Arthur Ross, on the 30th June, 1848, was £1,060 6s. 3d.

On 17th August, 1847, there was a loan on security of Mr. Hayes, notes to E. M. David of £300. No other security was given for this loan. I think this loan was sanctioned by Mr. Murray and Mr. Lunn. No minute of the transaction appears in the minutes of the Board of Directors.

In ledger, page 245, "Robb and Douglas, Montreal," I find various sums charged to them as loans. 18th April, 1846, they are charged with advances on account of work done, and on Urquhart's bill, £85; on 30th April, £70; "do. do. for their note," May 30th, £54 18s. 6d; "paid them" June 9th, £37 13s.; "paid them per bill," June 22nd, "paid do." £26; July 18th, paid them £50; August 29th, paid them £40; paid them £25. Of these sums, £170 15s. were discounts of paper. I had no particular authority for making them. Robb and Douglas were working for the Bank, as joiners. The amount of their bill against the Bank for the year 1846, is entered in the journal, page 60; for furniture £61 15s. for expenses &c. £334s.; total £94 19s., placed to the credit of Robb and Douglas on that date. On the same date I find Robb and Douglas credited in the ledger by sundries, £122 17s. 6d. I can find no entry of this either in the cash-book or the journal, nor do I know what account or accounts are debited with this sum. I am not aware that these transactions with Robb and Douglas were ever brought before the Board. I have no doubt Mr. Mathewson was cognizant of them. I was never censured for these loans.

In ledger, page 258, headed Wesleyan M. Church per Thomas Kay, Montreal, various sums will be found advanced and charged to the debit of that account. On August 1st, 1846, this account is charged with £500, "paid" Thomas Kay per transfer of bond &c. The contemplated security for this loan, if I recollect right, was the transfer of bonds by parties to whom the church was pledged as security

Appendix
(Q. Q.)

15th July.

for the bonds given; but I am aware these bonds were not transferred to me at the time I made this advance of £500, nor have I any recollection that they were subsequently transferred. I think mortgages were taken in stead, but not for fully a year after. On March 4th, 1847, £381 5s. is charged as paid "Thomas Kay and other stewards, balance of loan to Wesleyan Chapel, Griffintown." I think the circumstances of this case are precisely the same as in the loan of the £500. On 19th May, 1847, a further loan of £1019 15s., charged as "paid Ferriers and others, note to Dow, on account of the chapel in £1000 and interest." No security of any description further than the note itself was given to the Savings Bank. The note had been discounted at the North American Bank, or was in there for collection. It was taken up by the Savings Bank as above mentioned. On 31st May, 1847, £100 was paid Thomas Kay, the same account; no security was given. On the 4th June, 1847, a further note of £1023 13s. 4d., drawn by James Ferrier and others, favour William Dow, was taken up at the British North American Bank, by the Savings Bank; no security was given for this payment. On 13th August, 1847, £429 13s. 4d. was paid to Thomas Kay to account loan; no security was given for this payment. The authority for all these payments were the following Directors: Mr. Lunn, Mr. Ferrier, Mr. Kay, indeed, I may say the whole of the Directors who took an active part in the management. The payments were ordered by Messrs. Ferrier, Lunn, and Kay, and Mathewson, and subsequently sanctioned by the rest. I think the time when security was given for these loans was not until the end of 1847, or the beginning of 1848. The security was, I believe, a mortgage on the St. James Street Chapel, perhaps including that of the Griffintown Chapel; and as collateral security, the whole of the trustees of the chapel. I do not think that any of these payments of loans for the Wesleyan Chapel will be found to have been sanctioned by any minute of the Board of Directors, passed at any of their meetings. I find no reference to them whatever in the minute-book. I find the following remark in the minutes of the proceedings of a meeting of the Finance Committee, held the 17th December, 1847:—Present: Messrs. Lunn, Redpath, Elder, and Murray. "The meeting was occupied looking over the sketch of the loans, especially those to churches, &c., and the Actuary was instructed to write to all of the trustees whose loans were more than 3 years old, that the Directors had decided that these loans should be gradually reduced." No portion of these loans to the Wesleyan Chapel was repaid at the time I left the Bank. On the 30th June, 1848, the balance at the debit of this account was £3,707 18s. 4d.

In page 259 of the ledger, I discounted, for John Watson, Sabine's bill for £49 7s., for which I gave John Watson cash £48 17s. I discounted the note on the 4th January, 1847. I had no authority for discounting this bill. The other sums for which John Watson is debited, were payments made to him to account of various bills which he had left with me for collection, two only of these were paid to me, and the amount £24 and £20 respectively were placed to his credit. The residue of the bills were given by me to W. S. Macfarlane, and formed part of the amount of debt due by him.

The examination of the witness is adjourned until 10 o'clock to-morrow, and he hath signed.

JOHN EADIE.

Signed before me at Montreal,
this twelfth day of Nov.,
1850.

W. BRISTOW.

Appendix
(Q. Q.)

15th July.

On this thirteenth day of November, eighteen hundred and fifty, the examination of the witness, *John Eadie*, Esquire, was continued as follows:—

In page 265, account, "Alexander Davidson, Niagara." On 17th November, 1846, this account stands debited, cash 10s., "paid protest of his note to Mr. Ferrier for loan;" and in journal, page 58, under date 31st December, same account is debited to bills receivable, "his acceptance to James Ferrier, and secured by mortgage due on 15th November, and protested for non-payment, as intimated to Mr. Hall per letter, 16th November, £200; to interest for interest due thereon, £13 19s. 8d." The letter referred to in the above extract from the journal is as follows; in the letter-book of the Provident and Savings Bank is as follows:—

"PROVIDENT AND SAVINGS BANK,
"MONTREAL, 16th Nov., 1846.

"SIR,—Your letter of 23rd October has been put into my hands by Mr. Ferrier, to whom it is addressed, this morning, and I now beg to reply to it.

"The amount due by Mr. Davidson to Mr. Ferrier is contained in that gentleman's promissory note, in Mr. F. favour, due yesterday, amounting to £212 15s. 3d., which, having been duly indorsed over to this institution is protested for non-payment. We hold also the mortgage in question, which was registered on 12th November, 1844. In regard to the mode of liquidating this claim, proposed by you, I am authorized to say, that upon your client paying one hundred pounds to amount of Mr. Ferrier's claim, we are willing to allow him a reasonable time to pay the balance. The security for the balance to remain unimpaired, and Mr. Ferrier and the Bank to be kept harmless as to expense.

"I have no doubt this arrangement will prove satisfactory, and waiting your further communications on the subject,

"I have the honour to be,

"Sir,

"Your obedient servant,

"(Signed) JOHN EADIE,
"Actuary, &c."

"Charles L. Hall, Esq., &c.,
"Niagara."

£99 5s. was paid on account of this loan on the 7th December, 1846, and the residue on the 5th February, 1848. The origin of this loan was on the 26th November, 1844, when "Davidson's note" to Ferrier, with security, due 15th November, 1845, was discounted for £200. To the best of my recollection, the bill and Mr. Ferrier's mortgage were placed in my hands at that time. The mortgage was still, I believe, in Mr. Ferrier's name, and I could not, as Actuary of the Savings Bank, have claimed upon it. I considered this as a loan by the Bank to Mr. Ferrier, on the security held by him. This loan was sanctioned by Mr. Ferrier, by Mr. Murray, and, I think, by Mr. Lunn. There is no record of it in the minute book of the proceedings of the Directors. This sum was never placed to the debit of Mr. Davidson until November, 1846.

Ques. Up to November, 1846, did you consider this advance on Mr. Davidson's note with security as a loan to Mr. Ferrier or to Mr. Davidson?

Ans. I considered it a loan to Mr. Ferrier.

Appendix
(Q. Q.)

15th July.

Ques. Why, then, was Mr. Davidson made the principal to a debt for which he was originally merely collateral security?

Ans. Because it was a wish, in all cases, of the Directors not to appear as principals where it could be avoided.

In ledger 273, account "Alexander Urquhart, Montreal," will be found the following particulars; On 30th January, 1847, this account is debited with £500 cash, "paid him on loan." The security for this loan was a number of bills of—Pope to Urquhart. I think some of them had an additional endorsement of some name at Quebec, but I cannot say whom. None of the Directors endorsed that paper. I think the whole of the amount so lodged was about £3,000. It was by an arrangement of Mr. Murray and Mr. Ferrier that this loan was so made to Mr. Urquhart. They were long-dated bills; the shortest, I think, at six months. There is no record in the minute book of this transaction having been sanctioned by the Board of Directors. I was never censured by the Board of Directors for having made it. On the 30th April, 1847, I made a further advance of £250 cash on the bills deposited, as I have already stated, in January previously. I had the authority of Mr. Ferrier and Mr. Murray, and, I think, of Mr. Lunn, for making this further advance. No authority for this advance occurs in the minutes of the proceedings of the Board of Directors. I was never censured for having made these advances. On 31st July, 1847, this account is debited with cash, £50 5s. 11d., paid for Farquhar's note made by me without authority. At the time I left the Bank the balance to the debit of this account was £404 10s. 5d. in the ledger. The promissory notes to which I have referred, with the exception of one or two that had been paid, were still in the possession of the Savings Bank.

On page 279 ledger, Montreal Telegraph Company is debited for £15, "paid call of this date and of 19th ultimo." This is for instalments on shares that I had individually bought in my own name. This sum I subsequently transferred to my own debit. This payment was originally made on 24th March, 1847, and transferred on 20th October, 1847.

Ledger, page 291, account R. Howard & Co. This account is debited the 26th May, 1847, with cash, "paid them for Sharp's notes, due at Bytown, 25th September, £373 12s. 8d." This discount was made by me on the authority of Mr. Ferrier and Mr. Lunn. No security was given to the Bank for these notes. No other name, I think, was on the note, but Howard & Sharp. Neither Mr. Ferrier nor Mr. Lunn endorsed these notes. In June, 1847, further discounts were granted by me, on the authority of Messrs. Ferrier and Lunn, to R. Howard, for £403, viz: on Smith of Bytown's notes, £253, on 17th June; £136 13s. on 23d June; and £13 7s. on 25th June. They were long-dated bills, I think twelve months. There were no other names on the notes but Smith and Howard's. They were paid in June, 1848. There were no minutes in the proceedings of the Board of Directors warranting the discounts under this account. I am aware that the matter was brought before the Board after the discounts had been made. No disapprobation was expressed. No security was asked from Howard. It was a purely discount transaction.

Ledger, page 303. On the 23d September, 1847, this account is debited with cash £250, "paid them loan on transfer of Hood and Thorne's assignment of Donegana's furniture." This sum was paid 26th June following, and the assignment re-transferred.

Appendix
(Q. Q.)

15th July.

Ledger, account "Daniel Gorrie, Montreal." The sum at his debit is all, I believe, advanced on securities of mortgages or stocks, with the exception of a loan made in November, 1847, of £500, "paid him "on his note repayable on demand." No other name was on the note except that of Daniel Gorrie, unless, perhaps, my own. This discount was made entirely on my own authority, and without consultation with any one. It was not repaid on 30th June following, but on the 26th June Daniel Gorrie gave his note to order of Sims and Coleman, at £500, for the amount. At the time I made the loan to Mr. Gorrie, I regularly noted the transaction in the books of the Bank. The first time that I am aware of its coming under the special notice of the Directors was, I think, in February or March following. The Directors were then carefully examining the securities for the purpose of calling in debts due to the Bank. I have no particular recollection what occurred on the subject. I do not recollect having been censured for making the loan, but Mr. Gorrie was called upon to attend the meeting of the Directors. He did so, and in June, as already mentioned, he gave his note, favour Sims and Coleman. To the best of my recollection, I was never informed that I should be held responsible for the loan to Daniel Gorrie, nor can I say that I was ever informed that I had exceeded my powers in making it. There is no minute in the proceedings of the Board of Directors disapprobatory of my having made this loan, nor indeed is there reference to this loan in the minute book up to the time when I left the Bank. The loan to Mr. Gorrie was made on account of the Bank: interest was charged by them. It was an ordinary transaction of a discounting of a bill for the Savings Bank, and it was per account of the Bank. There were no securities lodged with the Bank by Mr. Gorrie at the time of the discount, or at any time subsequent, during my tenure of office as Actuary, that could have been made available in case the note had not been paid.

The particulars of discount, which I have given in my evidence before this Commission on the eleventh, twelfth instant, and this day, are taken from an examination of the accounts in the ledger of the parties whose names respectively I have mentioned. I do not at this moment recollect any discounts having been made by me for account of the Savings Bank which do not appear in the ledger. To the best of my knowledge and belief, and of my recollection at this moment, the discounts already enumerated embrace the whole of those that were made by me strictly on account of the Savings Bank. The following accounts, under which some discounts are comprehended, I have not included in the foregoing statement, as it will be necessary to make a complete explanation of the transactions connected with each separately. The accounts I so reserve are those of the Montreal Assurance Company, the High School, William Footner, W. S. McFarlane, Bryson and Ferriers, and my own.

I lent the funds of the Bank to several parties, of whom I remember Bryson and Ferriers, in 1846. I repeatedly made advances to them, sometimes in cash, but most frequently in cheques upon the Bank of British North America. The loans in that year may have amounted to about four or five thousand pounds. They were generally repaid in a short time after they were given; but in the latter part of that year they had the use of the money for a longer period. The balance of these loans to Bryson and Ferriers in 1846 was paid up in full on or about 31st December. It is probable that the largest sum that Bryson and Ferriers owed me at any one time was about £1000 in that year.

In 1847, the same practice was continued, and the amount very considerably increased. The character

of the transaction was the same, but the amounts were larger. The largest balance at one time that they owed the Bank might probably be two thousand five hundred pounds. In several instances in 1847, these loans were protracted, and Bryson and Ferriers had the money in their hands for several months. I should think the whole amount spread over the year in 1847, of loans to Bryson and Ferriers, could not be less than ten thousand pounds. At the end of 1847, Bryson and Ferriers paid up the balance in full. It was on the 31st of December, 1847, that they did so. Here I think my transactions and loans to Bryson and Ferriers terminated. During 1847, Bryson and Ferriers had numerous payments to make in Upper Canada, and they frequently obtained from me cheques of the Provident and Savings Bank, drawn on the Bank of British North America, and made payable to the orders of the parties in Upper Canada, to whom these payments were to be made. These cheques would readily be paid at any Bank in the Province. This practice was frequent during that year. These cheques formed part of the loans to which I have already adverted.

The examination of the witness is adjourned until ten o'clock to-morrow, and he hath signed.

JOHN EADIE.

Signed before me at Montreal,
this thirteenth day of November,
eighteen hundred and fifty.

W. BRISTOW.

On this fourteenth day of November eighteen hundred and fifty, the examination of the witness *John Eadie*, Esquire, was continued as follows:

I do not think I made loans of the nature of those of which I spoke in my evidence of yesterday, to Bryson and Ferriers before the year 1846. The first loan I made, if I recollect right, was to Mr. James Ferrier, Junior, son of Mr. Director Ferrier, and a partner in the house of Bryson and Ferriers. The conversation turned upon the difficulty of negotiating paper with the Banks: it terminated in a request by Mr. Ferrier Junior, for some accommodation. To the best of my recollection, I gave Mr. Ferrier, Junior, a cheque on the Bank of British North America, and he gave me a cheque of Bryson and Ferriers for a similar amount, dated some days afterwards. The cheque I gave Mr. Ferrier, Junior, was signed by me as Actuary of the Savings Bank, it was drawn in the usual form in which cheques were given by the Montreal Provident and Savings Bank. The cheques of the Bank were printed with the usual blanks for sums, dates &c.: they were headed Montreal Provident and Savings Bank in print; the word Actuary also was in print at that part of the cheque where I signed my name. All cheques issued by the Bank were not only signed by the Actuary, but countersigned by one of the Directors and a teller. There was a blank for each of these officers names, that is to say, the word Director was printed at the part of the check where the Director's name was to be placed, and the word teller at the part where the teller should sign his name. All the checks which I lent to Bryson and Ferriers, were regularly signed by some one or other of the Directors, and by a teller of the Savings Bank. No cheques would have been paid at the British North American Bank for account of the Provident and Savings Bank, except the cheque were signed by one of the Directors, the Actuary, and a Teller of the Savings Bank. It was during the time that the Savings Bank kept its account with the British North American Bank, that I

Appendix
(Q. Q.)

15th July.

Appendix

(Q. Q.)

15th July.

lent these cheques to Bryson and Ferriers, and the cheques so lent were invariably on the British North American Bank. The cheques of the Provident and Savings Bank were all drawn payable to a given party "or order," so that the party presenting them had to endorse them. We were in the habit, however, generally of drawing the cheques in favour of the Teller of the Savings Bank, and he endorsed them. Except those cheques which I alluded to yesterday as having been obtained for payments due by Bryson and Ferriers in Upper Canada, all other cheques that I lent them were, I believe, filled up in favour of the Teller of the Bank. In no instance did Bryson and Ferriers endorse them. It was at the desire of Mr. Ferrier, Junior, that the cheques lent to him should be drawn in favour of a Teller, and not in favour of Bryson and Ferriers, because he stated, that it was not desirable, that Mr. Davidson, the Manager of the Bank of British North America, should be made aware of these transactions, which would have been the necessary consequence of the endorsement of Bryson and Ferriers. I considered from the language of Mr. Ferrier that he considered that these circumstances would, if known to Mr. Davidson, injure him in his capacity of a member of the firm of Bryson and Ferriers in two ways, one, that it might lead to the belief that the firm was in pecuniary difficulties, and the other, that they used the funds of the Provident and Savings Bank. Nearly all the loans that I made the firm of Bryson and Ferriers, were made on the personal application of Mr. James Ferrier, Junior. On two or three occasions, I lent cheques to Mr. George Ferrier, also a partner in the firm of Bryson and Ferriers, and brother to Mr. James Ferrier, Junior. I never had any conversation with any member of the Board of Directors of the Montreal Provident and Savings Bank, relative to these loans to Bryson and Ferriers, until about the month of November or December, eighteen hundred and forty-seven. I then told the fact to Mr. Director Ferrier, that I had to a large extent assisted Messrs Bryson and Ferriers, during the then present, and the preceding year. Mr. Director Ferrier said that I had done a wrong thing, that I ought not to have advanced them these sums of money. I also said to him that I had been induced to do it, out of a feeling of sympathy for his son, upon whose shoulders in my opinion, a heavier load had been put than he was able to bear, he Mr. Director Ferrier, said that he did not object to the motive, but the proceedings were wrong, and that he would cause the money to be paid up immediately. The money was paid soon after. I am not very sure, but I think Mr. Director Ferrier first mentioned to me the loans to Bryson and Ferriers, before I said anything to him on the subject, he asked me, I believe, whether such was the case, I think he said his son James had told him so. Mr. Director Ferrier visited England some time in eighteen hundred and forty-six. He left Montreal I think, in the spring, and returned I think, in the autumn of the same year, he continued in Montreal until the time when this conversation took place. He regularly attended the meetings of the Board of Directors of the Savings Bank, and took a very active part in its management. He was at the same time a Director of the Bank of British North America, and I am aware that he regularly attended the meetings of Directors there, he was in the habit of signing cheques for the Provident and Savings Bank I should say, from the latter end of eighteen hundred and forty-six, to the latter end of eighteen hundred and forty-seven. Mr. Director Ferrier signed, probably at least as many checks of the Provident and Savings Bank as any of the other Directors. He was Vice President of the Savings Bank during the whole of that time. I could not speak with any certainty on the subject, but it is at least very probable that some of the cheques of the Savings Bank I lent

to Bryson and Ferriers during that time, had the signature of Mr. Ferrier as Director on them.

Ques. Since you think it probable that Mr. Director Ferrier's name was appended to some of the cheques you lent to Bryson and Ferriers, and that in all cases of these cheques, the signature of one or other of the Directors was so appended, is it not a matter of probability that Mr. Director Ferrier, and of certainty that the Director who signed the said checks were aware of the loans made by you of such checks?

Ans. No. It was the practice in the Bank to have the checks in general signed by the Directors in blank, perhaps, twenty or thirty of a time, and they were subsequently signed by me, as Actuary, and by the Teller when they were required for the various purposes of the Bank. It did not of necessity, therefore, follow that the Directors who signed the cheque knew the purpose to which it was applied.

Ques. You had then actually the power placed in your hands, of paying away the funds of the Bank in such way as you might think proper, and without any restriction whatever. Is that not the case?

Ans. I might have used the cheques to the full extent of the funds, or the credit of the Bank, as the Directors seldom or never examined for what sums the cheques were drawn, or for what purpose they were applied.

Ques. Would your checks, formally drawn on the Bank at which the Savings Bank kept its account, have been honoured had they been for a larger amount than the balance at the credit of the Savings Bank with such other Bank; that is, would the Savings Bank have been allowed to overdraw its account, if so, please state to what extent?

Ans. Generally speaking, the Bank with which the Savings Bank kept its account would not have allowed itself to be overdrawn on to any very large extent, but the account was frequently overdrawn, perhaps to the extent of a thousand pounds or more, without any other notice than a request from Mr. Davidson that it might not continue so. There was an understanding with the Bank where the Savings Bank account was kept, that the latter should be allowed to overdraw on lodging tangible security to a moderate amount. An account current was regularly kept between the Savings Bank and the Bank where it deposited its funds, and interest was daily debited and credited on the balance.

No entry of these loans or cheques to Bryson and Ferriers to which I have alluded, was made in the regular books of the Bank. They were neither debited with sums paid to them, nor credited with the sums returned by them. The cheques were taken out of the cheque-book *seriatim*; so that the cheques would appear in the cheque-book to have used, that is the marginal portion of the cheques were left in the cheque-books properly filled up with the dates and amount. The parties to whom the cheques were paid would not generally be marked in that marginal portion of the cheque in ink. In the cases of loans of cheques to Bryson and Ferriers, I generally marked on the marginal portion the initials B. and F. in pencil, rubbing it out when the cheque was repaid. The paying teller did not charge himself with the cheque thus drawn at the time, but did so when Bryson and Ferriers replaced amount. The paying Teller of the Savings Bank during these loans to Bryson and Ferriers was Henry Sharrocks. A reference to the cash-book of the Savings Bank will shew the irregular manner in which the Teller charged himself with the cheques. Instead of the numbers following each other, as they should have done, being drawn daily, in consecutive numbers,

Appendix

(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

cheques of a lower number, and consequently of an earlier date, appear in the cash-book after cheques of a higher number, and consequently of a later date. Thus, on the 31st August, 1847, cheques Nos. 448, 450, 130, 131, and 142, are credited to the Bank of British North America. On the 30th September, 1847, cheques, Nos. 532, to 534, 285, 286, and 186, appear. On the 30th October, 1847, Nos. 589, 603, 632 to 634, 183 and 205, appear. On 30th Nov., 1847, Nos. 715, 726, 727, 441, 442, appear. On 30th December, 1849, Nos. 794 to 796, 339, 408, 449, appear. Many of these, I have no doubt, were cheques for these loans, which had remained unpaid for some time.

The cheque-book which I have described was kept open in the Bank. It was never concealed by me. The directors by any time referring to it could see these payments noted as I have mentioned. The Teller, Henry Sharrocks, of course, knew of them. The Directors were not much in the habit of looking into the cheque-book, but one or other of them had to use the book every two or three days to sign the blank cheques. I cannot say that they looked much at the manner in which the cheques had been used, but they had the documents before them on which to form a judgment. I never recollect any of the Directors having asked me for what purpose any particular cheque was granted. I do not recollect any instance of any Director having offered any remark upon any of these cheques for loans.

Ques. Is it your belief, speaking as a man of business, that with that cheque-book laid before the Directors of the Savings Bank, or one of them, at intervals of two or three days only, containing notes in the margin of loans made by you, as described to Bryson and Ferriers, the Directors who used that book were totally ignorant of the misapplication of the funds of the Bank by you, during the whole of the period to which you have referred, as having been habitually in the practice of making loans to Bryson and Ferriers?

Ans. However difficult it is to arrive at that conclusion, my opinion is, that they knew little of these transactions, but I cannot say that they were totally ignorant of them.

Ques. Which of the Directors, during the years 1846 and 1847, were in the habit of signing the cheques of the Montreal Provident and Savings Bank?

Ans. Messrs. Lunn, Redpath, Ferrier, Kay, Murray, and Elder; of these, Mr. Lunn and Mr. Ferrier signed the most frequently.

I have already mentioned that the loans to Bryson and Ferriers were not noted in the general books of the Bank of course, therefore, no charge was made against Bryson and Ferriers for interest on those loans, in the books of the Provident and Savings Bank. At the times the loans were made to Bryson and Ferriers it was my understanding with them that they would of course be charged interest. They understood they were borrowing from the Bank, but in an irregular manner. They knew that they were borrowing the money without the knowledge of the Directors. I told them that these were transactions I could not lay before the Directors. The interest they understood was to go to the profits of the Bank. I think I mentioned to Bryson and Ferriers, that when they paid the interest, I could so make the entry in the books of the Bank as to credit the Bank therewith, without attracting observation. At the end of 1846, when I received, as mentioned yesterday, the balance of the loans that I had made during that year to Bryson and Ferriers, I made up no interest account with them on the transactions of that year,

nor did they pay me any interest therefor. There was no credit in the books of the Savings Bank for that year on account of these loans. When I balanced the account of the loans to Bryson and Ferriers in 1847 with them, by receiving the difference, as I mentioned in my evidence of yesterday, I received no interest from them. The matter was left for future adjustment. Bryson and Ferriers promised me that they would pay up the interest on all these loans when the accounts of interest were made up. The books of the Savings Bank for 1847 were not credited by me, with any interest on the loans made during that year to Bryson and Ferriers. A memorandum was kept, both by me and by Bryson and Ferriers, of all these loans, and we compared them together, and they agreed. We never made any precise calculation of interest. The confusion in which the Savings Bank was after December, 1847, caused the matter to be overlooked; and up to the time I left, that is, in July, 1848, no interest account had been made up, and no interest received from Bryson and Ferriers for their loans. I have no very distinct idea what amount of interest would be due on these loans by Bryson and Ferriers, but I think it would amount to upwards of a hundred pounds. Since July, 1848, Bryson and Ferriers have paid to me two sums, I think, amounting to one hundred pounds. This is since I was Actuary of the Savings Bank. It was understood in a verbal conversation between Mr. James Ferrier, junior, and myself, that these payments of about a hundred pounds were to be in extinction of the interest due on the loans by the Savings Bank, but no statement of interest was made up. I should suppose that this amount was not more than the interest due, but it might have been ten or twenty pounds less. This payment of interest by Mr. Ferrier, junior, was about two months after I left the Bank, consequently he knew that it was a payment to me individually, and not to the Bank.

The examination of the witness is here adjourned until to-morrow at 10 o'clock, and he hath signed.

JOHN EADIE.

Signed before me at Montreal,
this fourteenth day of Nov.,
1850.

W. BAISTOW,
Commissioner.

On this fifteenth day of November, eighteen hundred and fifty, the examination of the witness, *John Eadie, Esq.*, was continued as follows:—

At about the time that I received the second payment of interest from Bryson and Ferriers, which I stated in my evidence yesterday to have been in extinction of the interest due to the Bank, no statement of the interest was made up or discharged, but on reflection, I think I wrote at the request of Mr. Ferrier, Junior, a note to him, in which it was expressed that he had paid the amount of the loans made to him from the funds of the Savings Bank, and the interest due thereon. To the best of my recollection this note, though written probably in September or October, 1848, was dated some time in January previous. Mr. Ferrier, Junior, requested that I should give him a note in such terms relating to these transactions as would shew that they were finally settled, without alluding to the amount of either principal or interest, which I accordingly did, and sent it to him, with which he was satisfied. I never had any communication with Mr. Director Ferrier on the subject of the interest on the loans to Bryson and Ferriers.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

17th July.

He, Mr. Director Ferrier never desired me to collect interest on those loans, when he stated that he would see the principal of these loans refunded to the Bank, he did not state that he would see also that the interest should be paid on them. From the tenor of my conversation with Mr. Director Ferrier on the subject of the loans to Messrs. Bryson and Ferriers, he must have been aware that a considerable amount of interest was due on those loans. Mr. Cox, another of the Tellers of the Provident and Savings Bank, was also cognizant of these transactions of mine with Bryson and Ferriers. The loans which I made to Bryson and Ferriers of cheques for the purpose of transmission to Upper Canada, were filled up to the order of persons whom Mr. Ferrier, Junior, named, and who, I suppose, were generally correspondents of Bryson and Ferriers. They came back, as a matter of course, to the British North American Bank here for payment. No observation was ever, to the best of my knowledge, made by Mr. Davidson to me about these cheques.

Bryson and Ferriers never gave or promised to me any pecuniary compensation, or any advantage whatsoever, in consideration of these loans to them.

In cash book April 1847, James Ferrier (Director) is credited on the 3rd of April by cash "from him" £200, and on the 30th idem, ditto £650, on the latter date he is debited "for B. and F. paid on his account" £630 10s." The circumstances of these entries are as follows. It was my intention at that time to charge these loans, which were actually to Bryson and Ferriers, and these payments which were from them, to the account of Mr. Director Ferrier, but I changed my mind. These sums do not appear in the ledger, and the difference between them, I suppose, I intended to charge in a farther entry to the debit of Mr. Director Ferrier, but which does not seem to have been made. The balance as stated in the cash book must therefore be erroneous.

Some short time, I think a few days or perhaps a couple of weeks, after my conversation with Mr. Director Ferrier, which I stated in my evidence given before this Commission yesterday to have occurred about November or December, 1847, the subject of these loans to Bryson and Ferriers was mentioned by Directors Lunn and Murray; and I think they inquired of me if I had made advances in money to Bryson and Ferriers. I answered that I had, and I think added, that the balance due by them would be paid up immediately. I do not recollect that they censured me for the loans. It was a casual conversation. The subject was never, to the best of my knowledge, brought before the Board formally. Nothing was said by either Mr. Murray or Mr. Lunn about the interest on these loans. I do not recollect speaking at any time with any other of the Directors on the subject of these loans to Bryson and Ferriers.

I lent the funds of the Bank in a similar manner to the transactions with Bryson and Ferriers, to W. S. Macfarlane, Grocer, of this city. To the best of my recollection they commenced in 1846, and consisted of small advances made to him as loans, generally in cash. I advanced him the money in bank-bills, and took his cheque for the amount, to be retained for the time stipulated, which might be for two or three days or a week, when the money was repaid, and the cheque returned; or, as was frequently the case, the cheques were paid into the Bank of British North America, by Mr. Cox, the Receiving Teller, amongst the cheques and cash forming the daily deposit with the Bank of British North America, on account of the Provident and Savings Bank. In these instances we had (Mr. Cox or myself) Mr. Macfarlane's authority to deposit

the cheques. To the best of my recollection the loans to Mr. Macfarlane were, none of them, in 1846, by cheques of the Savings Bank. In several instances that year, I handed over to Mr. W. S. Macfarlane bills and promissory notes, which I held partly on my own account, and partly on account of the Savings Bank. These I gave him as a loan. The arrangement in such cases was, that he should repay the amount of the respective notes at the time they should become due. The total amount spread over the year 1846, of my loans to W. S. Macfarlane, was probably fifteen hundred pounds, of which, I think, £1000 would be in cash. I do not recollect at any particular time during that year, that a balance due by him would be more than two or three hundred pounds. The notes that I lent him in 1846 were all for small sums.

The examination of the witness is adjourned until Monday next at 10 o'clock. The witness is ordered to attend under and by virtue of the subpoena served on him, on the 1st November, instant, by Thomas O'Neil, B. S. C., and he hath signed.

JOHN EADIE.

Signed before me at Montreal,
this fifteenth day of Nov.,
1850.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal, }

On this sixteenth day of November, eighteen hundred and fifty,

Personally came and appeared, *James Ferrier*, Junior, Esquire, merchant of the City and District of Montreal, who, being duly sworn, deposes and saith,

I am a member of the firm of Bryson and Ferriers, merchants of this city. I am a son of the Hon. James Ferrier, one of the Directors of the Provident and Savings Bank. My firm has had transactions with the Montreal Provident and Savings Bank, but we kept no banking account there. My firm has never had any loan from the Savings Bank. My firm never had any paper discounted for it by the Provident and Savings Bank. My firm never received any funds whatever from Mr. Eadie, the Actuary of the Provident and Savings Bank, in his capacity as Actuary. My firm has received cheques from the said Mr. Eadie, drawn on the Bank of British North America, and signed by him as Actuary. I cannot from memory state to what amount. I had occasion to remit funds to Upper Canada several times, and I got him on such occasions, sometimes to give me a cheque by the Provident and Savings Bank, on the Bank of British North America, and sometimes large bills for the convenience of remitting, and I gave him the cheque of my firm to an equivalent amount. The transactions of this description may have amounted to four or five thousand pounds. I do not think they were more, but they might have been less. These transactions may have extended over two or three years, beginning about eighteen hundred and forty-six. I cannot say whether all the cheques I gave to Mr. Eadie in exchange for the cheques of my firm, were for the purpose of remitting to Upper Canada. When I speak of the amount of the exchange of cheques between my firm and the cheques of the Montreal Provident and Savings Bank being four or five thousand pounds, I include all the cheques so exchanged; but the transactions having occurred some time back, I may be in error as to the amount. Mr. Eadie, the Actuary

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

of the Savings Bank, also on various occasions lent my firm, through me, sums of money, for which I either gave him the cheque of my firm in exchange, or if I had not a cheque by me, a *bon* for the amount, which I replaced subsequently with a cheque. I think these advances of money in exchange for cheques or *bons* might have amounted to two or three thousand pounds. The cheques that I paid to Mr. Eadie for these transactions were sometimes to be deposited the next day; at other times it was understood that he was to hold them for me a few days. I considered that all these transactions in the way of cheques and money, with Mr. Eadie, were on his individual account, and not on account of the Provident and Savings Bank. One reason was, that Mr. Eadie had at times stated, that he had no large bills on hand, in his own cash, when asked for to remit; and at other times, that he had no cash on hand to loan. I also believed him to be possessed of means which enabled him to purchase property. I had no means of knowing his private affairs except from public report. My transactions with Mr. Eadie were some times before, some times during, and some times after bank hours. The other clerks were generally in the outer office. Mr. Eadie occupied an office within that outer office. There was no concealment on my part, nor did there seem to be on Mr. Eadie's. I do not suppose the other Clerks were particularly acquainted with these transactions, except in such cases as those in which cheques of the Provident and Savings Bank were furnished to me. These cheques were in a printed form, and headed "Montreal Provident and Savings Bank." These cheques had always the signature of one of the Directors of the Savings Bank, in addition to that of the Actuary. I cannot recollect whether they had also the signature of one of the Tellers. I cannot say positively whether Mr. Eadie ever did give me a cheque on the Bank, signed individually, or in any other than the customary form of the Provident and Savings Bank cheques; but I know his general practice was to give me cheques of the Montreal Provident and Savings Bank, signed and countersigned in the usual form; that is, when cheques were paid me. All the transactions to which I have referred, for exchanges of cheques or *bons* of my firm, were with Mr. Eadie, and none of them with any of the other Clerks of the Provident and Savings Bank. I never had any communication with any of the Directors on the subject of these exchanges of cheques, until my father, Mr. Director Ferrier, one day asked me if I had ever obtained a loan of any money from Mr. Eadie. I cannot say when this occurred, but I think it was some months previous to the suspension of the Savings Bank. I told my father that I had. He expressed his disapprobation of my having done so, and said if I owed any money to Mr. Eadie, I must immediately return it. He said, that considering he was a Director of the Montreal Provident and Savings Bank, I should not have had anything to do with Mr. Eadie in money matters; and that I had shewn a want of discretion, as such transactions might lead people to speak unfavourably of him (Mr. Director Ferrier.) This was the first communication I had ever had with my father on the subject of these loans. I have reason to know that he was not aware of them before, from the surprise and annoyance he expressed on this occasion. I cannot say from anything that passed on the occasion, whether my father was then under the impression that Mr. Eadie had had these transactions with me from his private funds, or from the funds of the Bank. I think that the knowledge that my father had, of my having had these transactions with Mr. Eadie, was derived from my acknowledgement, and not from information derived elsewhere. It came out in casual conversation. My father asked me how I got on in money matters, and whether I

Appendix
(Q. Q.)

15th July.

ever borrowed. I then mentioned the circumstance. At the time of this conversation I owed Mr. Eadie a balance, which I returned, and never had any transactions of a similar nature with him. I think the balance I then owed was about a thousand pounds. I feel pretty confident, that at no time did I owe Mr. Eadie a balance on these transactions of so much as two thousand pounds, or if I did, it could only have been for two or three days. I do not think that any of the loans in the shape of cheques of my firm were kept for any length of time in Mr. Eadie's hands. Some loans for which I gave *bons* were kept a longer time; some of them even for months. I would not say, that during 1846 and 1847, my firm was permanently and constantly indebted to Mr. Eadie. The debt was often wiped off.

When I had these transactions with Mr. Eadie, I know that I several times mentioned to him that I should allow him the interest on the balances, as of course his money was worth interest to him; I do not recollect ever to have said to Mr. Eadie that I wished these transactions kept from the Directors of the Savings Bank's ears; I speak to the best of my knowledge on this subject.

Ques. Had you at any time during the period in which you had the transactions with Mr. Eadie, which you have described in your evidence before this Commission, any suspicion that Mr. Eadie was making use of the funds of the Provident and Savings Bank for these loans, or for any portion of them?

Ans. At times I had, from the fact of his stating that he must have the cheques honoured, so as to balance his cash, and return the money he owed.

Very frequently accounts of interest were made up between my firm and Mr. Eadie. I do not think the balance of interest against my firm would amount altogether to one hundred pounds. It is a mere guess, but I do not think I am far wrong. I have paid interest to Mr. Eadie, at some of the respective times, when these accounts were made up. I do not recollect whether I made a payment to him of interest after he left the Bank. I do not recollect anything being said about interest at the time I had the conversation with my father, to which I have already referred. I have since told my father that I have paid interest to Mr. Eadie. My father has never been made aware through me of the precise amount of these loans; I had reluctance to converse with him on the subject, as it was one that gave us both annoyance. My father was therefore not aware of the amount of the balance of the interest against me. I cannot say whether my father's name was on any of the cheques of the Savings Bank given to me by Mr. Eadie; it is probable it was, as he was a Director at the time, and an active manager of that institution. I think I had receipts from Mr. Eadie on several occasions when we balanced accounts. I think some of the receipts were also for interest in connection with the settlement. I do not recollect to have received any note from Mr. Eadie connected with the final settlement, but it is very probable I may have had. I recollect a short time after Mr. Eadie left the Bank, probably a few weeks, having an adjustment of an account with Mr. Eadie, the account for the borrowed money had, as already been mentioned by me in my evidence, been settled some months before, and the transactions were then closed; both parties having considered it a correct adjustment; but subsequently, I think after Mr. Eadie left the Bank, he called on me and claimed three hundred pounds; he had in his possession a cheque of my firm on which he claimed; I do not recollect its precise amount. The cheque was dated many months back, and I am certain it had been included in some of the accounts which we had previously adjusted, and that I had neglected to examine sufficiently carefully the vouch-

Appendix
(Q. Q.)

15th July.

ers that he gave me up at such previous adjustment. I feel confident that the amounts I had had from Mr. Eadie had been fully liquidated, and that I did not owe for that cheque. After several discussions with Mr. Eadie, and threats on his part to sue my firm for the amount of the cheque, I deducted the amount that he owed me for his private account from the cheque, and paid him the balance, part in cash and part by notes endorsed by my firm, which were subsequently retired. The cash and notes amounted to about two hundred pounds, I think. I then took, in acknowledgement from Mr. Eadie, a receipt in full of all claims on my firm. I was thus guarded, to prevent the possibility of Mr. Eadie's making further claims for cheques or bills which I might inadvertently have omitted to get back from him when I made the different settlements with him. I do not recollect what date was given to the receipt by Mr. Eadie; he did not sign it as Actuary. I have no recollection of its having been antedated so as that it should bear date during the time that Mr. Eadie was Actuary of the Provident and Savings Bank. I have no recollection of having at any time had any receipt, letter or memorandum antedated for such purpose; but it is possible that when I came to this settlement with Mr. Eadie, I may have got some voucher connected with prior settlements which may have been dated at the time the settlements were made.

My transactions with Mr. Eadie were on account of the firm of Bryson and Ferriers.

I think it was near the end of 1847 that I had the conversation with my father respecting my transaction with Mr. Eadie, and I paid over the balance in a few days; I think in about a fortnight.

And further this deponent saith not, and having had this his deposition read over to him, he declares it to contain the truth, persists therein and hath signed.

JAMES FERRIER, Junior.

Signed before me, this sixteenth
day of November, 1850.

W. BRISTOW.

On this eighteenth day of November, eighteen hundred and fifty, the examination of the witness *John Eadie*, Esquire, was continued as follows:

At the close of eighteen hundred and forty-six, the balance due by Mr. Macfarlane to me, was all, or nearly all paid. In 1847 my transactions with Mr. Macfarlane were of a similar nature to those of 1846, but were considerably increased in amount. They consisted in advances in cash and in notes. Some of the notes were the property of the Savings Bank, and some my own property. I think the transactions for this latter year may have been Three thousand pounds. A considerable balance remained at the end of 1847, due by Mr. Macfarlane. I think the balance then due must have been eight or nine hundred pounds. At and previous to this period, I became seriously uneasy about W. S. Macfarlane's account with me. I thought he was trading beyond his capital, and that the risk of loss was therefore very great. I had several conversations with Mr. Macfarlane about his account, and told him I could not continue this practice of lending. He told me his difficulties were only temporary, and that all these advances should be paid up.

In 1848 I continued to make similar advances to Mr. Macfarlane, until ultimately the amount due by him was about £2,800, this was in March or April 1848, when the transactions between us came to a close. The facts of the case were then made known

to Messrs. Directors Ferrier and Murray. At first they were not aware of the amount due to me by Mr. Macfarlane. I have given in my evidence before this Commission on the 7th inst., the circumstances connected with my conversations with Messrs. Ferrier and Murray, relative to this subject, particulars as accurately as I could from recollection give. I cannot speak positively when the first of these conversations occurred, it cannot have been less than two or three weeks before the time at which Mr. Macfarlane gave his notes, as described in my evidence before this Commission given on the 7th inst. I think at the time I had the first conversation with Messrs. Ferrier and Murray, they were under the impression that Mr. Macfarlane would pay all, and I am not sure but I may have made advances to Mr. Macfarlane subsequent to that conversation. Messrs. Ferrier and Murray certainly blamed me for having made these loans, but I cannot say whether they stated that I should be held personally responsible. They may have said they conceived that the Directors of the Savings Bank might consider me personally responsible. As far as I can judge they treated the money due by Macfarlane, as due to the Savings Bank, and not to me individually, and I was ordered as already stated, by them, to get Macfarlane's promissory notes in favour of myself as Actuary of the Savings Bank. When I got the notes, they were regularly deposited amongst the documents belonging to the Savings Bank. I do not think that I was ever formally notified by the Board of Directors, by any individual Director, or by any person purporting to act under the authority of the Directors of the Savings Bank, that I was responsible for Mr. Macfarlane's debt, until the month of July 1848, when I charged myself by order of the Directors in the cash book for that month, with the sum of £2,730 11s 5d, in the following terms, "For this amount paid by him at sundry times to W. S. Macfarlane as particularized by Mr. Eadie in statement of account." At this time, although I am thus charged with the amount the Savings Bank held the promissory notes of W. S. Macfarlane for it in my favour, as stated in my evidence of the 7th instant. After the first explanation to Messrs. Ferrier and Murray of my transactions with Mr. Macfarlane, I still continued to draw my salary as usual from the Bank, without any deduction being made on account of any alleged debt to the Bank. I remember especially that on 30th June 1848, I had an order from the Honourable Mr. Morris, President of the Bank, on the paying Teller for my salary to that date. I had a verbal assurance from Mr. Ferrier, that nothing unpleasant should be done to me by the Savings Bank, with regard to Macfarlane's debt. I relied upon these expressions of Mr. Ferrier, although not a formal guarantee, yet as expressing the feelings of the Directors. My impression was, that after surrendering the whole of my property, which I did, to the Bank, for this and other debts due by me to the Bank, that I should be absolved from all pecuniary liability. In June or very early in July 1848, I felt my position at the Bank so uncomfortable, that I determined to leave it. My annoyance made me unwell, and I was detained at home two days in consequence, whilst I was so indisposed, Mr. Macfarlane called on me, and I mentioned to him my intention of leaving the Bank: he deprecated any such proceeding, and requested me to take no step in regard to it, until he had seen Mr. Ferrier. That day, or the following day, I received a letter from W. S. Macfarlane, which I now produce and file, as forming part of my evidence, and which is marked in my presence "Exhibit No. 10."

I wrote to Mr. Macfarlane in answer to this letter, and stated that I would return to the Bank on the Monday following, and on the same day I believe, I received a note from Mr. Director Ferrier, which I

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

now produce and file, as forming part of my evidence, and which is marked in my presence "Exhibit No. 11." The hand-writing of Exhibit No. 10, and the signature attached thereto, are those of Mr. W. S. Macfarlane, whom I have frequently seen write and sign his name. The hand-writing of Exhibit No. 11, and the signature attached thereto "J. Ferrier," are those of the Honourable James Ferrier, Director of the Savings Bank, whom I have frequently seen write and sign his name, these Exhibits Nos. 10 and 11 are neither of them dated. These letters cannot have been of an earlier date than 30th June, nor of a later date than the 8th of July, 1848. I am not aware that between the date of these notes, and the date of my removal, which purports to have been determined on at a meeting of the Directors held on the 14th of July, 1848, any additional circumstances altering the position of my account with the Savings Bank, had occurred. I can assign no reason for the desire of the Directors, at the date of Mr. Ferrier's note, forming Exhibit No. 11, being desirous to keep me, and on the 14th of July 1848, that is, within a few days after, determining to dismiss me. The facts referred to in the minutes of the Directors, of the 14th of July, 1848, as being the cause of my dismissal, were known to Mr. Director Ferrier at the time he addressed to me his note forming "Exhibit No. 11," and had been long previously.

Some of my loans to Mr. Macfarlane may have been in cheques of the Montreal Provident and Savings Bank, but I think not many. Generally they were in cash, when not in notes. The Clerks in the Bank were perfectly aware of my loans to W. S. Macfarlane. I cannot say that any of the Directors were, until my conversation (to which I have already referred) with Messrs. Ferrier and Murray. Mr. Macfarlane understood from me that he was to pay interest for all his loans. Mr. Macfarlane must have considered that he was acting with me individually, but he knew that the funds belonged to the Savings Bank. Mr. Macfarlane never paid me any interest. When a settlement of these transactions took place, by his giving me notes for the amounts due, the notes which were with interest, were dated so far back, as to cover the interest which was supposed to be due. When the settlement was made, I do not think the cheques and *bons* which I held of Mr. Macfarlane were delivered up. The account was made up with care, and I have no doubt accurately, to the best of my belief. With so many transactions as I had with Mr. Macfarlane, I will not swear that there might not have been an error in this adjustment of accounts, to the extent of some hundreds of pounds. I cannot therefore state, that the debt due by W. S. Macfarlane to the Bank was precisely the sum which is charged against me in the books as having been lent to him. It may have been more, to the extent of some hundreds of pounds. I think some time after Mr. Macfarlane gave his notes, as already stated, that the vouchers were returned to him: I cannot say that all were. In fact I have one now in my possession for £140. To none of these securities was there any other name than that of W. S. Macfarlane. I never had, from any person besides Mr. Macfarlane, a promise that I should be repaid the advances or any portion of the advances that I made to Mr. Macfarlane. I never considered any one liable for them, except Mr. Macfarlane himself. My loans to Mr. Macfarlane were not for my own profit, and any interest that I should have received, I should have applied to the credit of the Bank. I acted as the agent of the Bank in the transaction, but I exceeded my powers: but I cannot say that I acted contrary to instructions, since I had none that bore on such a point. The question never suggested itself, who should bear the loss in case there was any, arising from these loans, but as already mentioned, I should

not have reaped any profits had there been any. I do not think Mr. Macfarlane ever stated to me that he had any authority from any of the Directors for obtaining any of these loans. It was perfectly understood between us they were not to be unnecessarily spoken of.

The examination of the witness is adjourned until to-morrow, and he hath signed.

JOHN EADIE.

Signed before me at Montreal this eighteenth day of November, 1850.

W. BRISTOW.

On this nineteenth day of November, eighteen hundred and fifty, the examination of the witness *John Eadie*, Esquire, was continued as follows:

When I spoke in my evidence yesterday, of the surrender of the whole of my property to the Bank being considered by me as a discharge from any liability to them, I did not mean it to be inferred that I surrendered any part of my property on account of the debt due by Mr. Macfarlane to the Bank. The bills taken by the Bank from Mr. Macfarlane, as already mentioned in my evidence, in favour of me as Actuary of the Bank, I considered as a final settlement of that debt. I did not in any way consider myself as responsible for that debt. When the change of the notes was made, substituting my name individually as the payee for my name as Actuary, I did not consider that it altered my position, or occasioned any liability on my part. I cannot say that it was specifically named that I should not be held liable. When I made, at Mr. Redpath's desire, an indorsation on the promissory notes, dispensing with the notice of protest to myself, I was not aware that I was to be removed from the Actuaryship of the Bank. The minute in the minute book of the Directors relating to my removal, which purports to bear date July 14th, 1848, I am convinced, could not have been until July 17th, 1848. The former part of the proceedings of the meeting of the Board, of the former date, is probably correctly dated; but there is a hiatus in the minute book between the former and the latter part of the proceeding, as already mentioned in my evidence before this commission.

Continuing my narrative of loans by the Bank without securities, I will explain the transactions between the Savings Bank and the High School of Montreal. On the 2d of February, 1844, a communication from David Davidson, Esquire, Secretary to the Trustees of the High School, was laid before a meeting of the Finance Committee of the Savings Bank, at which were present Messrs. Lunn, Redpath, Brondgeest, Armour, Ferrier, and the Actuary. The following minute of the transaction appears in the minute book of the Savings Bank, under that head: "An application from David Davidson, Esq., on behalf of the Trustees of the High School, for a loan of £310, and for a credit of £350, in a current account, for the purposes of the School, and offering bills for these sums respectively, signed by a large proportion of the Trustees as personally bound for the amount. The same was agreed to." On the 3d February, 1844, the following entry appears in the cash book of the Savings Bank, carrying out the above minute: "By David Davidson, Secretary for the Montreal High School, lent them on bills for the use of the High School, £310, and on a credit in deposit account, £350." Promissory notes were taken for the whole £660. The promisees were, I believe, the whole of the Trustees of the High School, of whom William Lunn, James

Appendix
(Q. Q.)

15th July

Appendix
(Q. Q.)

15th July.

Ferrier, and William Murray, Esquires, were Directors also of the Savings Bank. The promissory notes were payable six months after demand, and bore interest. The two payments making up the £660, were paid as entered in the cash book, that is, £310 cash I handed to Mr. Davidson, and £350 I paid to the Receiving Teller, who opened a deposit account in the name of Mr. Davidson, as Secretary to the High School. This latter sum was to be drawn against, according as the High School might require funds. This deposit account was all drawn out at the end of 1844; and, subsequently, further sums than the credit originally agreed on, were drawn out from time to time. The balance overdrawn under this head on the 31st December, 1847, was £172 5s. 2d. No portion of this sum, or of the £660, had been repaid when I left the Bank; nor had any portion of the interest accruing since the loan was agreed on, been paid. For the £172 5s. 2d. so overdrawn, no security whatever was given to the Bank.

The examination of the witness is adjourned until to-morrow, and he hath signed.

JOHN EADIE.

Signed before me at Montreal,
this 19th day of November,
1850.

W. BRISTOW.

On this twentieth day of November, eighteen hundred and fifty, the examination of the witness, *John Eadie*, Esquire, was continued as follows:

In page 220 Savings Bank ledger, title, "David Davidson, for the Montreal High School," the account stands debited with various sums, which I will particularize, as well as the manner in which they were obtained. On the 25th July, 1845, a payment was made, which is thus entered in the cash book under that date: "By D. Davidson, Secretary, paid him on account of loan to the High School, £1,200." This first payment arose from several conversations between Mr. Davidson and myself. Mr. Davidson stated to me that he had arranged with those Directors of the Provident and Savings Bank who were Directors of the Bank of British North America, viz: Messrs. Ferrier, Brondgeest, and Dow, for a loan of three thousand six hundred pounds, or thereabouts, which the Directors of the High School required, to enable them to complete the building for that institution, then in the course of erection; that the amount would be required at intervals, according as the buildings progressed; that security would be given for the loan, by mortgage upon the building, in the usual terms adopted by the Savings Bank, together with the personal security of the whole of the Directors of the High School. Mr. Davidson requested me to give instructions to Mr. Pelton, the Notary of the Savings Bank, to have the necessary deeds prepared. He also desired me to direct Mr. Pelton to send the draft of the deed to him, Mr. Davidson, as he would submit it to Mr. Meredith, one of the Directors of the High School, and their legal adviser. I do not recollect whether this conversation was held in the Savings Bank or the Bank of British North America. I think no one was present besides Mr. Davidson and myself. The interview was held a few days before the 25th of July, 1845, the day in which I have already stated I made an advance of twelve hundred pounds to Mr. Davidson. I remember stating in one of the conversations, I think it was in the first that I had with Mr. Davidson on the subject of this loan, three thousand six hundred pounds, the

sum was large, and would absorb too large a proportion of the funds of the Savings Bank; to which Mr. Davidson replied, that he considered that a matter of no importance, as the Savings Bank might overdraw their account with the Bank of British North America to that extent, without his requiring any additional security from the Savings Bank.

I directed Mr. Pelton to make out a draft of the deed, as desired by Mr. Davidson, and to send it to that gentleman for revision. Mr. Pelton said he did not think that all the Trustees of the High School would sign this deed. I said that was a point for Mr. Davidson to consider, and that he must make out the deed as desired. Some days after my thus instructing Mr. Pelton, and before the deed was prepared, Mr. Davidson called upon me, and obtained twelve hundred pounds as the first payment on the loan of three thousand six hundred pounds. I paid this in a cheque of the Savings Bank on the British North American Bank, in favour of David Davidson, Esquire. I have no doubt that that cheque was signed by Mr. Lunn, then President of the Savings Bank. I subsequently received that cheque back from the British North American Bank, with other cheques on that Bank, and I have no doubt I left it amongst the archives of the Savings Bank. I think, when Mr. Davidson called for this cheque of twelve hundred pounds, there were none of the Directors of the Savings Bank present. I do not remember previously having had any instructions to pay this twelve hundred pounds; but I am sure I had had conversation on the subject of the loan with Mr. Lunn and Mr. Dow. I have a distinct recollection that, about the time of my conversation with Mr. Davidson, Mr. Dow, who was a Director, at the time, both of the Savings Bank and of the Bank of British North America, said to me, "So, I understand, the Savings Bank is going to make a large loan to the High School," or words to that effect. I replied that the loan had been talked of, and Mr. Dow said it had been the subject of conversation at the Board of Directors at the British North American Bank. I am quite certain that when I gave the cheque for twelve hundred pounds to Mr. Davidson, I drew one specially for that purpose, and got the signature of the President, Mr. Lunn, to it. But from my knowledge of the matter having been arranged between Mr. Davidson and the Savings Bank Directors who were members of his Board, I would have paid it without any special sanction. The Board of Directors never censured me for having paid that cheque, nor did any individual of them, in my presence, ever cast any censure on me for the act. The transaction was open, noted in the books, and must have been known to all who took an active part in the management of the Bank. No security whatever was taken for this payment, nor had I a receipt for it, Mr. Davidson's endorsement of the cheque being deemed by me perfectly sufficient until the contemplated security was completed. Mr. Davidson's name in the cheque did not specify his office as Treasurer to the High School, and therefore would only be endorsed by him individually. A short time after the payment of this twelve hundred pounds, it might be a week, the instrument which I had ordered Mr. Pelton to draw up, was drafted and given to Mr. Davidson, to submit to Mr. Meredith for revision. It had not been completed, nor had any security whatever been taken, on the 30th August, 1845.

On that last-named date, at the application of Mr. Davidson, I paid him a cheque, which is thus charged in the cash book: "August 30th, 1845, by D. Davidson, Secretary, further to account of loan to High School, £1,200." I do not recollect which of the Directors signed the cheque, but my impression is, it was Mr. Lunn.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

On 4th of October, 1845, I paid a further sum, which is thus charged in the cash book: "By David Davidson, Secretary, paid further to account of "loan to the High School, £600." in a cheque, as before. I cannot say which of the Directors signed the cheque.

On 4th December 1845 I paid a fourth cheque to Mr. Davidson, forming the completion of the loan. This last payment is thus charged in the cash book: "By David Davidson, Montreal. Paid him further "to account of loan to High School, £700." To this time nothing had been done in the completion of the instrument drawn up by Mr. Pelton, and the last three cheques were in the same position as the first, given without any receipt or security of any description to the Savings Bank. They were all given on the faith of the understanding which Mr. Davidson spoke of at or about the time of the first cheque being given him. I never was censured by any one, in my presence, for having granted any of these advances to Mr. Davidson. The transactions were open, regularly noted in the Bank books, and must have been known to all the Directors who took any interest in the proceedings of the Savings Bank. Up to the time of the last payment being made, no anxiety was expressed upon the non-completion of the instrument in security contemplated to be given. No record of these transactions appears in the minutes of the Savings Bank until the 10th August, 1847. In the interim between the granting of these loans and the minute referred to, 10th August, 1847, I repeatedly applied to Mr. Davidson to have the security completed, and he always promised to have the matter attended to at the first meeting of the Directors of the High School. On more than one occasion during that interval, I furnished Mr. Davidson with particulars of the accounts between the High School and the Savings Bank, for the purpose of his thus having the matter arranged. I felt considerable anxiety about the affair remaining so long unadjusted, but I never entertained any doubt of the ultimate result to the Savings Bank, (that is, I had no fear that any loss would accrue to it,) as I considered Mr. Davidson, who represented the Directors of the High School in the transaction with me, bound to fulfil the agreement which he made with regard to the security. I often spoke to Mr. Lunn and to Mr. Murray about the unfinished state of the securities for this loan to the High School, and urged them, as Directors of both institutions, to endeavour to have the security put on a satisfactory footing. They never questioned the propriety of what I had done, nor the liability of the High School for the debt. Mr. Murray always stated it was a most improper, and, I think, he used the word discreditable, position for the High School to be placed in. He said he was willing to pay his share of the liability.

The examination of the witness is adjourned until to-morrow.

JOHN EADIE.

Signed before me at Montreal,
this 20th day of November,
1850.

W. BRISROW,

On this twenty-first day of November, eighteen hundred and fifty, the examination of the witness, John Eadie, Esquire, was continued as follows:

The Board of Directors of the Savings Bank were fully cognizant of these loans. I cannot recollect any particular occasion at which they were discussed at

Appendix
(Q. Q.)

15th July.

the Board prior to the 10th August, 1847, on which date an entry will be found in the minute-book relating to them. It is certain, however, they must have known of the loans long before. At the termination of each year an examination was made of the disposition of the funds of the Bank. This was done for 1845 and 1846; and such a sum as these loans amounted to could not have escaped their observation. The entry in the minute-book of the 10th August, 1847, is as follows:—"After some conversation regarding the loan to the High School, the "Actuary was directed to address a letter to Mr. "Davidson, the Secretary, insisting upon having the "security completed, and especially, having the large "amount of interest liquidated;" at which meeting were present Messrs. Lunn and Redpath. In the minute of that day the following entry also appears: "Mr. Elder, who was unable to attend, afterwards "called, and approved of what had been done." On referring to the letter-book of the Provident and Savings Bank, I do not find that any letter was addressed by me to Mr. Davidson, in accordance with the minute above cited. I have no doubt that I made the communication verbally to Mr. Davidson. In the interim of the last meeting above referred to, and the 26th October, 1847, several communications took place verbally between Mr. Davidson and myself and Mr. Lunn, on the subject of the High School loan. And on the date last mentioned, viz., the 26th October, 1847, the following entry appears on the minute-book:—

"FINANCE COMMITTEE, MONTREAL,
"26th October. 1847.

"Present: Messrs. Lunn, Redpath, Elder, and Ferrier; also, Mr. Cross as Solicitor for the Bank, and the Actuary.

"The meeting was called in compliance with the following note from Mr. Davidson to the Actuary:

"SIR,—Will you have the goodness to arrange a meeting between the Finance Committee of the Savings Bank, and the Directors of the High School upon the subject of the debt of the latter institution; for the purpose of considering the present state of the High School account, and to receive certain propositions which, it was understood the Directors of that Institution intended to make to the Bank.

"I am, Sir, &c.,

"D. DAVIDSON."

"25th October, 1847."

"On the part of the High School were present Messrs. Davidson, Ramsay, and Day.

"The subject was discussed at considerable length. It was stated that the High School, when the ground and balances due on the building were paid, will cost about £12,000.

"That there is still unpaid of the price of the ground..... £2,300 0 0
"And balances to the extent of about..... 700 0 0

"In all about..... £3,000 0 0

"Of this sum, there is £400 required immediately to pay Mr. Lamothe, and the £700 of balances, being £1,100; and the balance of £1,900 may either be paid at once, or as the instalments become due. The proposal of the Directors of the High School is, in substance, that the Bank should pay off Mr. Lamothe, and the balances of £700; take a mortgage on the property for that sum, and for the existing debt, and that personal security shall

Appendix
(Q. Q.)

15th July.

" be given for whatever amount the Committee might think was not fully covered by the value of the ground and buildings.

" The debt due the Bank, with interest to this date, is nearly..... £5,200 0 0
" And it is proposed to increase it.. 3,000 0 0

" Making in all..... £8,200 0 0

" Of this the Bank holds personal security for £660, and 3½ years' interest, or £810.

" Under these circumstances the Committee were of opinion that, if the Bank acceded to this proposed arrangement, a mortgage should be given for the whole amount; and that personal security should be found for £3,000, including in that amount the £660 alluded to above. The security so given not to be jointly and severally, but each party for his proportion of the amount. This arrangement appeared to meet the views of the gentlemen representing the High School, who said they would submit it to the Directors at a meeting to be held on Saturday next."

In the interim between the 26th October and 6th December, I had no direct written communication from any of the Directors of the High School, but between these latter dates I several times met Mr. Hew Ramsay, Secretary to the High School who informed me that the subject was still under the consideration of the Directors.

The entry in the minute-book of the 6th Dec., 1847, is as follows:—

" MANAGING DIRECTORS,
" MONTREAL, 6th December, 1847.

" Present: Messrs. Lunn, Anderson, Murray, Mathewson, Elder, Torrance, Ferrier, Redpath, and the Actuary. The minutes of 26th October read, regarding the High School, and it was reported by Mr. Ferrier, that they, the Directors of that institution, were making exertions to procure subscriptions to secure the Bank."

I do not recollect any particular proceeding which took place between the last mentioned date, viz., 6th December, 1847, and the 24th April, 1848. During that interval, the Directors, or part of them, attended at the Bank several times each week, and the loan to the High School was frequently the subject of conversation and inquiry; and they were informed that the Directors of the High School still continued their endeavours to obtain the security required by the Savings Bank. On the 24th April, 1848, a meeting of the Finance Committee was held, and the following entry, under that date is in the minute-book:—

" FINANCE COMMITTEE,
" Monday, 24th April, 1848.

" Present: Messrs. Lunn, Redpath, Ferrier, Elder, and the Actuary.

" HIGH SCHOOL.

" The Actuary was instructed to write to Mr. Ramsay, that upon the Directors of the High School giving a mortgage on the property and personal security, for the due payment of the interest, the Bank will allow the debt to remain over for twelve months, to enable the Directors of the School to finally arrange the payment of the debt, and request to have a reply thereto, on or before Friday next."

On the same date, in the Minute-book, the following letter appears:

" Sir,—At a meeting of the Committee of Directors of this Bank, held to-day, the unsatisfactory position of the debt due by the High School, was taken into consideration, and I was instructed to write you with the request that measures may be adopted on the part of your Directors to have it arranged.

" The Committee are willing to give the School Committee twelve months to complete their arrangements for the ultimate settlement, provided the Directors of the School will give the Trustees of the Bank a mortgage on the property, and personal security for the payment of the interest.

" I am also desired to request that you will let them have an answer to this on or before Friday next.

" I remain, &c.,

" Hew Ramsay, Esq.,
" Secretary to the High School,
" Montreal."

This offer on the part of the Directors of the Savings Bank to forego the personal claim, which they had at all times made against the Directors of the High School, in consideration of a mortgage on the building, was a deviation from the original agreement—which was that both a mortgage on the High School and the personal security of its Directors, should be given for the amount of the loan. I think at that time it had become the impression of the Directors that the original agreement could not be carried out, because Mr. Davidson and the Directors of the High School refused to fulfil the conditions on which Mr. Davidson originally obtained the loans.

On the 2nd May, the Finance Committee of the Savings Bank again assembled; and the following proceedings are recorded—" Present: Messrs. Lunn, Ferrier, Redpath, Elder, and the Actuary."

" The Actuary laid before the meeting a letter from Mr. Ramsay, requesting, on the part of the Directors of the High School, fourteen days to enable them to make such arrangements as would enable them to put the obligation to this Bank on a more satisfactory basis than it rests upon at present, which was agreed to." Nothing was done in the matter, until the 14th June, 1848, when the following minute appears in the proceedings of a Board of Directors of that date, at which were present—" Present: Messrs. Morris, Torrance, Badgley, Lunn, Murray, Ferrier, Redpath."

" The matter of the High School Loan was next taken up and discussed, and it was resolved that the Directors of the High School be immediately called upon to complete the securities to the Bank. It was further resolved, that all receipts given for payment of loans, either capital or interest, be signed by the Actuary or one of the other officers of the Bank, and also by one of the Trustees."

Nothing further was done in the way of getting securities from the High School. The next notice found in the minutes of the Directors, is on the 3rd July, 1848—" Present: Messrs. Morris, Redpath, Ferrier, Torrance, Murray, Badgley, Elder, Mathewson, and Ramsay."

" The following Letter was sent to the Directors of the High School:—

PROVIDENT AND SAVINGS BANK,
MONTREAL, 3rd July, 1848.

" GENTLEMEN,—The Finance Committee of the Montreal Provident and Savings Bank, beg leave to remind the Directors of the High School that the obligation and the securities for the loan still

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" remain uncompleted, and in a most unsatisfactory
" state.

" Some of the Directors of the High School are
" no doubt aware that this loan was obtained by the
" then Secretary of the High School, Mr. Davidson,
" and some of the Directors who were connected
" with both institutions, and the money paid by the
" Actuary in perfect good faith that the securities
" would be immediately completed; but, although
" such has not been done, the Finance Committee
" cannot suppose but that the gentlemen, through
" whose intervention the money was obtained, will
" consider themselves morally bound to see that the
" Bank sustains no damage from the position in
" which they have placed it.

" The Finance Committee would further observe
" that, from the unfortunate position in which the
" Bank is at present placed, they trust the Directors
" of the High School will see the necessity of com-
" pleting the securities without a moment's delay.

" I am, Gentlemen,

" Your obedient Servant,

(Signed)

" W. MORRIS,

" President M. P. and S. B.

" To the Directors of
" the High School,
" Montreal."

" The following was received in answer :"

" HIGH SCHOOL,
" MONTREAL, 4th July, 1848.

" To the Hon. W. Morris.

" SIR.—I have the honour to acknowledge receipt
" of your letter of yesterday's date, which I lost no
" time in submitting to a meeting of the Directors
" of the High School. In reply, I am instructed to
" say that the Directors, in security of the debt now
" due to the Provident and Savings Bank, are ready,
" with as little delay as possible, to execute a mortgage
" in favour of the latter, and this, with the addition
" of personal security for £600, appears to have
" been the mode of settlement contemplated by the
" parties when the debt was contracted. For your
" information, I enclose Excerpts from the Minute-
" book of the School, having reference to this
" subject.

" Respecting the personal bond which some time
" ago was in course of execution, I am instructed to
" say, that its completion and delivery to the Bank
" was contingent on a further advance of £3000
" being made to the School; and as in the present
" state of affairs it is improbable that so large a sum
" would be made, it is deemed unnecessary in the
" meantime to proceed further in the matter. That
" this was the view of both parties, will appear
" manifest to you on referring to the minute of 26th
" October last, which was drawn up by the Actuary
" of the Bank.

" I have the honour to be, &c.,

(Signed)

" HEW RAMSAY,

" Honorary Secretary.

The examination of the witness is adjourned until
to-morrow, and he hath signed.

JOHN EADIE.

Signed before me at Montreal,
this 21st day of November,
1850,

W. BRISTOW,

Commissioner.

Appendix
(Q. Q.)

15th July.

On this twenty-second day of November, eighteen
hundred and fifty, the examination of the witness
John Eadie, Esquire, was continued as follows :

I believe I was not present at the meeting of the
Board of Directors of the Savings Bank, held on the
3rd July, 1848. The minutes in the book are not
in my handwriting—they are in the handwriting of
Mr. Blackader, who was at that time assisting in
writing up the books. I think I saw the letter of
the then President of the Savings Bank, the Hon. W.
Morris, to the then Secretary of the High School,
Hew Ramsay, Esquire, dated the 3rd July, 1848.
I cannot, from my own knowledge, state who the
parties are that are alluded to in the said letter as
" Directors who were connected with both institu-
tions." I have already in my evidence enumerated
the names of gentlemen who were instrumental in
getting the loan for the High School, and who were
Directors of that institution as well as of the Savings
Bank. Mr. Ramsay, Secretary of the High School's
letter of the 4th July, 1848, was exhibited to me.
The Excerpts referred to in his letter have no refer-
ence to the original agreement for the loan, but had
reference to the proposition of the Directors of the
Savings Bank, dated 26th October, 1847. No fur-
ther arrangement was entered into between the
Savings Bank and the High School during the time
of my continuing the Actuary of the Bank. The
following Directors of the Savings Bank, were Di-
rectors of the High School, at the time of the loan
to that institution: the Hon. James Ferrier, William
Lunn, John Torrance, and William Murray, Esqs.,
and there may have been others.

The transactions between the Montreal Provident
and Savings Bank, and the Montreal Fire Insurance
Company, commenced on the 11th April, 1842, with
a loan to the latter of two cheques, amounting to-
gether to £1,000: there is no record in the minute-
book of the Savings Bank relating to this loan. At
this distance of time, I cannot say whether any
security was given for the re-payment of this loan.
It was repaid with interest on the 12th June, 1843.

On 7th May, 1844, a loan was made to the Fire
Insurance Company, on the note of their Manager,
for £500, as mentioned in my evidence before this
Commission, given the 9th instant. This sum was
originally charged to Bills receivable, but transferred
on the 31st December, 1844, to the debit of Montreal
Fire Insurance Company, by the following entry in
the Ledger of the Savings Bank, page 40. " Mon-
" treal Fire Insurance Company Dr. to Bills receiv-
" able—to correct an entry on 7th May, in cash, the
" advance having been ultimately arranged to be on
" the transfer of their stock." I do not recollect
that any stock was transferred to secure this debt.

On 18th October, 1845, an advance was made to
the Montreal Fire Insurance Company of £1677
15s. 3d. The following entry, charging them with
the amount, appears in the Cash-Book of the Savings
Bank—" Loan to them as agreed upon by Mr. Lunn,
" Mr. Ferrier, and Mr. Murray." No record what-
ever appears of this transaction in the minute-book
of the Savings Bank. My impression is, no securities
for the loan were lodged with me.

On 18th March, 1845, I discounted, for the Mon-
treal Fire Insurance Company, Roebuck's note, due
4th June, 1845, for £55. I did so at the request of
Mr. Murray. The transaction is regularly recorded
in the cash book of the Savings Bank, and the in-
terest duly credited. The note was retired at matu-
rity. On the 31st December, 1845, the balance at
the debit of the Montreal Fire Insurance Company
was £2301 11s. 1d.

On the 14th July, 1846, the Montreal Fire Insu-
rance Company are charged with £2000, " Lent them

Appendix
(Q. Q.)

15th July.

"at five per cent., to be repaid on demand." No security was given to the Bank for this loan. It was advanced on a simple receipt from the Manager. The Savings Bank had at the time a large sum of money lying idle. There is no record of this loan in the minute book of the Savings Bank. I do not think it came before the Board at all, but was the result of a conversation between some of the Directors, say Mr. Lunn and Mr. Murray; both of these gentlemen being Directors at the same time of the Montreal Fire Insurance Company and the Montreal Provident and Savings Bank. I have no doubt that Mr. Redpath, who is also a Director both of the Savings Bank and of the Insurance Company, was a party to the loan between these two bodies. This is the only occasion, during the whole time that I was Actuary, of the Savings Bank, on which a loan was made by that institution under six per cent. I think at the time this loan was made, we had a balance to a considerable amount at the British North American Bank, where we kept our account, and we were only allowed there four per cent. That loan was continued to be charged with interest at five per cent. to the time I left the Bank. The Savings Bank continued to have an amount at its credit with the British North American Bank, until about the month of September, 1847, when the Government, through the Receiver General, made application for the use of any spare funds that the Bank might have at its disposal, at six per cent. interest. At that date, as appears in the minute book of the Savings Bank, "The Actuary was instructed to write, in reply to "Mr. Turquand's note of 19th August, that at present "the Bank had no surplus which it would be worth "while to offer to the Provincial Government." The loan to the Insurance Company bearing, as I have stated, five per cent. interest, was not called in up to the time that I left the Bank.

On 12th November, 1846, I lent the Montreal Insurance Company £200, which was repaid on 31st December following. I had Mr. Murray's authority for this payment. His cheque was my voucher, which I kept until the money was repaid.

On 31st December, 1846, the Montreal Fire Insurance Company was debited, as already stated in my evidence given before this Commission, on the 8th instant, with £1350, which had previously stood at the debit of the Honourable James Ferrier, and with £100 which had stood at the debit of David Brown. The balance, on the 31st December, 1846, at the debit of the Montreal Fire Insurance Company, with the Montreal Provident and Savings Bank, was £5394 19s. 2d. For this balance I am not aware that the Savings Bank had any security whatever, further than the receipts of the Manager of the Montreal Fire Insurance Company.

In the year 1847, no portion of this balance was repaid, and at its termination the balance at the debit of the Montreal Insurance Company with the Savings Bank was £5597 8s. 9d. At this time the pressure on the Bank was considerable; and at the meeting of the Directors on the 17th December, 1847, the following minute was passed:—"Present, "Messrs. Lunn, Redpath, Elder and Murray. "The "meeting was occupied looking over the sketch of "the loans, especially those to churches, &c.; and "the Actuary was instructed to write to all of the "Trustees whose loans were more than three years "old, that the Directors had decided that these loans "should be gradually reduced." I think there was an understanding that the Montreal Fire Insurance Company should diminish their balance due to the Savings Bank early in 1848. On the 2d March they paid cash £1000; on the 6th July, £1000; and on 14th July, £1000. The balance due to the Savings Bank at the time of its stoppage was £2745 3s. 5d.

Appendix
(Q. Q.)

15th July.

I do not recollect that the Fire Insurance Company had further facilities from the Savings Bank than those I have already given an account of in my evidence this day and the preceding days of my examination before this Commission. Occasionally, Mr. Murray would apply to me to cash cheques of the Insurance Company, on their Bank, which had not been regularly filled up; such cheques having only the signature of the Manager, Mr. Murray, whereas their cheques, formally drawn out, contained the signature also of the President or one of the Vice Presidents of the Insurance Company. These cheques that I cashed never remained unpaid more than a day or two. The signatures of the President or one of the Vice Presidents was obtained, and I then regularly lodged them with the deposits of the Savings Bank at the British North American Bank. No entry of these cheques cashed was ever made in the books of the Savings Bank. Such transactions were not numerous, nor to a large amount.

I have already stated that I was appointed Actuary of the Savings Bank at its opening, in 1841, and continued to discharge the duties thereof until its insolvency. The first advance of money by the Bank to me as a loan was upon 12th April, 1844, on four acres of land purchased by me from the Rev. D. Wilkes. The loan was sanctioned at a meeting of the Board of Directors held on the 9th April, 1844. It is regularly recorded in the minute book of the Savings Bank. The amount was £200. The mortgage on the property was not completed until 1848. The original condition of the loan was that the land should be given as security. I cannot say why the mortgage was not completed sooner. It was allowed to remain over without remark from the Directors.

In the month of October, 1846, I, in conjunction with Mr. William Footner, Commission Merchant, of this City, purchased a lot of land and houses, and other buildings erected thereon, in Côte St. Antoine, from Asa Goodenough. The amount of the purchase was £5000: £500 to be paid in passing of the deed of sale; £500 on obtaining a ratification of the title; and the residue of the price in annual instalments of £500 each, with interest: £500 of the price was paid soon after to Goodenough. I think the first entry of money paid by me towards the price of this land was of the 14th January, 1847, amounting to £220. A further payment was entered in the cash book of the Savings Bank on the 28th of the same month of £52 5s. These two sums are entered to the debit of an account entitled, "J. Eadie and W. Footner." On the 11th February, 1847, a further sum of £150 is placed to the debit of the same account in the cash book of the Savings Bank. The account will be found in the ledger of the Provident and Savings Bank, page 272. On the 1st March, 1847, the same account is charged with cash £55 10s., and on the 31st of the same month with a further amount of £200. Up to this period, although my purchase of the property must have been known to the Directors, I had had no direct communication with them on the subject of these payments which I have mentioned; but they were regularly entered in the books when made. At this time Mr. Footner, my partner in the purchase, had commenced erecting a dwelling-house on this property: and it was the intention of Mr. Footner and myself that a dwelling house should be erected on the property for each of us. As it would involve a considerable sum of money to erect these buildings, it was determined to lay the circumstances before the Directors of the Savings Bank previous to proceeding any further.

I desired Mr. Footner to embody in an explanatory letter to myself, the particulars of what had been done and what we contemplated doing, so that I might make use of it in a communication with the

Appendix
(Q. Q.)

15th July.

Directors, which I purposed to make. Mr. Footner prepared the following letter which I now produce in evidence, and fyle; and which is marked, Exhibit No. 12, the hand writing of the said Exhibit, (with the exception of the following words on the 3rd page: "Sold on 4th September to J. Young, for £1000 the sum here stated," which are in my own hand writing) and the signature thereto are those of W. Footner, whom I have repeatedly seen write and sign his name.

The examination is here adjourned until to-morrow, and he hath signed.

JOHN EADIE.

Signed before me at Montreal,
this twenty-second November,
1850,

W. BRISTOW,
Commissioner.

On this twenty-third day of November, eighteen hundred and fifty, the examination of the witness *John Eadie*, Esquire, was continued as follows:

The following is a copy of the Excerpts referred to as enclosed in Mr. Ramsay, Secretary of the High School's letter 4th July, 1848, mentioned in my evidence of yesterday:

"Excerpts from the minute book of the High School
"Montreal. Meeting of Depositors, 29th November, 1845.

"The Secretary stated that he had called the meeting for the purpose of giving him authority to complete the loan from the Savings Bank. The Chairman having expressed a doubt as to the power of the Directors to borrow money, it was resolved to call a general meeting for the purpose of passing a by-law authorising the Directors to do so."

"Special meeting of Stockholders, 20th December, 1845.

"John Boston, Esquire, in the Chair.—The Chairman having stated that the object of the meeting was, as mentioned in the notices which had been served upon the members, for the purpose of authorising the Directors to give security on the property of the Corporation for money borrowed, or to be borrowed; it was moved by Mr. John Leeming, seconded by Mr. Barrett, and unanimously Resolved, That it shall be the duty of the Directors to make, from time to time, such arrangements as may be necessary for the obtaining delay, borrowing money and giving security for the payment of the debts, which have been, or hereafter may be, contracted for the erection of the School House, and other works connected therewith; and for the purchase of the land upon which the said School House has been erected, and the Directors are hereby (so far as may be needful), authorised to mortgage and hypothecate the real estate now belonging, or any real estate that may hereafter belong, to this Corporation for the purposes aforesaid or any of them."

"Meeting of Directors, 9th January, 1846.

"The Secretary mentioned, that in conformity with the Resolution of the previous meeting, a special general meeting of the members had been held, and that which a by-law had been passed authorising the Directors to borrow money upon the security of the property of the Corporation."

"Extracted by

"HEW RAMSAY,
Hon. Secretary High School.

I find I was in error yesterday in stating that the "Excerpts," enclosed in Mr. Ramsay's letter of the 4th July, 1848, had reference to the proposition of the Board of Directors of the Savings Bank of the 26th October, 1847. They refer to the original agreement, when the loan was contracted, but they do not state that agreement correctly.

Very shortly after receipt of Exhibit No. 12, I shewed it to Mr. President Lunn, and asked whether he thought the request therein contained would be complied with. Mr. Lunn thought there was nothing objectionable in the proposition. Upon this understanding, I advanced money on the buildings as they progressed, and charged the items as paid to the debit of John Eadie and William Footner in the books. I have particularised, yesterday, the payments charged to this account, up to the 31st March, 1847. The payments, subsequent to the conversation with Mr. Lunn, were made and charged to the above account as follows:

" 1847—May 22nd.—Cash.....	£ 65	0	0
" " 26th.— do.	20	0	0
" " 31st.— do.	3	5	0
" June 3rd.— do.	35	2	0
" " 8th.— do.	17	6	3
" " 23rd.— do.	12	10	0
" " 30th.— do.	44	10	0
" July 3rd.— do.	60	0	0
" " 17th.— do.	5	15	0
" " 27th.— do.	25	0	0
" August 9th.— do.	21	5	0
" Sept 28th.— do.	125	0	0
" Nov. 9th.— do.	154	6	3

The total amount which stood at the debit of this account of the 31st December, 1847, was £1699 15s. 3d., including interest to that date. No security whatever was given to the Bank for those advances. They were openly recorded in the books. Some of them were made in cash, and some in cheques of the Bank, such cheques being regularly signed by one of the Directors and the paying Teller of the Savings Bank as well as by myself. I cannot state distinctly any special authority for the payment of any of these sums, further than I have already done; but they could not fail to be known to such of the Directors as took an active part in the management of the Savings Bank. Nothing was ever said to me on the subject of any impropriety in these payments, until about the month of March, 1848, when the matter was discussed before the Board of Directors, and I was then called upon with Mr. Footner to give a mortgage for the amount due, on this and other accounts.

In the year 1847, I became, in connection with Mr. Footner, interested in other transactions, besides the purchase from Mr. Goodenough, the money required for which I drew from the funds of the Savings Bank. A lot of ground and houses thereon, in St. Mary street in this city, was acquired from the representatives of the late David Ross. The deeds were in favour of Mr. Footner as an individual, but there was a Notarial agreement betwixt that gentleman and me, providing that I should have the half of whatever profit might result from the transaction, or sustain one half of the loss, should any loss accrue. I paid the whole amount of the price of this property, amounting to about £900, at various times in 1847. In the spring of 1848 I made several loans to Mr. Footner, amounting to upwards of £500, which were to be repaid within three months thereafter, by bills of the Commissariat, which he was to receive. These loans were made by me from the funds of the Bank.

It consists of my knowledge, that in the end of 1847, or the beginning of 1848, Mr. Footner and Mr. Stanley Bagg, formerly one of the Directors of the Savings Bank, entered into contract with the Com-

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

missariat to supply the fire wood for the garrison; and the loans which I have just stated I made to Mr. Footner of £500 or upwards, were for the purpose of enabling him and Mr. Stanley Bagg to complete the said contract with the Commissariat.

In the year 1846, I purchased the ground in Beaver Hall Terrace, and the Mansion House thereon. The purchase was made by Mr. Footner, from the representatives of the late Thomas Philips, and I afterwards bought the same from Mr. Footner. At the period when I left the Bank, I had paid £600 of the price to said Representatives; this was assumed by me as a loan from the Savings Bank, and the money was placed to my debit in the books of the Bank. The first payment was on the 4th of April 1840, and is thus entered in the cash book of the Savings Bank "By John Eadie, paid A. Philips to account of Beaver Hall, £161 7 6." I think the subsequent payments on account of this property, were not specially described in the cash book. An instalment of the price of Beaver Hall became payable on the 4th of April 1848, for which the representatives of Thomas Philips held a promissory note for £200 with interest, originally granted by William Footner, and which was endorsed by me, when I purchased the property from him. In January 1848, Mr. Alfred Philips applied to me as Actuary of the Savings Bank, and stated, that as he required money for the estate of the late Thomas Philips, of which he is administrator, he would be obliged, if I would take the bill becoming due as already described on the 4th of April ensuing, and advance such sums as he required, us loans upon that security. I agreed to do so and paid him as follows:

1848.

January 6th,	Cash,	£50 0 0
February 4th,	do.	50 0 0
March 17th,	do.	50 0 0
April 3rd,	do.	12 10 0
" 7th,	do.	60 2 0

These payments are entered in the Ledger of the Savings Bank, page 313. In an account entitled 'Philips' Estate.' Subsequent to my leaving the Bank this amount, and £4 19 3 of interest, is, I observe, transferred to my debit. The amount is £227-11s. 3d., so transferred. I had no special communication with any of the Directors, on the subject of the sums which I applied from the funds of the Bank in payment of the St. Mary's property, the Beaver Hall property, or to Footner and Bagg. The entries which I have specified, as being made in the books of the institution, preclude the possibility of such Directors as took an active part in the management of the Bank being ignorant of those payments. But they were ignorant of those which I have not recorded. The balance in cash, as it stood in the books of the Bank did not tally with the actual balance. I am not aware that the balance of cash in the Bank was ever checked from the time the Bank was opened until about March, 1848, when an examination did take place.

The examination of the witness is adjourned until Monday next, the twenty-fifth instant, and he hath signed.

JOHN EADIE.

Signed before me, at Montreal, this 23rd day of November, 1850.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal, }

On this twenty-third day of November, one thousand eight hundred and fifty,

Personally came and appeared, *Edward Jamieson*, bookkeeper, of the City and District of Montreal. Having been duly sworn, he deposes and saith:

I am employed by Mr. Court, Actuary of the Savings Bank, as his Clerk. By his directions I copied into the minute book of the Savings Bank, from manuscript papers, minutes of the proceedings of certain meetings of the Board of Directors of the Montreal Provident and Savings Bank, held on the 10th October, 19th October, and 11th November, all in the present year. I commenced to copy these minutes on Monday last, the 18th of November, I believe; and I completed the task yesterday. The following are true extracts from the minute book of the Savings Bank, and are to the best of my belief, truly copied from the manuscript memoranda, furnished to me by Mr. Court, as already mentioned:

" MONTREAL, 19th October; 1850.

" A meeting of the Managing Directors, duly called, was held this day in the office of the Bank, present John Redpath, John Torrance, William Murray Esquires; the Honorable William Badgley, and the Actuary."

" It was resolved, that in special cases Depositors might be paid 7s. additional to the 10s. on the transferable amount, provided they give a discharge in full to the Bank."

This portion of the minutes, I copied I believe, on Tuesday last the 19th instant. I think the memoranda from which I took these minutes were signed, I cannot say by whom.

And further this Deponent saith not, and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

EDWARD JAMIESON.

Signed before me, at Montreal this twenty-third day of November, 1850.

W. BRISTOW,
Commissioner.

On this twenty-fifth day of November, eighteen hundred and fifty, the examination of *John Eadie*, Esquire, was continued as follows,

At the time I left the Bank, my account with them was in a state of complete confusion, as will appear in the ledger and other books, but I will endeavour to make it as intelligible as possible. There are three accounts in the ledger, which all refer to my account. Account No. 1. is in page 272 of the ledger, and is headed "John Eadie and William Footner, Montreal." That account is debited with the various sums particularized in my evidence given before this Commission the 23rd instant, amounting to.....£1,699 15 3

In addition, I had expended various sums on that and the property in St. Mary Street, amounting to £4,200 4 9

Appendix
(Q. Q.)

15th July

Appendix (Q. Q.)

15th July.

of which the proportion subsequently transferred to property in St. Mary Street, account No. 2, is £1,525 12 11

	£2,674 11 10
Add interest to 30th June 1848, ..	50 16 7
<hr/>	
Balance at debit of account No. 1, 30th June 1848.....	£4,425 3 8

Account No. 1 refers exclusively to the Good-enough property.

Account No. 2, ledger page 330, headed "William Footner," stands debited with the sum of £1525 12 11

This is the sum transferred from No. 1, as already stated, and forms the debit of that account on the 30th June, 1848. This account refers exclusively to the St. Mary's property, which I have already referred to in my evidence before this Commission, given on the 23d instant.

Account No. 3, ledger page 88, headed "John Eadie, Actuary," stands in the book as follows, commencing on the 1st January, 1847 :

1847. Dr.

January 1st,	To balance,	£104	2	6
" 9th,	To cash,	39	0	0
May 15th,	To cash,	25	0	0
" 22d,	To cash,	30	0	0
" 31st,	To paid sundry on his account,	657	11	10
July 31st,	To cash,	9	15	0
" 31st,	To cash, (April) ...	195	17	6
" 31st,	To paid him acc't loan,	370	0	0
Dec. 31st,	To paid him acc't loan,	303	0	0
" 31st,	To interest,	36	16	3
		<hr/>		
		£1771	3	1

Cr.

March 31st,	By cash, £145	0	0
Dec. 31st,	By sal'y, 500	0	0
		<hr/>	
		£045	0 0

1848.

January 1st,	To balance,	£1126	3	1
" 8th,	To cash,	37	4	0
Feb'y 28th,	To cash,	20	0	0
April 1st,	To cash,	50	0	0
May		£ 19	2	1
	Sundry times, 1167	6	5	
May 31st,	.....	77	15	0
July 1st,	To one month's salary,	41	13	4
July	To one month's salary,			
	Logan, folio, 2771,	24	10	7
July	To one month's salary,			
	Logan, folio, 3070,	129	18	11
"	To deposits Dogherty,			
	folio, 3882,	39	6	8
"	To deposits P. C. Thompson, folio,			
	4208,	26	2	10
"	To deposits E. R. Ross,			
	folio, 4564,	56	17	4
"	To deposits J. C. Meyer,			
	folio, 6060,	313	3	9
"	To deposits folio,			
	2849,	115	18	1

Appendix (Q. Q.)

15th July.

To sundry, viz. :

To bills receivable for G. Brock's note,	£30	0	0			
Scott's note,	}	Given W. S. M. for collection.	35	0	0	
Keller's note,			52	17	6	
Skakel's note,			99	8	6	
Hugh's note,			101	15	0	
Gibson's note, ..			98	14	0	
Lavender's note, ..			109	11	3	
C. L. M. P. Vass, for McDowall, and Co.'s note given W. S. M.)	42	15	1	570	1	4
" To cash for part of Austin's note to Try, entered too much,	60	0	0			
" To cash, J. Eadie, for this amount paid by him at sundry times to W. S. McFarlane, as particularised by Mr. Eadie, in statement of account,	2730	11	5			
" To cash for this amount to be accounted for by him,	1632	14	6			
To J. Eadie, folio 295	191	11	6			
To E. Longmore,	110	15	11			
	<hr/>			£8540	16	11

Cr.

July.—By J. Eadie and Footner,	£4200	4	9
(for the balance of money expended on their joint properties, beyond the amount already a Dr. of this account, as per statement by Mr. Eadie.)			
July.—By W. Cormack, to this sum paid him in cash for note,	100	0	0
July.—By E. R. Ross, for this amount advanced the late D. M. Ross on her account, and for which Mr. Eadie has transferred the obligation granted by her and held by him,	120	0	0
July.—By John MacLean, Montreal, for this amount lent him on mortgage, with John Taaffe and Edward Payne, as securities, and interest to 31st December last, ...	115	18	1
July. — By Corporation Bonds for Water Works, Bond No. 1,	100	0	0
	<hr/>		
			4636 2 10
Balance at debit of account No. 3, July, 1848,	£3904	14	1

Account No. 4, Ledger 295, headed "John Eadie, No. 3," from which the sum of £191 11s. 8d. was transferred as above mentioned, to my debit, in my account, which is particularised in my evidence, as Account No. 3 stands in the Ledger 295, as follows:

Appendix
(Q. Q.)
15th July.

Dr.		
1847.		
August 3d.—To cash, two shares Bank of Montreal Stock,	116 10 0	
July 12.—To paid Montreal Telegraph Company,	20 0 0	
October 6.—To paid instalment Gas Company,	24 0 0	
October 18.—To paid one share Bank of Montreal stock,	56 0 0	
October 20.—To paid for twenty shares Montreal Telegraph stock,	200 0 0	
March 24.—To paid for Montreal Telegraph stock,	15 0 0	
June 15.—To cash paid Telegraph stock,	£ 15 0 0	
June 15.—To paid Gas Company stock,	1 0 0	
	16 0 0	
	£417 10 0	

Cr.		
1848.		
January 17.—By cash, interest on Telegraph stock,	£ 12 10 0	
March 31.—By cash on Telegraph stock, £237 10s. 0d.; interest, £5 18s. 4d.,	243 8 4	
July.—By J. Eadie transferred,	191 11 8	
	£447 10 0	

At the time I left the Bank, I stood debtor to it in the books, according to the statements, as I have particularised them in the following amounts :

No. 1.—	£4425	3	8
No. 2.—	1525	12	11
No. 3.—	3904	14	1
Total,	£9855	10	8

The entries in the Ledger to that date I examined ; and I think I put my initials to an account made up by Mr. Blackader, who had for some time assisted in the office ; I presume the account that I signed corresponds with the statement as given in the books, and which I have abstracted.

For Account No. 1, which refers exclusively to the Goodenough property, no security of any description was given or asked for the sums lent, until a few days before the annual meeting of the Savings Bank, which took place on the 4th May, 1848. Preparatory to drawing up the report for that annual meeting, the assets of the Bank were examined by Mr. Lunn. Mr. Lunn proposed to me to have mortgages drawn on the Goodenough property. He was aware that advances had been made by the Savings Bank on that property, to the extent of about £4000 ; I am quite positive that I then stated to Mr. Lunn that I had advanced a large amount of money on account of this property, which I had not charged, either to the property or to my own account, or to any other account in the books of the Savings Bank. He was made fully aware that my cash account was wrong to that extent. He asked me how much I supposed the advances would be ; I replied, that until I had made up the accounts I could not exactly say. He asked me if about £4000 would cover the advance. I said I thought it would. He desired me to get mortgages on account of myself and Mr. Footner, for £2000 each. The mortgages were prepared by Mr. Pelton, and were passed on the 6th of May, I be-

lieve, the day on which Mr. Lunn vacated his office as President of the Savings Bank, but a few hours after. These deeds were subsequently cancelled, either in the end of June or the beginning of July ; their legality was questioned, on the ground that they had been signed by the President some time after he, Mr. Lunn, had vacated his office. The new deeds were nearly similar in form to the former, and were to the same amount. In the mortgage that I granted for my share, were included my property in Beaver Hall, and that, as I have already mentioned acquired from the Rev. Mr. Wilkes, in addition to the Goodenough property. The Bank required this additional security. This mortgage by Mr. Footner was granted specially for advances by the Bank on the Goodenough property. My mortgage was intended to cover the general advances, by the Bank made to me. The second mortgages were drawn by Mr. Gibb, notary.

Account No. 2, the balance at my debit, viz. £1525, 12s. 11d. was transferred to the debit of William Footner in October, 1848, as appears in page 122 of the Journal of the Savings Bank. Of this sum transferred £1500, interest on ditto from the 18th March to 30th June, 1848, £25 12s. 11d. The above is a loan on property in St. Mary's street, Quebec Suburbs as per obligation dated 18th March, 1848. This entry, it will be observed, was made subsequent to my leaving the Bank.

The entries in Account No. 3, in the Ledger are in my hand writing up to the 31st December, 1847. The balance carried down on that day to my debit, £1126 3s. 1d., is not in my hand writing, nor are any of the subsequent entries in that account. Those from the 31st December, 1847, up to the time of my leaving, are in the handwriting, I believe, of Mr. Blackader. Mr. Blackader was employed by the Bank, I believe from the latter end of May, 1848, to assist in keeping the Books which were in arrear. I find in the Minute Book of the Savings Bank the following record of the proceedings of the Board of Director at a meeting held on the 14th June, 1848. "The President also stated that the Committee, having found it impossible to get on without an additional accountant to assist them, and post up the books, to 30th June, they had accordingly engaged "Mr. Blackader, temporarily for this purpose." The examination of the witness is adjourned until tomorrow, and he hath signed.

JOHN EADIE.

Signed before me, at Montreal,
this twenty-fifth day of November, 1850,
W. BRISTOW,
Commissioner.

On this twenty-sixth day of November, eighteen hundred and fifty, the examination of the witness, John Eadie, Esquire, was continued as follows :

As already mentioned, I sanctioned all the items that are placed in my debit in Account No. 3. Most of them in the statement given in my evidence of yesterday, explain themselves. The sum of £1,167 6s. 5d. charged in May, 1848, consists of a variety of payments made by the Paying Teller at my desire, and not charged, at the time, to any account. They were principally applied towards the expenses on the Goodenough property, and probably included the payments to Bagg and Footner. The deposits charged to my debit in July, 1848, consist of several accounts overdrawn at the Savings Bank, and therefore charged to me. That of Myer, £313 3s. 9d.,

Appendix
(Q. Q.)

15th July.

consists of certain drafts on England, paid by him to me, and which I did not credit him with in the Savings Bank books. The notes charged to me in July, 1848, as having been given to W. S. Macfarlane for collection, were notes discounted by me without the knowledge of the Directors of the Savings Bank. The sum of £1,632 14s. 6d., charged to my debit, to be accounted for hereafter, consists of various sums, the precise application of which I could not specify, but chiefly consisted of payments on account of the Goodenough property. The balance of £1,632 14s. 6d. made the cash account of the Bank correct up to the period at which the entry was made. That entry is in my hand-writing in the cash book, in the month of July, 1848, but the precise day is not specified. It must have been not more than a week prior to my leaving the Bank. The Paying Teller's cash was counted over, I think, but I cannot say with whom. I do not conceive there could have been any considerable error in the statement as made up.

Ques. Can you say whether or not the cash book was regularly posted up to the time at which you made the entry to which you have just alluded, the balances brought forward from the preceding months, an exact balance struck, and the amount in the Paying Teller's hands verified?

Ans. To the best of my recollection, it was.

Ques. Please to examine the cash book of the Savings Bank in which the entry in your hand-writing, to which you have referred, will be found, and say whether, from the manner in which it is written up for that month, it is possible that any balance could have been struck from the entries as they appear in that book?

Ans. The book in which that entry is made is not the actual cash book of the Bank, but is a record of the general transactions, made up from the Receiving and Paying Tellers' books periodically?

Ques. How did you arrive at the precise sum of £1,632 14s. 6d., with which you debited yourself in July, 1848?

Ans. It was the difference between the cash on hand and apparent balances in the books of the Receiving and Paying Tellers, already alluded to.

Ques. Do you recollect whether there was any distinct statement drawn out in any of the books, and if so, in which of the books of the Savings Bank, which shows the process by which this balance of £1,632 14s. 6d. was ascertained?

Ans. I believe there was no statement of it in any of the books.

Ques. From the manner in which the books were kept, are you prepared to state that the balance of £1,632 14s. 6d., charged against you, was the true balance at the time it was so charged?

Ans. I am aware that there were errors in that account, which were rectified afterwards.

Ques. Was that assumed balance of £1,632 14s. 6d. against you any thing more than an approximation to what you consider the true balance?

Ans. That sum was intended to extinguish all discrepancies which then appeared upon the books.

Ques. Were the vouchers, cheques, or other acknowledgments, compared between you and the Tellers at the time this approximating balance was struck?

Ans. To the best of my recollection, there was no special examination took place at that time.

Ques. How then could you charge yourself with £1,632 14s. 6d.?

Ans. This amount was the apparent difference in the books of the Receiving and Paying Tellers, betwixt the balance and the actual cash in hand.

Ques. Is it certain, then, that the whole of this discrepancy is properly chargeable to you; or might it, or might it not, be chargeable in part, or in the whole, to the Receiving and Paying Tellers, or either of them?

Ans. I am not prepared to say that the whole was properly charged to me, but much the larger part was.

Ques. Did you come to any understanding with any of the Directors of the Savings Bank, and if so, with which of them, by which you agreed to charge yourself with the sum of £1,632 14s. 6d.?

Ans. I think this entry was made pursuant to an arrangement between Mr. Murray, Mr. Elder, and myself.

Ques. At the time this entry was made, did you expect to be removed from the Bank?

Ans. My expectation was quite the reverse. At the time, the position of the Bank was the frequent subject of conversation, and it was considered, in the event of its being necessary to wind up the affairs of the Bank, my services would be indispensable. In addition to the various accounts which I have particularized as mine, appears one in ledger page 286, headed, "St. Lawrence and Atlantic Railroad account, J. Eadie." I paid out of the funds of the Bank instalments on these shares, amounting to £65 2s. The Bank assumed them a few days before my departure. They also took at the same time ten shares in the New City Gas Company.

The original Rules and Regulations of the Montreal Provident and Savings Bank, were drawn up by myself. They were copied by me on parchment, and deposited with the Clerk of the Peace, in accordance with the provisions of the Act 4 and 5 Vic., chap. 32. Rules 11 and 12 specify the course to be adopted for deposits at the Savings Bank. These Rules were acted upon regularly at first, but subsequently they were deviated from. The transactions of the Bank with those parties making deposits therein, were recorded; the deposits in one book, entitled, "Cash Deposit Book," the re-payment of deposits in another, entitled, "Cash Drafts." The amount deposited and the amount paid out were summed up each day. This was the course invariably adopted in the Bank from the time it was first opened to the time of my leaving the Bank. Deposits were made daily by the Savings Bank with the chartered Bank, with which they kept their account. This deposit was made each day at three o'clock, at the closing of the Savings Bank; that is, the deposits for the day were summed up in sufficient time to enable the Receiving Teller to place them in the Bank with which the Savings Bank kept its account. If any deposits were made after the Savings Bank deposit list was made up, they formed a commencement of the transactions of the following day. The deposits of the Savings Bank were regularly made in this manner, which is in accordance with the 11th Rule of the Savings Bank, for two or three years after the Bank was opened. Under this Rule, the Receiving Teller would have no funds on hand whatever at three o'clock each day, and the book of the Bank with which the Savings Bank kept its deposit, would correspond each day, on the debit side, with the amount the same day deposited at the Savings Bank. The Managing Directors could thus at once see that all moneys received each day were

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

lodged at the Bank, according to the Rules of the institution.

Ques. Is not the following a true extract from the 11th Rule of the Provident and Savings Bank: "And the amount so lodged" (referring to the daily deposit) "must correspond with the amount received and entered in the cash book, and the Director for the day shall satisfy himself that such has been done, and in testimony thereof shall put his initials thereto"?

Ans. It is.

Ques. Has that Rule been acted upon in the Savings Bank during the time you were at the Bank?

Ans. I have already said that the Rule of which this is part was adhered to for two or three years, but subsequently it was departed from, and has never since been acted upon on any occasion.

Ques. Since the time that that rule has ceased to be acted on, has the Receiving Teller been in the habit of retaining in his hands daily a portion of the deposits of the Savings Bank?

Ans. Generally, no. The daily deposits were made as directed by the Rule, but occasional and important deviations were made from the practice.

The examination of the witness is adjourned until to-morrow.

JOHN EADIE.

Signed before me, at Montreal,
this twenty-sixth day of
November, 1850.

On this twenty-seventh day of November, 1850, the examination of the witness, *John Eadie*, Esquire, was continued as follows:

The deposit cash books of the Savings Bank being now exhibited to me, I find for the month of October 1841, that the cash lodged in the Bank each day was the exact amount of deposits received for the same day at the Savings Bank. In the month of November, 1841, and since that time, the daily deposits in the Savings Bank have not exactly tallied with the sums lodged each day with the Bank with which the Savings Bank kept its account. The Rule referred to in my evidence yesterday, which enjoins that the moneys received each day shall remain untouched, and be lodged in the Bank, has never been obeyed except for the first month after the Savings Bank was opened, viz: the month of October, 1841. For three or four months after October, 1842, the daily deposits at the Savings Bank occasionally corresponded with the sums lodged at the Bank with which it kept its account; but subsequently to that time, I cannot find a single occasion on which the lodgment at the Bank where the Savings Bank kept its account, corresponded with the receipts at the Savings Bank for the same day. The daily deposits in the deposit cash book were certified to by the initials of one of the Directors in the deposit cash book, according to the 11th Rule of the Savings Bank, from the 1st October, 1841, to the 30th September, 1843, after which time it entirely ceased.

Ques. Was this verification of the deposits in the Savings Bank, made each day, by one of the Directors, in accordance with Rule No. 11 of the Savings' Bank, say from 1st October, 1841, to 30th September, 1843?

Ans. At the commencement of the transactions of the Bank, it was, but only for a very short time, perhaps a week or two. After that time Mr. Lunn

would mark with his initials the deposits of perhaps ten or twenty days at a time.

Ques. Since, from your account, there must, from the 1st October, 1841, to 30th September, 1843, be generally on each day a balance in the hands of the Receiving Teller, can you state whether the amount of that balance was verified by the Director of the day, at the time he put his initials to the deposit cash-book?

Ans. I am not aware of its having been done in any one instance.

Ques. Was there any book of the bank in which the balances retained by the Receiving Teller in his hands each day, was recorded?

Ans. I think not.

Until about the 30th September, 1844, the deposits in the Savings Bank were made to correspond with the lodgments in the Bank, (with which the Savings Bank kept its account) at the end of each month; the Receiving Teller regulating his account monthly, instead of daily, according to the Rule 11. But, after the 30th September, 1844, the lodgments in the Bank with which the Savings Bank kept its account no longer corresponded with the monthly amount of deposits in the Savings Bank. The Receiving Teller kept in his cash-box any funds that he might have in his hands. I have verified the amount of cash in his hands often, but I cannot say that any of the Directors ever did. Up to September, 1845, the Receiving Teller could scarcely retain large balances in his hands without its being easily ascertainable from the books; and at the end of each month any deficit must have been made good. And subsequently, up to that time, the general cash-book would exhibit, at the end of each month, the amount received and deposited by him, during the month; but it would not shew the balance he had in his hands. I have already stated that there was no book kept in the Savings Bank, shewing the balances in the Receiving Teller's hands. Under Rule 11, it was not contemplated that he should have any balance in his hands whatever, at the end of any one day. Had the rule been enforced he could have had no balance. In 1846 and 1847 the transactions to which I have already referred in my evidence, relating to my loans to various parties, occurred, and then and subsequently large balances appeared to remain in his (the Receiving Teller's) hands. These balances consisted of cheques or *bons*, which I was in the habit of giving the Receiving Teller, for sums that I got from him for these loans. Towards the end of 1847, the Receiving Teller must generally have had in his hands upwards of two thousand pounds, upon *bons* or cheques given by me, and this must have continued for some months. He might also have large sums lodged in the Savings Bank late in the day; and there was nothing in the books of the Bank to prevent his having considerable sums of money that he might have not deposited.

Ques. Would this retention of money by the Receiving Teller have been possible, had Rule 11 been acted upon?

Ans. It would not.

Ques. Has heavy loss been sustained by the Bank in consequence of the violation of that part of Rule 11 which refers to the duty of the Director for the day, to see that the deposits received each day at the Savings Bank are duly lodged on the same day in the Bank in which such moneys are authorized to be kept?

Ans. Yes, there has been heavy loss in consequence of the violation of that rule.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Ques. Was Rule 11, so far as relates to the daily lodgment of the deposits of the Savings Bank, in the Bank in which such moneys were authorized to be kept, either rescinded or modified during the time you were Actuary of the Savings Bank?

Ans. it was not. Certain instructions to the Officers of the Provident and Savings Bank were adopted at a meeting of the Board of Directors, held on the 15th May, 1845; but those instructions by no means altered the duty of the Receiving Teller in this respect. They were framed to carry out in practice the principal of Rule 11.

The 11th and 12th of the original Rules and Regulations of the Montreal Provident and Savings Bank, a copy of which was deposited with the Clerk of the Peace, in accordance with the provisions of Act 4 and 5 Vict., cap. 32, provided that, when any money should be required to be drawn out of the Bank in which the deposits of the Savings Bank should be lodged, such withdrawal should be made by a draft or cheque, to be signed by three of the Board of Managing Directors, and countersigned by the Actuary or other officer; and that for the purpose of answering the demands that might be made upon the institution, the Board of Directors should from time to time set aside such a sum, by a cheque upon the said bank, in the manner above described, as might be required, and that this money should be kept in the said Bank, in an account to the order of the Actuary, or other officer of the Savings Bank, whose duty it should be to pay such demands. It was intended that the Actuary or other officer in favour of whom a credit should be thus kept open from time to time in the Bank in which the Savings Bank should keep its account, should give his own cheques for payments he should have to make on account of the Bank. At the time these Rules were enacted I was the only officer of the Bank, and this mode of keeping the account continued until the month of May, 1845, when new Regulations were adopted, which will be found in the minute-book of the Savings Bank, under date 15th May, 1845. The following are the Regulations then adopted.

The examination of the witness is adjourned until to-morrow.

JOHN EADIE.

Signed before me at Montreal,
this twenty-seventh day of
Nov., 1850.

W. BRISTOW,
Commissioner.

On this twenty-eighth day of November, eighteen hundred and fifty, the examination of the witness, *John Eadie*, Esquire, was continued as follows:—

The following are the "Regulations regarding the Officers of the Montreal Provident and Savings Bank:—

"1st. The officers for the present shall consist of the Actuary, the Receiving Teller, the Paying Teller, and Accountant.

"2nd. The duties of the Actuary shall consist in superintending generally the proceedings of the Tellers, in investing moneys under the direction of the Finance Committee, in taking care that all securities, mortgages, bills, or bonds are in due form, that all interest or other debts to the Bank are duly paid, in calculating the interest due to depositors or by persons having loans, in making up the general books of the institution, in keeping a list

"of all purchases, investments, loans or mortgages or otherwise, and a book containing the principal particulars of all securities, with an account of all principal and interest due, and per contra, all amounts paid on account of same, and generally to exercise his talents and judgment for the welfare and security of the institution under his charge. He shall, upon closing the office to the public for the day, see that the Receiving Teller deposits all moneys received by him during the hours of business in such Bank as may at the time have the keeping of the funds of the Provident and Savings Bank. He shall take care that the Paying Teller has no more funds on hand than may be required to meet current payments; and that upon closing the office to the public, the Paying Teller do enclose all funds in his hand in a box, to be deposited for safe keeping in the vault of the Provident and Savings Bank. He shall compare also the cash-book with the ledger entries, and shall ascertain that the receipts entered by the Receiving Teller correspond with the amounts entered by the Paying Teller in his book, taken from the depositors' pass-books. He shall also take due care that the Paying Teller gives credit for all cheques paid to him, and that the receipts for amounts returned to depositors, and all other payments correspond with the entries in the Paying Teller's cash-book, and that there are proper vouchers for every payment made to every item examined by him: he shall, if correct, place his initials, if incorrect, immediately report the same to the Finance Committee, President or Vice-Presidents of the Montreal Provident and Savings Bank. He shall, in conjunction with the President, have charge of all securities belonging to the institution, the same being deposited in a box to be kept in the vault of the Bank with which the account is kept, said box to have two locks, the key of one of which to be kept by the President, or in his absence by one of the Vice-Presidents; the key of the other, by the Actuary.

"3rd. The duties of the Receiving Teller are as follows:—

"He shall receive the deposits of the depositors, shall enter same in deposit cash-book, shall then enter same in proper manner, in the depositor's pass-book, placing his initials against the amount. He shall then direct the depositors to the Paying Teller for the purpose of having his deposit entered as hereinafter provided for. He shall also receive all dividends, and all other amounts due to the Provident and Savings Bank. At the close of the office for the day to the public, he shall make up the entire and exact amount received by him during the day, and shall deposit same with the Bank keeping the account of the institution. He shall assist the Actuary to compare his deposit cash-book with the account of deposits kept by the Paying Teller. He shall make out the general cash-book, and assist the Actuary in comparing same with the vouchers. He will likewise take the usual precautions upon a new account being opened, to get the proper signatures, and shall use his best discretion and ability to promote generally the objects of the Institution.

"4th. The Paying Teller's duties consist in paying all proper demands on the Montreal Provident and Savings Bank, out of funds furnished him in the following manner: One of the Managing Directors, being one of the Finance Committee for the time being, shall sign such a number of cheques of one hundred pounds each, payable to order as may be required to meet the demands likely to be made on the Bank, such cheques not to be payable at the Bank with which the Savings Bank account is kept, unless countersigned, first by the Actuary,

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" and secondly by the Paying Teller himself. Not more than one hundred pounds shall be kept on hand by the Paying Teller, in cash, and the cheques in his hands shall not be countersigned by the Actuary, nor by the Paying Teller, until required. The Director, upon signing any cheque or cheques, shall ascertain that the Paying Teller gives due credit for same in his cash-book. With such funds so provided, he shall pay all deposits withdrawn, with interest on same or such portion thereof as may be required, taking care that the amount thereof does not exceed the amount to the credit of the depositor in the depositor's ledger, and that he gets a proper and sufficient receipt for same in due form, as he will be held liable for intermissions in this respect. He will also pay all salaries, expenses, loans, purchases, or other payments sanctioned by the Finance Committee, with cheques specially filled up to the order of the party entitled to receive same, countersigned by the Actuary and himself, and entered both to the debit and credit of his cash-book; he will take proper receipts for same, under the direction and with the advice of the Actuary; he will keep the depositor's ledger, and will, upon being handed by the depositor his pass-book (the Receiving Teller having as before provided or entered therein the amount deposited), enter the amount deposited in a book to be kept by him for the purpose; he will then annex the ledger folio to same, and post same in the ledger to the proper account; after which he shall place his initials to said amount deposited, in the Depositor's pass-book, and return said pass-book to Depositor. In making payments, he will have to ascertain that the amount claimed is actually due; he shall then charge the amount withdrawn to the debit of the proper account, in the Depositor's ledger, enter same in the pass-book and in his own cash-book, take a proper receipt for same, and pay the money. At the close of the office for the day to the public, he shall (after same shall have been examined by the Actuary) place all cash on hand, cheques or other funds, in a box to be kept for the purpose, and deposit such box in the vault of the Provident and Savings Bank; he shall then assist in checking the accounts, and shall generally do all in his power for the welfare of the institution.

" 5th. The hours during which the Bank shall be open to the public for all purposes of the Institution, shall be from ten o'clock in the morning until three in the afternoon of every lawful day of business; also on the evenings of Saturdays, and Mondays from six to eight o'clock. All cash so received in the evening, to be accounted for by the Receiving Teller, in his cash made up the ensuing lawful day.

" 6th. The Actuary may require the services of both or either of the Tellers, for the purpose of assisting him in calculating interest, or in making up the general books of the Institution, in making statements for the Finance Committee, the Directors or otherwise, and generally may call upon their services in such way as he may think conducive to the welfare of the Montreal Provident and Savings Bank.

" 7th. It is required of all the officers of the Bank to attend during the hours of business, unless called upon to be out upon special affairs connected with the Provident and Savings Bank, unless prevented by sickness, of which due notice shall be given."

No copy of these "Regulations regarding the officers of the Montreal Provident and Savings Bank" was, during the time that I was Actuary of that Institution, deposited with the Clerk of the

Peace. From the time that these new regulations came into operation, the new system was acted upon, and my duties were considerably changed.

Under the old system—that is, from the opening of the Bank until May, 1845—the practice adopted in payments by the Bank was as follows: A separate account was kept in the name of the Actuary of the Savings Bank, at the Bank where the Savings Bank moneys were deposited; sums were drawn as needed out of the general account of the Savings Bank, and placed to the credit of the Actuary, in the form and manner prescribed in the 11th and 12th Rules. Under these Rules, the general balance of the Savings Bank, at the Bank where its moneys were deposited, would not be altered by the daily operations of the Savings Bank, in the way of payments; it would only be diminished by cheques specially given to transfer certain specific sums to the Actuary's account. Under the Rules of the Savings Bank established at its formation, no payments whatever could be made out of the general account with the Bank, where its moneys were deposited, except to the Actuary's account. The practice in payments by the Savings Bank never, from the first, corresponded with its rules. All the large payments for loans and investments were drawn direct from the general account; small payments were made from the Actuary's account; sometimes the Actuary drew cheques on his own account for such sums as he might require for his current disbursements, and at other times he paid those disbursements by direct cheques on the Bank. Under the original rules and regulations, had they been acted upon, the Actuary would never have had any funds belonging to the Bank in his possession for the purpose of paying out; but, under the practice as I have stated it, he had. The Actuary's account was regularly entered in the general cash-book of the Savings Bank, and that book was balanced every month; such balance showed the amount the Actuary had or ought to have in his possession of funds belonging to the Bank at those times. Had the rules and regulations of the Savings Bank been observed, there would have been no balance of cash in the hands of the Actuary at the end of each month: the Debtor and Creditor side of the cash-book would have exactly balanced each other. The balances at the end of the month, in the time between 1841 and May, 1845, were often very considerable, varying from twenty pounds to one thousand pounds. During that time there was no book belonging to the Bank which showed the daily balances in the Actuary's hands.

The effect of the rules of May, 1845, which I have given in my evidence before this Commission, was to withdraw from the Actuary the duty of making any payments whatever on account of the Savings Bank, and to take from him the custody of any funds. A Paying Teller was then appointed, named Henry Sharrocks, on whom this duty devolved.

Ques.—Was the new regulation of May, 1845, so far as relates to the duties of Paying Teller, observed in the Savings Bank? or, if violated, state in what particulars.

Ans.—That part of the rule which prescribes cheques of one hundred pounds each shall be drawn up and signed by one of the Managing Directors, to be furnished as required to the Paying Teller, under certain precautions, was never acted on very strictly; frequently the Paying Teller received cheques to a larger amount than a hundred pounds at a time, for the current demands of the Bank. The practice of filling up cheques in this manner, only lasted some seven or eight months; after that time, cheques

Appendix
(Q. Q.)

15th July.

were left, signed in blank, without any particular sum specified.

That part of the Rule which specifies salaries being paid in a specific form and manner was never observed, until the 1st July, 1848, when there is an instance of its being acted on.

That part of the Rule which prescribes the mode of payments for expenses, loans, purchases, and other payments sanctioned by the Finance Committee, was sometimes adhered to, but more frequently violated. The only sanction given on any occasion, by the Finance Committee, was that of their ratifying occasionally, in the minute-book, the agreements with the parties to whom loans were made. The loans recorded in the minute-book are numerous, but a great many of the loans were never recorded in the Minute-book. Very shortly after May, 1845, the practice prevailed of signing cheques, without filling in the amounts, and I had generally a number of these blank cheques on hand to fill up as I required.

That part of the Rule which prescribes that not more than one hundred pounds shall be kept on hand by the Paying Teller, was habitually violated. In 1845, the balance in his hands at the close of the day, as appears in his cash-book kept in accordance with the Rule, was I believe on thirteen occasions under one hundred pounds; on all other days it was over one hundred pounds, ranging from that sum to over six hundred pounds; in 1846, the daily balance was never less than £200—only nine times under £300, and, during the other days, ranged from £300 to £1150. In the year 1847, up to 31st May, the daily balance was never less than £750, except on three occasions; never less than £1000, except on nine occasions; and, on the other days, it ranged between a thousand pounds and eighteen hundred and eighty pounds. On the 31st May, 1847, Mr. Sharrocks, the Paying Teller, said to me he thought it would be better to debit the different parties who owed the Bank, the principal part of this balance, which I directed him to do; and the following entry appears in the Paying Teller's cash-book, under that date:

Cr.	£	s.	d.
1847.			
May 31.—By charges (per Macfarlane & Burnes.....)	1	15	0
“ By A. H. David.....	35	0	0
“ By charges for me.....	4	17	9
“ By H. Sharrocks.....	14	11	8
“ By James Cox.....	14	11	8
“ By Drafts.....	960	15	6
“ By W. Murray, (for Cheque, 13th Dec., 1845.....)	25	0	0
“ By William Lunn, for discount on City Bonds.....	2	0	0
“ By W. S. Macfarlane.....	370	0	0
“ By Mathewson & Sinclair... £60	0	0	
“ By Thos. Kay... £60	0	0	
“ By Do. for Mr. Eadie..... £40	0	0	
	100	0	0
“ By Eadie & Footner.....	375	5	0
“ By John Eadie, for sundry... £57	11	10	
“ By Balance.....	146	1	9
	£2830	10	2

These entries will be found in the general cash Book of that date, charged to the respective parties; that charged to W. S. Macfarlane is placed to my debit. The entry in the general cash book bearing date, as I have already stated, in May, 1847, were made I think therein about the end of June or July. The general cash book for the month of May, 1847,

is not balanced in ink. The balance is carried forward in black lead pencil figures. The cash book has never been balanced in ink from December 1846; to the time of my leaving the Bank. Up to 31st December 1846, the balances in the cash book were regularly made up in ink and in my hand-writing. I had no conversation with any of the Directors of the Savings Bank on the subject of the transfers, which are made from the Paying Teller's cash book to the general cash book, at the time I made such transfers, which I think was in July. I must have told Mr. Lunn and Mr. Murray of the two small amounts placed to their debit. I do not recollect ever having had any conversation with any of the Directors either at the time or since, relating to the transfers from the Paying Teller's cash book to the general cash book, under date 31st May 1847, with the exception of the two small sums which I have referred to.

Ques. Why did you place to your debit the sum of £370 which stood in the Paying Teller's cash book, to the debit of W. S. MacFarlane?

Ans. I had not wished that sum to be placed to the debit of W. S. Macfarlane by Mr. Sharrocks, but he did so, because he had given the money to W. S. Macfarlane. I always intended to debit myself with it.

Ques. Was the £370 lent by you to Mr. Macfarlane?

Ans. It was.

Ques. Had Mr. Sharrocks any receipt or voucher from Mr. Macfarlane for the £370, or for any part of it?

Ans. To the best of my recollection he had cheques from W. S. Macfarlane for the amount.

Ques. Did Mr. Sharrocks give those cheques up to you?

Ans. I believe he did.

Ques. What did you do with them?

Ans. I put them with other vouchers of W. S. Macfarlane.

Ques. Were those cheques ever paid?

Ans. They were not.

Ques. When did Mr. Macfarlane stop payment?

Ans. I think it was in May or June, 1848.

Ques. When you came to a settlement with W. S. Macfarlane, a short time before his failure, for which you took his notes, did you give up, and if so, to whom, the cheques and vouchers you had in your possession for loans made by you, to W. S. Macfarlane?

Ans. I think the principal part were given up to W. S. Macfarlane, part remained with me. I am not sure but I have some of them yet.

Ques. Were the cheques for the £370 in your possession at the time you came to this settlement?

Ans. I cannot speak positively to the fact, but I believe they were.

Ques. Do you state positively that the entries in the general cash book of the transfers from the Teller's cash book, which bear date the 31st May, 1847, were actually recorded by you in the general cash book, so early as July, 1847?

Ans. I cannot speak positively, but I feel confident the entry was made not later than August, 1847. When, as I have already stated, the paying Teller regulated his cash, the daily balances continued for

Appendix
(Q. Q.)

15th July

some time much smaller than before. In the month of June, 1847, they were on four occasions under £100, and on ten occasions under £200, on the other days of that month, they ranged from that sum to upwards of £550 daily. After the 1st July, 1847, to the end of that year, they were on five occasions smaller than £500; on other days they ranged from that sum to £1140; the balance on the 31st Dec., 1847, being £895 2s. 6d. From the 1st January to 30th April, 1848, the daily balance was on two occasions less than £500. On other days it ranged between £500 and £1820.

The examination of the witness is here adjourned until to-morrow.

JOHN EADIE.

Signed before me at Montreal,
this twenty-eighth day of
November, 1850,

W. BRISTOW,
Commissioner.

On this twenty-ninth day of November, eighteen hundred and fifty, the examination of the witness, *John Eadie*, Esquire, was continued as follows:

On the 1st May, 1848, the balance was reduced to £612 1s. 9d.; on the 2nd, to £461 18s. 8d., and on the 3rd to £131 9s. 6d. It continued from that time to the time of my leaving to range from £100 to about £400. The annual meeting in 1848 took place on the 4th May. I cannot say in what manner the balance in the Paying Teller's hands was reduced to so small a sum as it was at that time and subsequent.

I was in the habit of obtaining from the Paying Teller such sums as I required for the purposes of the various loans I made, and for the expenses connected with the different properties which I have enumerated in my examination before this Commission. I generally told the Paying Teller to keep a memorandum of these sums paid by my desire. I would hereafter tell him what account to debit with them. I had seldom very large sums borrowed in this way from the Paying Teller; they frequently amounted to two or three hundred pounds at a time. Probably £1500 or £1600 was as much as I ever owed the Paying Teller at any one time.

Ques. Is it to your knowledge the Savings Bank has sustained heavy loss owing to the habitual violation of the original rules and regulations, and of the rules of May, 1845, relating to the duties of the Paying Teller, and to the mode in which payments should be made by the said Savings' Bank?

Ans. It consists with my knowledge that it has.

Ques. You have pointed out to this Commission the heavy balances which the Paying Teller habitually had in his possession in direct violation of the rules of the institution: was the Paying Teller's cash book which records the daily amount of these balances, openly kept amongst the books of the Bank and accessible at all times to the Directors?

Ans. It was written up daily, and lay upon the Paying Teller's desk, along with the other books.

Ques. Was the Paying Teller's cash book ever formally examined?

Ans. I examined it regularly during the whole time I was in the Bank. Up to November 1845, I was in the habit of authenticating it daily by my initials, but subsequently I did not put my initials.

Ques. Did the Director of the day, or any of the Directors at any time, audit the Paying Teller's cash book?

Ans. I am not aware that they did. The book was often before them on matters connected with the payments of the Bank.

In the Original Rules and regulations of the Montreal Provident and Savings Bank, as lodged with the Clerk of the Peace, reference is made to the Director of the day, and it was the original intention that one of the Directors should be in attendance at some part of each day. I am not aware, however, that any arrangements were made to carry out this part of the Rules. The attendance of the Directors at the Bank was rather irregular; sometimes one or more would look in, and at other times several days would elapse without any of the Directors calling. Several of the Directors either resided or had their place of business near the Bank, so that I could always without difficulty find one. There never was, from the opening of the Bank to the time I left it, anything like a daily audit of the transactions. I have already stated the kind of revision that the President and one or two others gave for the first few months after the Bank was opened, and which ceased afterwards. To the best of my recollection the original Rules for the conduct of the Bank fixed no particular days for Board meetings. Rule No. 2 fixed that there should be an annual general meeting of the Directors held on the first Monday in the month of February in each year, to which meeting the Managing Directors should make a full report of the proceedings of the past year. The Board of Managing Directors were authorised under the 4th Rule to call meetings from time to time for the transaction of the business of the Bank. The course adopted was in accordance with this 4th Rule, no specific day being appointed for such meetings to be held.

Out of the first Board of Managing Directors, a Finance Committee was appointed, as appears by the following minute of the proceedings of the Board of Directors held on the 28th September, 1841: "Resolved, That the President, Vice-President, Mr. Ferrier and Mr. Bagg, be appointed a Finance Committee for considering and deciding upon investments, &c., and they were appointed accordingly."

No particular days were fixed for the meeting of the Finance Committee, at that period, but they met from time to time, as occasion required.

Generally, when the Board of Directors or the Finance Committee assembled, minutes were taken of their proceedings, by myself, on loose sheets of paper, and these minutes were corrected and entered in the minute-book. They were generally read at the subsequent meeting of a Board of Directors. I at all times attended at the Board of Directors, and at the meeting of the Finance Committee, until about March or April, 1848, after which time I was not always present. I did not vote on any questions before the Board. The minutes that I made of the proceedings of the Board were never found fault with. It was not the practice of the President or members of the Board to sign the minutes of the proceedings. The only occasion on which I believe it was ever done, was on the occasion of a meeting of the Finance Committee, held on the 30th December, 1841. It is only on very rare occasions that any record will be found of the minutes of the previous meeting having been read.

At a meeting of the Finance Committee, held on the 12th September, 1842, it was resolved, "That a weekly statement of the funds of the Bank should be made up, and engrossed in a book for the inspec-

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

"tion of the Directors." I think several weekly statements were made up, but they were not engraved, nor entered in any book, nor continued for more than a few weeks. The rule was never abrogated, but it was not acted on.

In January, 1843, preparatory to the annual meeting, the accounts of the Savings Bank were carefully examined. The following minute of proceedings of the Finance Committee, at a meeting held 10th January, 1843, will explain the course then adopted

"The meeting took into consideration the statement of the transactions of the Bank, for the past year, when Mr. Redpath recommended that in order to satisfy the Board of the correctness of the accounts, the pass-books of the depositors should be called in, to have the interest inserted in them, and the balances compared, and proposed that his son, Mr. Peter Redpath, should attend at the Bank for that purpose, from the 16th to the 26th instant." This recommendation was adopted. Mr P. Redpath attended until the month of May following. On the 4th February, the following record of the meeting of Managing Directors exhibits the proceedings adopted by Mr. P. Redpath. "The Actuary laid before the meeting the statement of the last year's transactions, and stated that in accordance with the resolution of the Finance Committee, Mr. Peter Redpath had attended at the Bank since the 16th ult., and had examined and marked all the books which had been presented. He had also, along with Mr. James Eadie, called over the posting of the deposit ledger.

"Mr. Peter Redpath was then brought in by the Actuary, and reported that he had examined about 280 of the pass-books, being all that had been presented, and had also gone over the posting of the deposit ledger, and had found no error of any consequence."

A balance sheet of the books of the Bank, embracing all its transactions from its commencement to the 31st December, 1842, was made up and laid before this meeting. It was accurate in all its particulars.

An abstract of it will be found in the minutes, and the original was amongst the archives of the Bank when I left.

This balance sheet shewed the position of the accounts in the general ledger. My belief is, but I cannot say to a certainty, that the balances of the deposit ledger were made up and ascertained to correspond with the balance of deposit account, as stated in the general ledger. I undertake to state that the balance sheet of the Savings Bank of the 31st December, 1842, as abstracted in the minute-book for the meeting of the 4th February, 1843, contained an exact, true and faithful statement of the affairs and transactions of the Bank, up to the 31st December, 1842.

And further I say not; and, having had this, my deposition, read over to me, I declare it to contain the truth, persist therein, and have signed.

JOHN EADIE.

Signed before me at Montreal,
this twenty-ninth day of
November, 1850,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this sixteenth day of December, eighteen hundred and fifty,

Personally came and appeared, *David Davidson*, Esquire, Banker, of the City of Montreal, who, having been duly sworn, deposed and saith:

I am Manager of the Montreal Branch of the Bank of British North America, and have been since the year eighteen hundred and forty-two. Early in 1844, the Trustees of the then High School, of whom the following are some of the names: Benjamin Holmes, B. H. Lemoine, William Lunn, William Murray, David Torrance, James Ferrier, Joseph Savage, W. Campbell, Michael McCulloch, and myself, made application to the Savings Bank for a loan of about six hundred and fifty pounds, which was granted on their joint promissory notes. No other security was taken by the Savings Bank than these notes. There is still a balance due on one of these notes. No portion of these notes was paid prior to the suspension of the Savings Bank. At the time this loan was made by the Savings Bank to the then High School, I was Secretary to the latter institution.

In the Parliamentary Session of 1845, the High School was incorporated by charter, and a Board of Directors was appointed, consisting of those above named, W. C. Meredith, George Moffatt, John Young, J. J. Day, and Charles Geddes. I was re-appointed Secretary to that institution.

On the 5th June, 1845, a committee was appointed, at a meeting of the High School Directors, which committee consisted of Messrs. Holmes, Murray, and myself, for the purpose of making such financial arrangements as were necessary for paying the instalments on the High School property, and defraying the cost of the building to be erected as a School House. I have no distinct recollection what communications that committee had with the Savings Bank, because I believe they were entirely verbal. I do not recollect any particular conversation with any of the Directors of the Savings Bank, on the subject; but the understanding of the Committee was, that that institution would advance the money then required, and that security was to be given to the satisfaction of the Savings Bank. There was no definite arrangement as to the nature of the security at that time. The plan of the Directors of the High School at that time was, to defray the cost of the building out of the stock subscribed under the Act of Incorporation, which then amounted to about three thousand pounds, and to borrow a sum of money to enable them to meet the cost of the ground on which the building stood. Had this plan succeeded, the security given to the Savings Bank, or any other party loaning the money required, would have been ample.

At a meeting of the High School Directors of the 5th June, 1845, to which I have already referred, the following Directors of the High School, who were, I believe, also Directors of the Savings Bank, were present: Messrs. Ferrier, Lunn, and Murray. I have no recollection whether the Savings Bank was mentioned at that meeting.

On the 25th July, 1845, I received, upon the following order on the Savings Bank, the sum of £1,200.

"(Copy.)

"MONTREAL, 25th July, 1845.

"£1,200.

"Pay to self or bearer, twelve hundred pounds, c'y.

"(Signed,) D. DAVIDSON, Secretary,
"High School of Montreal.

"To the Actuary of the Province of Canada,
"District of Montreal."

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

I cannot say by whose authority I drew this draft on the Savings Bank, nor do I recollect any particular conversation with Mr. Eadie, the then Actuary of the Savings Bank on the subject.

On the 30th August, 1845, I received, as Secretary of the High School, a further sum of twelve hundred pounds. On the 4th of October, 1845, the sum of six hundred pounds, and on the 4th December, 1845, seven hundred pounds. With reference to this last sum, I find by the records of the Court of Queen's Bench, in an action instituted by the Directors of the Savings Bank against the High School, a note of which the following is a copy :

" (Copy.)

" My DEAR SIR,—Mr. Murray will explain to you the cause of the delay in completing the security to be given by the High School. Meanwhile I must pay some of the tradespeople, and will thank you to give me a cheque for £700.

" Yours faithfully,

" (Signed,) D. DAVIDSON,
" Secretary.

" John Eadie, Esquire "

And with reference to the loan of the 4th October, 1845, I find by the records of the Court of Queen's Bench in the same action, a note of which the following is a copy :

" (Copy.)

" DEAR SIR,—Will you let me have £600, to account of the loan for the High School,

" Yours faithfully,

" (Signed,) D. DAVIDSON,
" Secretary.

" John Eadie, Esquire."

On the 9th September, 1845, a meeting of the Directors of the High School was held, at which I remember the following members of the Board of Directors, with several others, to have been present, Messrs Ferrier, and Murray and myself. At this meeting it was determined to borrow four thousand pounds, of which the money already received from the Savings Bank was to form a part.

On the 10th of October, 1845, another meeting was held of the Directors of the High School, at which a Committee was appointed consisting of Messrs Meredith, Day, and Young, for the purpose of revising the form of security to be given to the Savings Bank, for the loan of four thousand pounds. Between the meeting of the 9th September and that of the 10th October, an obligation in security for the loan by the Savings Bank had been prepared by Pelton, notary, and presented for signature, to the Directors of the High School, but the form of the instrument having been objected to, it had not been signed. The nature of the objection was, the joint personal responsibility of the Directors of the High School which it involved, and I believe it was on account of this difficulty that the Committee of the 10th of October was appointed. I have no recollection whatever which of the Directors of the High School were present at the meeting of the 10th of October 1845.

On 29th November 1845, another meeting of the Directors of the High School was held, when it was resolved to call a general meeting of the stockholders of the High School for the purpose of obtaining authority, to mortgage the property of the High School to the Savings Bank, for the loan made, and to be made by that institution to the High School.

I called, as was my usual practice, the meeting of the 29th November.

On the 20th December, 1845, the general meeting of the stockholders of the High School, determined on on the 29th November, was held, and authority was given to the Directors to borrow money for the High School, and hypothecate the property of the institution, and a resolution to that effect was recorded in the minutes of the proceedings of the meeting. At the time of that meeting, the whole of the loan by the Savings Bank to the High School, namely, three thousand seven hundred pounds, had actually been made. I do not recollect whether the meeting was informed of the loan made by the Savings Bank to the High School. Subsequently to that meeting of the 20th December, 1845, there is no allusion to the loan by the Savings Bank, in the minutes of the Directors of the High School, until the 21st August, 1847, and I have no recollection of any occurrence with regard to it during that period. I ceased to be Secretary of the High School, either in 1846 or 1847, I am not certain which. I have no recollection that at any time between the 20th December, 1845, and the time of my retirement, any application was made to me, on behalf of the Savings Bank, to give security for the loan which that institution had made to the High School. On the 21st August, 1847, when the application was made to the High School on the subject of this loan, I had ceased to be Secretary. Mr. Hew Ramsay succeeded me in that capacity, and with him the further negotiations were conducted. In all my transactions with the Savings Bank, in reference to the loans to the High School, I acted in my capacity of Secretary to the High School.

At the time of the loans by the Savings Bank to the High School, the latter institution was not indebted to the Bank of British North America, nor was it at any other time; but it has frequently been to myself, individually.

My attention having been directed to a portion of the evidence given before this Commission by Mr. Eadie, late Actuary of the Savings Bank, on the 20th November last, wherein he refers to a certain conversation which he alleges to have had with me on the subject of loans by the Savings Bank to the High School, I would state, that no moneys were advanced by the Bank of British North America to the Savings Bank during the period when the loans were made by the Savings Bank to the High School, that is between the 25th July and 4th December, 1845, and that no moneys would have been advanced unless the usual securities had been given.

Messrs. Thomas Kay, James Ferrier, and William Dow, were Directors of the British North American Bank during the whole of the year 1845.

And further I say not; and, having had this deposition read over to me, I declare it to contain the truth, persist therein, and have signed.

D. DAVIDSON.

Signed before me at Montreal,
this sixteenth day of December,
one thousand eight hundred and fifty,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this eighteenth day of December, eighteen hundred and fifty,

Personally came and appeared, *John James Day*, Esquire, Advocate, of the City of Montreal, who,

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

being duly sworn, deposed and saith: I was a Director of the High School of this City, at the time of its incorporation, and I previously took an interest in the management of its affairs. About a year, or shortly previous to the incorporation of the High School, I subscribed my name to a letter of guarantee, in favour of such of the Trustees of the High School as should obtain a loan of money to defray the expenses of keeping up the High School for a period of three years. I have since understood that the sum borrowed under this letter of guarantee was seven or eight hundred pounds; and I have since (viz. about a year ago), paid my proportion of the amount for which I thus became responsible to Mr. David Davidson, as Treasurer of the High School. I think I paid the amount in a cheque on the City Bank, and that the sum was about thirty pounds. A calculation had been made of the proportion which each of the subscribers to that letter should contribute in order to relieve the Trustees, who had signed the notes, from their responsibility to the Savings Bank; and as it was understood that the scrip of the Savings Bank could be purchased below par, the amount for which I gave a cheque was regulated to fully cover my proportion at the rate at which scrip could be bought. I think the calculation was based on the estimate being that the scrip could be purchased at fifteen shillings in the pound. I think my contribution, and that of those who also contributed under the letter, exceeded the just and fair proportion for which we were liable, as several of the subscribers to the letter had died or become insolvent, and as our liability was a joint one merely.

In 1844 or 1845, the High School being incorporated, it was determined to erect a School House, and for that purpose a sum exceeding three thousand pounds was raised among the stockholders. This sum being insufficient to complete the building, it became necessary to obtain a loan for that purpose, of the amount of which I have no recollection, except that I have since understood that the amount obtained from the Savings Bank was about four thousand pounds. To secure the payment of this amount to the Savings Bank, a deed was drawn up by Mr. Pelton, the Notary, mortgaging the property of the High School, and making the then Directors personally liable for the payment of the amount. A Committee was appointed, I think, in the fall of 1845, for the purpose of examining the deed of mortgage. Mr. Meredith, another of the Directors of the High School, and myself, were on this Committee. We disapproved of the deed prepared by Mr. Pelton, as it created a personal liability on the part of the then Directors, which it was never intended they should incur; at least I am sure that all the Directors had not agreed to become so responsible. I am not certain whether I was present at the meeting at which I was appointed one of the Committee to examine the deed of security prepared by Mr. Pelton.

Ques.—When you, as one of the Committee of the High School, examined the deed of security drawn by Mr. Pelton, were you aware that any money had been advanced by the Savings Bank on account of the loan for which that deed was drawn as security?

Ans.—I cannot say that I was absolutely.

When I objected to the form of the deed of security, I cannot say that I suggested any other form.

I was present at a meeting of the stockholders of the High School, held in 1845. This was a meeting held for the purpose of getting the authority of the stockholders to mortgage the property of the High School for a loan made or to be made by the Savings

Bank. My impression is, that at this meeting reference was made to the moneys having been wholly or partly advanced by the Savings Bank. The question of the personal security of the Directors came up at that meeting; and, as they declined to become personally responsible, the resolution of the meeting was restricted to the authority to mortgage the property.

Ques.—Have you any recollection that at the meeting to which you refer, any of the members present stated that an undertaking had been entered into with the Savings Bank, that the Directors or stockholders of the High School should become personally responsible for the loan by the Savings Bank, as well as that a mortgage should be granted on the High School property?

Ans. I have no distinct recollection that the personal security of the Directors, was stated to have been pledged; reference was had to the giving of personal security, but declined by the Directors.

Ques. Why did the Directors of the High School decline to grant personal security for the loan from the Savings Bank?

Ans. I speak for myself as a Director, and my reason was, that as I might not remain a Director, beyond the year, I could have no guarantee that the affairs of the institution would be properly managed by my successors, and this was the opinion of others of the Directors who were present. I remember Mr. Meredith coincided with me in that opinion. A further reason that weighed with me and others who acquiesced with me was, that as a sum of three thousand pounds had already been subscribed by the stockholders and expended on the property, that it, the property itself, afforded sufficient security for the loan made or to be made by the Savings Bank.

From the time of this general meeting, unless the examination of Pelton's deed, followed rather than preceded this meeting, nothing further transpired to which I was a party, with relation to the security for the loan, until about two years ago, when the subject of executing a mortgage in favour of the Savings Bank again came up at a meeting of the Directors of the High School at which I was present. At this time the High School was considered to be insolvent, and as a consequence, the Directors felt that they would not be justifiable in then authorising the execution of the mortgage, particularly as there existed other claims, over which the Savings Bank would have acquired a preference; and for these reasons the Directors declined to execute the mortgage. I was appointed one of a Committee to wait upon the Trustees of the Savings Bank, and explain the reasons for not executing the mortgage, and the Committee of which I was a member accordingly waited on the Trustees and made known these facts. I think this occurred in 1848, and that it was about the time of the difficulties of the Savings Bank.

I have not ceased to be a Director of the High School since its incorporation. I generally attended the meetings of the Directors. I have no recollection of any meetings in 1847, at which reference was made to the loan by the Savings Bank, nor of any communications coming from the Savings Bank on the subject.

And further this deponent saith not, and having read over this his deposition, he declares it to contain the truth, persists therein, and hath signed.

JOHN J. DAY.

Sworn before me at Montreal,
this 18th day of December,
1850,

W. BRISTOW,
Commissioner.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Province of Canada, }
District of Montreal. }

On this eighteenth day of December, one thousand eight hundred and fifty,

Personally came and appeared, *John Young*, Esquire, merchant, of the city of Montreal, who having been duly sworn, deposeth and saith :

I am a Director of the Montreal High School, and have been since 1845. I never took any active part in the building of the High School. I was absent from the city when that measure was decided on. I only became acquainted with the position of the affairs of the institution when I attended a meeting some time in the summer of 1845 ; I remember to have been present at that meeting, Messieurs Meredith, Davidson, Day, and I think Mr. Lunn. It was a very full meeting.

A deed of security to the Savings Bank for loans of money obtained for building the High School, was submitted, but understanding its principle to involve the personal responsibility of the Directors of the High School, I objected to it, when it was resolved to appoint a Committee of three, which consisted of Messrs. Meredith, Day and myself, which Committee was to take into consideration the character of the deed, and to report. I understood from the conversation that occurred at the meeting, that the Directors of the High School who had borrowed the money from the Savings Bank, had promised personal security, with a mortgage, and had got the deed drawn in that way, for submitting to the Board. To the personal security as already stated, I objected. I cannot from recollection state whether or not it was mentioned at the meeting that a portion of the loan had already been advanced by the Savings Bank to the High School. I took little part in the management of the latter institution, the active members being Messrs. Lunn, Ferrier, Davidson and Ramsay. My colleagues on the Committee to examine the deed concurred with me that it was not advisable to incur the personal liability involved in it, and such a deed was never perfected, and I do not recollect that we made any formal report. I do not recollect to have attended any meetings of the High School since the meeting to which I have referred, where the subject of security to the Savings Bank formed part of the proceedings, until after it had been sold by Sheriff's sale.

And further this Deponent saith not, and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JOHN YOUNG.

Signed before me, at Montreal,
this eighteenth December,
1850,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this nineteenth day of December, one thousand eight hundred and fifty,

Personally came and appeared, the Honourable *James Ferrier*, of the City of Montreal, who, having been duly sworn, deposeth and saith :

I am one of the Directors of the Savings Bank, and have been since the time of its formation. I was also second Vice-President of the Bank from April the twenty-fourth, eighteen hundred and forty-seven,

up to the time of its suspension. I was in the habit of attending the meetings of the Board of the Bank when I could—when I was in the country. I visited Europe in 1846. I was absent from about the month of April, and returned in the fall of the same year.

I was a Director of the High School. I think from the time of its opening, or from the end of 1844, and have continued so to the present time. I recollect having signed two notes early in 1844, for the purpose of making application for a loan of six hundred and sixty pounds, from the Savings Bank to the High School. I find my name being recorded as present at a meeting of the Savings Bank, held the second February, 1844, when the loan was agreed to, on the application of Mr. Davidson, Secretary to the High School. I do not remember whether any portion of this loan had been repaid at the time of the suspension of the Savings Bank. To the best of my recollection the notes were made payable jointly and severally. I had myself paid no portion of these notes at the suspension of the Bank. I have, since the suspension of the Savings Bank, paid my proportion as it was then calculated, supposing each individual on the notes would had paid his quatum. It was during the present year that I paid my proportion. I requested Mr. Davidson to pay it and charge it to me, and I know the amount has been paid. I rather think that I had told Mr. Davidson, some time before, to pay my quatum or proportion of the said notes, when required. I am aware that some portion of the amount of these two notes is still unpaid. I am engaged with Mr. Davidson the first leisure day, in collecting the amount from those parties who have not yet paid their proportion. I paid my proportion in cash. I think it was forty pounds. I did not purchase transfers or books for the amount. I believe Mr. Davidson, or some of the other parties to these notes, paid their proportion, or part of it, in transfers of Savings Bank books.

I recollect being present at a meeting of the Directors of the High School, held the 5th June, 1845. At that meeting a committee was appointed for making necessary arrangements to provide funds, consisting of Mr. Benjamin Holmes, Mr. Murray, and Mr. Davidson, Secretary. I have no knowledge, as Director of the Savings Bank, of the steps taken by those gentlemen. I have no recollection of having authorised any payments from the Savings Bank to the High School between 5th June, 1845, and 9th September, 1845. I attended the meeting of the Directors of the High School, on the 9th Sept., 1845, when the meeting took into consideration the financial statements prepared by the Secretary, from which it appeared necessary to borrow the sum of four thousand pounds, for the purpose of completing the new school house. It was resolved to apply to the Savings Bank for a loan of that sum, and to offer the guarantee of the Directors as security.

Ques. Were you aware at the time of that meeting, that is, on the 9th September, 1845, that the Savings Bank had made one or more payments to Mr. Davidson, Treasurer of the High School, on account of a loan to that institution ?

Ans. I am unable to say.

In the summer of 1845, to the best of my recollection, the circumstances of the High School were thus : A sum of money had been subscribed for the purchase of ground, and for the building of the High School. That sum not having been sufficient to complete the whole undertaking, it was necessary to borrow money for its accomplishment ; and I understood that the money was to be obtained from the Savings Bank by giving a mortgage on the property, with the personal guarantee of the Directors of the High School. I was a Director of the Savings Bank

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

at the time, but I have no recollection of being at any meeting of the Savings Bank Board where the matter was brought up.

Ques. Were you in the habit frequently of attending at the Savings Bank in the summer of 1845?

Ans. I think I was not at all regular in my attendance at the Savings Bank, being much engaged in public business as Mayor of the City at the time. I think the Savings Bank received very little of my attention that year.

Ques. Do you recollect whether you sanctioned the first payment made by the Savings Bank to the High School on account of the loan?

Ans. To the best of my recollection I did not.

Ques. When were you first made aware that any payments had been made on account of a loan by the Savings Bank to the High School?

Ans. I am unable to give any date.

Ques. Are you aware by whose authority the first payments on account of a loan by the Savings Bank to the High School were made?

Ans. I am not.

Ques. Was it ever alleged, and if so, by whom, at any meeting of the Board of Directors of the Savings Bank, or by any of the Directors of the Savings Bank individually, to your knowledge, that the payments on account of the loan to the High School, or any of them, had been made without authority?

Ans. The remarks I have heard were, that although it was Mr. Davidson, the Secretary of the High School, and Cashier of the Bank with which the Savings Bank kept its account, the document for the loan ought to have been executed before any money was paid.

Ques.—When did you first hear of such an objection having been made?

Ans.—I do not remember.

Ques.—Was the Actuary of the Savings Bank ever censured in your presence—if so, by whom, as having paid moneys on account of the loan without security?

Ans.—I have often said, in conversation at the Board and at other times, that I thought he had done very wrong in not having had proper security before he paid the money. Mr. Eadie replied, that he had always had perfect confidence in Mr. Davidson, that he would complete the security as promised. Mr. Davidson was then Secretary of the High School.

Ques.—Can you say when you first had conversation of the nature which you have just detailed?

Ans.—I am unable to give you the date.

Ques.—Can you say it was before the year 1847?

Ans.—I cannot say; but I have an impression it was.

Ques.—Were you present at the meeting of the Finance Committee, held on the 20th January, 1846, when a sketch of the state of the funds of the Bank was laid before the meeting?

Ans.—I find my name inserted on the minute of that day as having been present.

Ques.—Is there any record there, having reference to the loan to the High School, or are you aware that it was then discussed, or any objection taken to its having been made?

Ans.—I find nothing in the minutes, and cannot recollect whether it was discussed or not.

And further the deponent saith not; and, having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

J. FERRIER.

Signed before me, at Montreal,
this 19th day of December,
1850,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this twentieth day of December, one thousand eight hundred and fifty,

Personally came and appeared, *Hew Ramsay, Esq.*, merchant, of the City of Montreal, who, having been duly sworn, deposeth and saith:

I am a Director and the Honorary Secretary to the High School of this City; I have been so since August, 1847. I was a Director of the Montreal Provident and Savings Bank, from 4th May, 1848, to 12th October, 1848; I resigned my office in the Savings Bank, considering, from the relative position of the Savings Bank and the High School at the time, that it was incompatible to hold office in the two institutions. I have no knowledge except what I have derived from the books of the High School, respecting the loan to it by the Savings Bank. I have in my possession, as Secretary of the High School, the minute-book of the meetings held there, and I find in that minute-book references to the loan to the High School at meetings held there—on 29th April, 1845; 5th June, 1845; 9th September, 1845; 10th October, 1845; 18th September, 1845; 29th November, 1845; 20th December, 1845; 9th January, 1846; 9th January, 1847; 21st August, 1847; 23rd October, 1847; 22nd November, 1847; 2nd December, 1847; 26th February, 1848; 6th April, 1848; 26th July, 1848; 28th July, 1848; 28th September, 1848; and 7th July, 1849. I will extract those portions of the minute which refers to the loan, and furnish this Commission with certified copies.

And further this deponent saith not; and, having had this, his deposition, read over to him, he declares it to contain the truth, persists therein, and hath signed.

H. RAMSAY.

Signed before me, at Montreal,
this twentieth day of Dec.,
1850,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this twentieth day of December, eighteen hundred and fifty,

Personally came and appeared, *Benjamin Holmes, Esquire, Merchant*, of the City of Montreal

I was party to two notes granted to the Savings Bank, for a loan to the Directors of the High School for between six and seven hundred pounds, about the year eighteen hundred and forty-four (1844). I was not aware that those notes had not been taken up, until about two years past, when I received a notice from the Montreal Bank, calling upon me to

Appendix
(Q. Q.)

15th July.

pay two notes purporting to be signed by me, which, having no recollection of, I feared might prove forgeries, and I proceeded immediately to the Bank to ascertain—when two notes, signed jointly and severally by eight or ten persons, in favour of the Savings Bank, were exhibited to me, and on which my signature was one, at which I expressed my surprise, being under the impression that the Bills had long previously been retired. I then proceeded to the Savings Bank, to inquire how it happened that those Bills had not been liquidated, and, not receiving satisfactory information, called upon two or three of the other signers, and urged some measures should be adopted to relieve ourselves from the claim. A meeting of the parties interested, shortly afterwards took place: when it was determined each to pay in, in the hands of Mr. Davidson, twenty-seven pounds ten shillings, with which, when all collected, a broker was to be employed to purchase up a sufficient amount of claims against the Savings Bank to cancel the demand against the signers of the notes: in addition to the signers of the notes, there were others liable for that debt, making the whole party, I think, twenty. I paid in my quota immediately to Mr. Davidson, and supposed, as generally understood it would be the case, that the whole affair was satisfactorily arranged with the Savings Bank. Subsequently, however, I received a lawyer's letter, intimating that a suit would be instituted against me: whereupon I waited on Mr. Badgley, the lawyer who had so addressed me, begging to take no proceeding until such time as I could see other parties interested, which I did, and urged upon Mr. Murray and Mr. Davidson the propriety of assessing all the parties liable under a letter of guarantee originally given, and thereby of completing the payments of the notes. A considerable time elapsed, when I received a second notification from Messrs. Badgley & Abbott, when I learned that there was a balance still unpaid upon the notes; whereupon I again went down to the office of the Savings Bank, and learned that some of the parties liable for the debt, under the letter of guarantee previously alluded to, had refused to pay up their quota; whereupon I urged that gentleman and Mr. Davidson, whom I also saw, to make an effort to collect the outstanding quotas, failing which, the deficiencies should be supplied by those who had already paid. I expressed myself ready to pay my proportion and anxious to see the matter settled.

I recollect being appointed one of a Committee, of whom, I believe, Messrs. Davidson and Murray were also members, for the purpose of acquiring a property whereon to erect a High School. I cannot say what year I was so appointed. I think some proceedings were reported respecting a purchase from Mr. Lamothe, the particulars of which, in consequence of the lapse of time, have escaped my memory. Nor can I particularly state any circumstances touching the loans from the Savings Bank to the High School.

I remember of being asked, in 1845, I think, to become party to a notarial obligation in favour of the Savings Bank, which I declined. This obligation was presented to me in consequence of my connection with the High School. I never became responsible to the Savings Bank for any loan to the High School, except that I have already mentioned.

And further this deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

BENJ. HOLMES.

Signed before me, this 20th Dec.,
1850, at Montreal,

Wm. Brisrow,

Commissioner.

Province of Canada, }
District of Montreal. }

On this twenty-first day of December, one thousand eight hundred and fifty,

Personally came and appeared, Mr. James Rigney, of Montreal, Superintendent of Public Works, who, having been duly sworn, deposed and saith:

I was a depositor in the Provident and Savings Bank and at the time of its suspension, it was indebted to me (£650) six hundred and fifty pounds. I since received a dividend, amounting, I believe, to (£130) one hundred and thirty pounds. Afterwards I went to Mr. Lunn, to ascertain what the prospects were of the settlement. I think, when I received my dividend, a Clerk of the Bank told me, that if I saw Mr. Lunn, I could probably make arrangements with him for a transfer. When I saw Mr. Lunn, he wanted me to take a transfer of a mortgage. I declined to do so, without the security of Mrs. Lunn in addition. The mortgage he offered me was on a property at Sorel or Three Rivers. I think it was of Mr. McNic. As Mr. Lunn would not give me additional security, I did not enter into any arrangement with him. Some time afterwards I saw Mr. Armour, in consequence of an advertisement, I believe, that I had seen in his name, or of a letter that I had received from him; and I made a sale of my book to him, for (£300) three hundred pounds. The balance due to me by the Bank was (£520) five hundred and twenty pounds, besides interest. Mr. Armour went with me to Mr. Gibb, the Notary, or sent me there; and Mr. Gibb went with me to either the Upper Canada or Commercial Bank, and there paid me. He had a cheque in his hands, and for which I got the cash. I do not know whose name was on the cheque. I do not think that Mr. Gibb's name was on the cheque.

And further this deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JAMES RIGNEY.

Signed before me, this 21st Dec.,
1850, at Montreal.

Province of Canada, }
District of Montreal. }

On this thirtieth day of December, eighteen hundred and fifty,

Personally came and appeared, James Court, of the City of Montreal, Esquire, who, having been duly sworn, deposed and saith:

I am Actuary of the Montreal Provident and Savings Bank, and have been since 12th August last. I now produce certain papers belonging to that institution, of which the following are copies:

No. 1.

MONTREAL, 1st February, 1844.

GENTLEMEN,—The Directors of the High School of Montreal are desirous of borrowing the sum of £310, which they may require for one or two years, and as security they offer the enclosed note for the same amount, signed by Messrs. Murray, Lemoine, Torrance, Holmes, Savage, McCulloch, Campbell, Ferrier, and myself.

The Directors further wish to have a current account opened with the Savings Bank, which they may have the power of overdrawing to the extent

Appendix
(Q. Q.)

15th July.

of three hundred and fifty pounds currency; and as security, they offer the enclosed note for that amount, signed by Messrs. McCulloch, Torrance, Luim, Campbell, Lemoine, Day, Holmes, Ferrier, and myself.

I am, Gentlemen,

Your obedient servant,

(Signed,) D. DAVIDSON,
Secretary.

The President and Directors of the
Provident and Savings Bank,

No. 2.

MONTREAL, 7th February, 1844.

JOHN EADIE, Esquire, Actuary.

SIR—The notes for £350 and £310 were lodged with the Savings Bank as collateral security for the money borrowed by the Directors of the High School, as explained in my letter of 31st ultimo.

The payment of the money to the Directors of the High School is established by the cheques which are drawn by me as security. It is true that the notes would not cover the interest that might be due upon the loan, and if you require that this also should be secured, I will leave as much as is necessary to meet it, undrawn for.

I am, Sir,

Your obedient servant,

(Signed,) D. DAVIDSON,
Secretary.

No. 3.

On this day of the month of in the year of our Lord one thousand eight hundred and forty-five, before the undersigned public notaries, duly commissioned and sworn in and for that part of the Province of Canada heretofore constituting the Province of Lower Canada, residing in the City of Montreal, in the said Province, personally came and appeared "The High School of Montreal," duly incorporated by Act of Parliament, passed in the last Session of the Parliament of this Province, herein acting and represented by James Ferrier, Benjamin Holmes, and David Davidson, Esquires, of the said City of Montreal, three of the Directors of the said High School, and duly authorized and appointed a Committee for the purposes hereof, by a Resolution passed at one of the recent meetings of the Board of Directors of the said High School, who acknowledged and confessed to be truly and justly indebted on the day of the date hereof, unto "The Trustees of the Montreal Provident and Savings Bank," parties hereto and herein acting, and stipulated for and accepting by William Lunn, Esquire of the said City of Montreal, one of the said Trustees, and President of the said Bank, in the sum of four thousand pounds currency, for value which the said High School of Montreal do hereby acknowledge and confess to have received in cash to them lent and advanced, before the execution hereof, by the said Trustees of the Montreal Provident and Savings Bank, to their satisfaction.

And which said sum of four thousand pounds the said High School of Montreal, represented as aforesaid, do hereby promise, bind and oblige themselves and their successors to well and truly pay or cause to be paid unto the said Trustees of the Montreal Provident and Savings Bank, their representatives or assigns, at or before the expiration of six months from the day on which the said Trustees of the

Montreal Provident and Savings Bank, their representatives or assigns, shall serve a notice in writing unto the said High School of Montreal, or their successors, or their Secretary or Treasurer, or any of the Directors of the said High School of Montreal for the time being, that payment of the said sum is required, together with interest on the said sum of four thousand pounds, until payment thereof, from this day, at the rate of six per centum per annum, the said interest to be payable on the thirty-first day of December, and thirtieth day of June, in each year, until payment of the said sum, the first payment whereof to become due on the thirty-first day of December, now next ensuing;

And for securing the payment of the said sum of four thousand pounds, and the interest to accrue thereon, the said High School of Montreal represented as aforesaid, do hereby bind, charge, encumber, mortgage and hypothecate all and singular that certain lot of land situate, lying and being in the said City of Montreal, containing two hundred and forty feet in front by the depth which may be found from Lagachetière Street to Belmont Street, that is to say; two hundred and forty-four feet in depth on the south-west side, and but two hundred and ten feet on the other side to the north-east, at which said depth the said lot of land contains but two hundred and thirty-seven feet and ten inches in breadth, as the whole appears and is laid down on a figurative plan, and *proces verbal* of survey annexed to the deed of sale of the said lot of land from the heirs Lamothe to the said High School of Montreal, passed before E. Guy and his colleague, notaries public, bearing date the seventh day of June now last past; the whole more or less, and English measure, bounded in front by Lagachetière Street aforesaid, in rear by Belmont Street aforesaid on one side, to the south-west by the continuation of St. Genevieve Street, and on the other side by the said heirs Lamothe [with an extensive stone house or building now being thereon erected.]

And as further security in the premises, the said High School of Montreal, represented as aforesaid, do hereby further promise, bind and oblige themselves and their successors to cause the buildings erected and to be erected on the said lot of land to be forthwith insured against loss and accidents by fire, at the office of the Montreal Fire Insurance Company in this city, for an amount to be at no time less than the said sum of three thousand pounds, or the full value of the buildings erected or to be erected on the said lot of land, from time to time and at all times, until full payment and satisfaction shall be made of the said sum of four thousand pounds and interest to accrue thereon, and the policy or policies of such insurance to be from time to time endorsed and transferred over unto the said Trustees of the Montreal Provident and Savings Bank, their representatives or assigns.

And at the passing of these presents, also personally came and appeared and intervened, the said James Ferrier, Benjamin Holmes and David Davidson, for themselves and in their own personal and individual names; the said William Lunn, also for himself, and in his own personal and individual name, and [James Ferrier, of the said City of Montreal, Esquire; Benjamin Holmes, of the same place, Esquire]; David Torrance, of the said City of Montreal, merchant; Benjamin H. Lemoine, of the same place, Esquire; John Young, of the same place, merchant; Charles Geddes, of the same place, merchant; George William Campbell, of the same place, physician and surgeon; Michael McCulloch, of the same place, physician and surgeon; James Crawford, of the same place, physician and surgeon; the Honble. George

Note.—The words in brackets were words written in pencil in the original deed.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)
15th July

Appendix
(Q. Q.)
15th July.

Moffatt, of the same place, merchant; William Collis Meredith, of the same place, advocate; John J. Day, of the same place, advocate; William Murray, of the same place, Esquire; who declared to have become, and by these presents do become, bail and security, jointly and severally, *solidairement*, each renouncing to the benefits of division, discussion and fidejussion, for and with the said High School of Montreal, for the due, faithful and punctual payment in manner aforesaid of the said sum of four thousand pounds, and the interest which may from time to time accrue thereon, and thereof they the said James Ferrier, Benjamin Holmes, David Davidson, William Lunn, David Torrance, Benjamin H. Lemoine, John Young, Charles Geddes, George William Campbell, Michael McCulloch, James Crawford, George Moffatt, William Collis Meredith, John J. Day, and William Murray do hereby make their own personal affair.

And for the execution of these presents the said parties hereto have elected their domiciles respectively at the office of the Prothonotary of and for the District of Montreal, in Montreal aforesaid, where, &c.

This done and passed at the said city of Montreal, in the office of Thomas J. Pelton, one of the undersigned notaries on the day, month and year herein first before written. In witness whereof the said parties hereto have hereunto set and subscribed their names with, and in presence of us the said notaries, these presents having been first duly read.

JAMES FERRIER,
B. HOLMES,
D. DAVIDSON,
WM. LUNN,
D. TORRANCE,
B. H. LEMOINE,
JOHN YOUNG,
CHAS. GEDDES,
G. W. CAMPBELL,
M. McCULLOCH,
JAS. CRAWFORD,
G. MOFFATT,
W. C. MEREDITH,
J. J. DAY,
WM. MURRAY.

The above signatures were written in lead pencil on the original deed.

(No. 4.)

PROVIDENT AND SAVINGS BANK,
MONTREAL, 10th August, 1847.

SIR,—At a meeting of the Finance Committee of this institution, held to-day, the state of the debt due by the trustees of the Montreal High School was brought before them, and I was ordered to represent to you, that as the money advanced by the Bank is a heavy amount, viz. :

1844.	
Feb. 3.—Cash.....	£660 0 0
Overdrawn on current acc't...	162 10 9
Cash paid you at various times on account of buildings, &c.	3700 0 0
Making an amount of principal of.....	4522 10 9
And interest to 30th June, about	538 0 0
Making a total of.....	£5060 10 9

The Directors consider themselves compelled to call upon the Trustees, not only for a completion of the mortgage upon the High School property, and the other securities to which they are entitled, but

particularly for an immediate settlement of the heavy amount of interest, no payment whatever having hitherto been made in liquidation of either.

Will you be so good as to lay this matter before the General Meeting, which I believe is to be held to-day, and let me know what resolution they came to thereon.

I am, &c., &c.,

(Signed,) JOHN EADIE,
Actuary.

DAVID DAVIDSON, Esq.,
Secretary High School.

(No. 5.)

JOHN EADIE, Esq.,
Actuary.

SIR,—Will you have the goodness to arrange a meeting between the Finance Committee of the Savings Bank and the Directors of the High School, upon the subject of the debts of the latter institution.

I am, Sir,

Your obedient servant,

(Signed,) D. DAVIDSON.

Oct. 25, 1847.

(No. 6, A.)

BANK OF BRITISH NORTH AMERICA.
April 6th, 1848.

Mr. Davidson will be obliged to Mr. Eadie to state the sum due by the High School, *with interest to this date*, also the amount of the promissory notes held by the Bank, with interest to date.

Mr. D. would wish this before 12.

(No. 6, B.)

PROVIDENT AND SAVINGS BANK,
MONTREAL, 6th April, 1848.

High School Account.

1844.	
Feb. 3.—Cash advanced on notes.....	£660 0 0
1848.	
April 6.—Interest 4 years 63 days.....	165 4 8
We hold two notes for this amount, having int. as above.	825 4 8
1847.	
Dec. 31.—Overdrawn on deposit account	172 5 2
97 days interest	2 14 10
“ “ Am't advanced on Gen. Acc't, and Int. to date,	4211 8 4
97 days int. on £3700.....	59 0 0
Total amount due by High School, April 6, 1848.....	4270 8 4
	£5270 13 0

(Signed) JOHN EADIE,
Actuary.

No. 7.

MONTREAL, 26th April, 1848.

John Eadie, Esq.,
Cashier Provident Bank.

SIR,—I have to acknowledge receipt of your favour of the 24th inst. The Directors of the High School have been engaged, for some time past, in attempting to raise the amount of personal security required by the Bank previous to the discharge of the debts on the School. As yet, they have only been able to procure a portion of the sum wanted; but I trust, within fourteen days from this date, to be able to make a more agreeable report to you of their progress. I hope your Directors will concede this farther delay. I assure you, the Directors of the High School are very anxious to place their obligations to the Bank on a more satisfactory basis than that on which it now rests.

I am, Sir,

Your most obedient,

(Signed,) HEW RAMSAY,
Hon. Sec. High School.

No. 8.

GREAT ST. JAMES STREET,
20th July, 1848.

SIR,—Your letter of the 14th inst., addressed to the Secretary of the High School, has been brought under my notice from the circumstance of my being a Director of that institution.

There are some expressions in that letter which I feel called upon to notice; and I shall take the opportunity of explaining my views with regard to the transaction which has given rise to the correspondence between the Savings Bank and the High School.

Your letter states that the deed of Mortgage was actually signed by me. This is an error; my name merely appears there in a pencilled memorandum of those gentlemen who formed the direction of the High School at that time.

Your letter farther states that there was an irregularity in the way of obtaining the loan, and that it did not come before the Board in the usual way; and that, therefore, it becomes the special duty of the President of the Bank, who authorised the payment of the money, and of the Secretary of the High School, who received the advances, to have seen that the Bank was properly secured.

Permit me to say that I was not before aware that there was any particular form of application for loans of money from the Savings Bank, and was, until very recently, in ignorance that there had been any want of formality or due observance of the rules of the Savings Bank with regard to the one in question. There was no want of formality on the part of the High School, as the resolution to apply for a loan to the Savings Bank is regularly entered upon the minutes of the Directors; and surely, when the payment was authorised by the President of the Savings Bank, I had no reason to doubt that the matter had been regularly brought before and sanctioned by the Directors of that institution. If the officers of the Savings Bank are chargeable with neglect, it appears to me out of place to refer to their conduct in a letter addressed to the Secretary of the High School; and still more so, to connect me with the alleged irregularity, as if I had been cognisant of its having taken place.

As to the time the money was received from the Savings Bank, three members of its Finance Committee were Directors of the High School, and one of these gentlemen was upon a Committee appointed in June, 1845, before any money was received from the Savings Bank, for the purpose of providing funds for paying the instalment on the property of the High School, and for building. That these gentlemen believed that security would be given to the satisfaction of the Savings Bank, I entertain no doubt otherwise, I am satisfied they would not have sanctioned the payment of the money. My impression, as is evidenced by the draft of the bond referred to in your letter, was that the personal security of the Directors was to be given in addition to the mortgage over the property. This remark however will only apply to the £2400 advanced previous to October, 1845, when it was known that the Directors would not become parties to the deed drawn by Mr. Pelton; at the same time I believe that the sums subsequently received, were given in the full belief that the Savings Bank would be secured, if not in the form which was first intended, in some other having the same effect. When the money was borrowed, it was not anticipated that so large a sum as £4000 would be required as a permanent loan, because it was not supposed that nearly so large a sum as £7000 would be expended in the execution of the School House, and therefore there was less room for anxiety as to the security of the Savings Bank, or as to the safety of those who might make themselves personally responsible for the sum borrowed. You are already in possession of the extract, from the minutes of the High School, subsequent to the date to which I have alluded, and from these it would appear that the idea of a personal responsibility had been at least lost sight of, and that nothing beyond a simple mortgage was contemplated; but my belief is that had the matter been then pressed to a settlement, personal security would have been given, although not perhaps in the form prepared by the notary of the Savings Bank, which made each Director liable for the whole amount of the loan. The settlement however did not take place, and in the following spring the position of the High School was entirely changed, from the large sum expended upon the School House, as well as from other causes. It has been asserted that frequent application was made to the Directors of the High School, to have the security completed, but I have no recollection of any demand of the kind until the autumn of last year. I have there given what I believe to be a correct statement of the circumstances connected with the loan from the Savings Bank. A simple mortgage would not, there is reason to fear, now secure the Savings Bank from loss, and therefore the question naturally suggests itself, being, in my capacity of Director of the High School, one of the recipients of the money, have I incurred the moral responsibility alluded to at the close of your letter?

However unwilling I may be to incur any farther obligations connected with the High School, I at once admit that I am called upon to bear my proportion of any loss which may be sustained by the Savings Bank; but I must at the same time limit my admission of liability to the amount which was received previous to the refusal of the Directors of the High School to sign the deed prepared by Mr. Pelton. Up to that time the money was received without any objection being raised to the nature of the security which the Savings Bank was wont to require, and therefore I conceive the obligation to give that security to be binding upon the Directors. I feel strongly that the moment the Directors of the Savings Bank found any hesitation on the part of the Directors of the High School to incur a personal responsibility, no farther advances should have

Appendix
(Q. Q.)

15th July.

been made. It may be true, as I have already stated, that the Directors of the Savings Bank trusted, on the one hand, to the position of the High School, as then involving little risk, and on the other to a hope that, if necessary, the Directors of that institution would see the Savings Bank put right; but I have many reasons for believing that, had a personal liability of even a modified character been incurred by the Directors of the High School, there would have been to-day a different state of things as regards that institution, and very probably no difficulty would exist in its meeting all its engagements without the necessity for any extraordinary assistance.

In admitting any personal responsibility, I might perhaps say, that there is, strictly speaking, no greater moral claim upon me than upon any shareholder of the stock of the High School. It was well known that money had been borrowed from the Savings Bank, and every shareholder had as much interest in the application of the money as I had, and therefore the obligation to shield the Savings Bank from loss, if it exist at all, must be equally applicable to all. But I think it would not be proper in me to take advantage of this position, because it was with the Directors of the High School that the transaction took place, and I feel therefore that it is their especial duty to see that what is right is done, seeking a remedy for themselves from the shareholder whose interest they represent.

I am, Sir,

Your obedient servant,

(Signed) D. DAVIDSON.

The President of the
Montreal Provident and Savings Bank.

No. 9.

The High School of Montreal

To the Provident and Savings Bank Dr.

1845.

July 25th.	—To cash on account of loan,	£1200		
Aug. 30th.	do.	do.	1200	
Oct. 4th.	do.	do.	600	
Dec. 4th.	do.	do.	700	

£3700 0 0

Dec. 31st.—Interest to date..... 67 8 4

1846.

Dec. 31st. do..... 222 0 0

1847.

Dec. 31st. do..... 222 0 0

1848.

June 30th. do..... 111 0 0

£4322 8 4

Bearing interest from 30th June, 1848, on..... £3700 0 0
Aug. 2nd, 1848.

No. 10.

Memorandum for Messrs. Badgley and Rose.

You will perceive by the High School account, enclosed herein, that £1,200 was drawn from the Savings Bank in July, and £1,200 more in August, 1845; and that the first entry regarding borrowing money from the Savings Bank, in the books of the High School, was on September 9th. The loan was never regularly brought before the Finance Committee of the Savings Bank, but the money, it appears, was authorized to be advanced by some of the members connected with the High School direction, with the distinct understanding that the Bank was to have the personal guarantee of the Directors, same as in all other loans.

Appendix
(Q. Q.)

15th July.

This was the understanding that the late Actuary had, and the money was advanced Mr. Davidson, in perfect good faith, that such arrangements would be carried into effect as would make the Bank perfectly secure; and you will perceive by the resolution of the High School in September, that such was the intention of the Directors of the School, however much they may pretend otherwise now; and not only was this their intention, but on Mr. Davidson being informed that the Savings Bank had not money to lend at the time, he stated to Mr. Eadie, as an inducement to give the loan, that the Bank might overdraw its account with the Bank of British North America, to the extent of that loan, without its being considered over-drawing.

This Bank had several incompleated obligations for loans at the time of its virtual suspension, of the same nature, and all have been since honourably fulfilled by the parties. In the same manner, the Bank of British North America advanced a large sum to the Lachine Railroad Company, and which has since been honourably completed; without this, there would be an end to all confidence.

If Mr. D. had been a person who was not aware of such transactions, he might plead some excuse in the matter. It is true, that this Bank has made some overtures to the parties, rather than be obliged to resort to legal measures; and in the hope that the property might nearly pay the debt, none of which offers have been acceded to. And as it is ascertained that if the property was now sold, the Savings Bank would scarcely get anything, under these circumstances the Directors of the Savings Bank have a sworn duty to perform, which they cannot get clear of; and as they now feel convinced that there is a personal liability, they would not be doing their duty were they not to enforce their just claims to the utmost of their power, however painful the necessity may be.

The first minute of the 5th June refers entirely to preliminary arrangements, and it does not appear that the parties ever took any action, except for procuring subscribers to the School; certainly never took any action in regard to the Savings Bank loan.

Extracts from High School minute-book.

5th June, 1845.

"That Messrs. Holmes, Murray, and Davidson be a Finance Committee for the purpose of making such arrangements as may be necessary for procuring the funds for paying the instalments on the property, and defraying the costs of the building to be erected."

9th September, 1845.

Present: Ferrier, Meredith, Lemoine, Torrance, Geddes, Murray, McCulloch, Davidson:

Meeting, after considering financial statement, thought it necessary to borrow £4000 for purpose of completing School House. "It was resolved to apply to the Savings Bank for a loan of that sum, and to offer the guarantee of the Directors as security."

10th October, 1845.

"Meredith, Day, and Young appointed a committee for revising the form of security to be given to Bank."

29th November, 1845.

Present: Moffatt, Geddes, Lunn, McCulloch, Murray, and Secretary.

"The Secretary stated that he had called a meeting for the purpose of giving him authority to complete loan from Savings Bank."

Appendix
(Q. Q.)

15th July.

Mr. Moffatt, the Chairman, expressed a doubt as to the power of Directors to borrow money, and it was resolved to call a general meeting for the purpose of passing a by-law, authorising Directors to do so."

20th December, 1845.

Present at general meeting of stockholders: Boston, Meredith, Barret, Phillips, Leeming, Elder, Tait, Geddes, Campbell, James Torrance, Ostell, Day, Davidson.

J. Boston in the chair.

Moved by Mr. Leeming, seconded by Mr. Barret, and unanimously resolved, That it shall be the duty of the Directors to make from time to time such arrangements as may be necessary for the obtaining delay of borrowed money, and giving security for the payment of the debts which have been, or may hereafter be contracted for the erection of the School House and other works connected therewith, and for the purchase of the land upon which the said School House has been erected. And the Directors are hereby (so far as may be needful) authorized to mortgage and hypothecate the real estate, now belonging, or any real estate that may hereafter belong to this Corporation, for the purpose aforesaid, or any of them.

No. 11.

MONTREAL, 9th October, 1848.

SIR,—We have examined the papers submitted to us in reference to the claim of the Savings Bank for moneys advanced for the erection of the High School of this city, and are of opinion from the documentary evidence produced, and the statement of the transactions, that Mr. Davidson has incurred a personal liability for the repayment of the amount advanced by the institution.

We are, Sir,

Your obedient servants,

(Signed)

W. BADGLEY.
JOHN ROSE.

Hon. W. Morris,
President.

No. 12.

PROVIDENT AND SAVINGS BANK,
MONTREAL, October 13th, 1848.

THE HON. WM. BADGLEY,
Montreal.

DEAR SIR,—Conformable to a resolution passed at a meeting of Managing Directors of this institution, on the 11th instant, at which you were present, I now send you the paper in the matter of the claim against Mr. "D. Davidson of the High School," with a request that you will commence an action against that gentleman for the recovery of the amount, with interest. The amount claimed as principal is £3849 2s. 3d.; a statement of which is also sent.

There is a still further claim against the High School of £600, with interest; but as that amount is covered by promissory notes still current, no notice need be taken of it.

I am, Sir,

Your obedient servant,

(Signed)

CHARLES FREELAND,
Actuary.

No. 13.

HENRYVILLE, 13th October, 1848.

DEAR SIR,—Your letter of the 29th ultimo, did not reach me until the 3rd instant, and as the subject of it was to come before a meeting to be held on the 30th, it was then too late to answer it. In regard to the loan by the Bank to the High School, I am not aware that I can add much to what I have already said and written on the subject. The first part of the loan, that for which the two notes were given, came regularly before the Finance Committee; at least such is my impression; but the other and larger portion was advanced to, and at the special desire of Mr. Davidson, without any regular order of the Committee, in the first instance, at that time, 1845. Mr. Ferrier, Mr. Brondgeest and Mr. Dow were Directors of the Bank of British North America as well as of the Provident and Savings Bank, and my impression is, that Mr. Davidson had made an arrangement, at his own Board, for obtaining the first instalment of £1200, perhaps the second one also, before the subject came before the Directors of the Savings Bank at all, which is the more likely, as several of them were Directors of the High School at the same time, and cognisant of Mr. Davidson's acts as their Secretary; indeed such was the identity of the Boards, and the uncertainty of the amount required, that it was only after the second £1200 was paid, and an intimation from Mr. Davidson that more would be required, that it became a subject of discussion; and it was then that Mr. Davidson said to me, that there was less occasion for hesitation to give the sum he needed, as should we have occasion to overdraw the amount to that extent, he would not consider it as a loan to the Savings Bank.

I cannot say positively, at this distance of time, but I have an impression that I was informed by some of the parties that the first £1200 was for the purpose of paying off advances that had been made by the British Bank to the Directors of the High School. This, however, is only an impression on my mind, and not given decidedly. In regard to the question of the securities, the Directors have all the information I can give them. The incompleting deed is evidence of the intention, on the part of Mr. Davidson, to have the security in the usual way.

If I can be of any further service in this matter, I will always be glad to be so,

And am, Dear Sir,

Your obedient servant,

(Signed)

JOHN EADIE.

Wm. Lunn, Esquire,
&c.

No. 14.

PROVIDENT AND SAVINGS BANK,
MONTREAL, October 21st, 1848.

DEAR SIR,—The accompanying letter from Eadie, dated 13th instant, affords some little information, and ought to go with the High School papers.

Yours truly,

CHARLES FREELAND.

Hon. Wm. Badgley.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

No. 15.

The account of the Savings Bank against the High School, amounting to £4445 8s. 4d. is, I believe, quite correct.

Yours faithfully,

(Signed,) D. DAVIDSON.

J. J. Day, Esquire,
22nd February, 1849.

No. 16.

MONTREAL, 22nd June, 1850.

I have again carefully considered accompanying documents, submitted in relation to the question of Mr. Davidson's personal liability for the money advanced through him by the Saving's Bank, for the purposes of the High School.

Any doubt which may have previously existed as to whether the loan was made to Mr. Davidson, or to the High School, would appear to be set at rest by the fact that the Savings Bank have sued the High School, and by their allegations, accounts and proof have treated the advance as directly to the High School; so far then as to now charging any personal liability, by treating the loan as to Mr. Davidson, though answering to the benefit of another party, I consider the Bank's pretensions could no longer be supported.

The only other ground whereby I see liability could be pretended is, that Mr. Davidson, in procuring the loan for the High School, came under a personal undertaking to procure security from that institution.

The money would undoubtedly appear to have been advanced on the understanding that security should be given; and Mr. Davidson, in his letter to Mr. Redpath of the 29th July, 1848, admits "that he is" called on to bear his proportion of the loss, but limits his responsibility to the amount received previous to the refusal of the Directors "of the High School to sign the deed" prepared by Mr. Pelton.

His motive for making this admission is stated to be, "that he conceives the obligation to give the security binding on the Directors of the High School." Apart from this admission made long subsequent to the receipt of the money, I cannot on the most careful examination of the case, in all its bearings, see sufficient to charge Mr. Davidson with a personal undertaking in the first instance to procure the security; and notwithstanding the expressions in his letter, I should doubt how far any Court would infer that under all the circumstances a personal liability for any part of the debt was thereby contracted, save in conjunction with and on condition that the other Directors assumed their proportions.

Upon the whole, I should say that, though there may be some features in the case by which Mr. Davidson's personal liability for a portion of the debt might plausibly be urged; yet, upon the best consideration, I am not of opinion that such liability could be made out in a Court of Law.

Montreal, 22d June, 1850.

(Signed,) JOHN ROSE.

I produce the minute book of the proceedings of the Directors of the Montreal Provident and Savings Bank; and the following is a true copy extracted from the said book, of all the minutes relating to the

High School, from the 31st July, 1848, to the present time:

21st July, 1848.

A meeting was held this day, at ten A. M.

Present: Messrs. Redpath, Badgley, Murray, Elder.

A letter was read from D. Davidson, Esquire, on matters connected with the High School. Some conversation followed, when the meeting adjourned till the same day, at three, P. M.

FINANCE COMMITTEE,

31st August, 1848.

At a meeting of the Finance Committee, held this day, there were present: the Hon. William Morris, Messrs. John Redpath, William Murray.

High School.

The question discussed was, whether should a mortgage on the property be taken, as proposed by the present Trustees of the High School, or should a suit be entered against the individuals, parties to the loan, who borrowed the money. Ordered, that all the papers relating thereto be sent to Mr. Badgley, for his opinion.

MONTHLY MEETING.

22d September, 1848.

The usual monthly meeting of the Managing Directors was held this day.

Present: the Honourable William Morris, Messrs. Badgley, Redpath, Ferrier, Murray, Ramsay, Elder.

High School.

It was ordered that the claim against the High School be put into the hands of Mr. Badgley, to proceed as he thought proper; the views of the Directors being, that he endeavour to obtain a confession of judgment, in default of which a suit to be entered at once. Mr. Ramsay declined to vote on the question.

SPECIAL MEETING OF DIRECTORS.

30th September, 1848.

Present: the Hon. William Morris, J. Ferrier, and William Badgley, Messrs. Redpath, Elder, Lunn, Murray.

The meeting was called to hear from Mr. Badgley a report of his proceedings in the matter of the High School debt, pursuant to the Resolutions of the Monthly Meeting of September 22nd. Mr. Badgley reported that the present Trustees of the High School were unwilling to give a confession of judgment for the amount of the debt to the Bank, but that they will give a mortgage on the property simultaneously with another to be executed in favour of the builder for the amount of their claim (some £600 or more); or if an action be brought, they will allow judgment to go by default.

Some conversation ensued as to the best course to be adopted, and the opinion was expressed by some of the Directors that, taking into account the very small amount that would revert to this institution out of the property, if brought to sale, it would be the duty of the Directors to endeavour first to establish a personal responsibility, agreeable to the understanding at the time the money was advanced.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

It was then

15th July.

Resolved,—That no present proceedings in law be taken against the High School; but that counsel be taken as to whether an action against Mr. Davidson for the amount of the claim would lie, in which case proceedings to be taken against him.

The matter still to remain in the hands of Mr. Badgley.

On a vote being taken on the foregoing resolution, it was found to be:

In the affirmative, Messrs. Redpath, Lunn, Badgley, Murray.

In the negative, Messrs. Ferrier, Elder.

Carried by majority of two.

MANAGING DIRECTORS,

11th October, 1848.

The usual monthly meeting of the Managing Directors was held this day.

Present: the Honourable Messrs. Morris and Badgley, Messrs. Redpath Murray and Ramsey.

High School.

Mr. Badgley having, pursuant to the resolution of last meeting, consulted with Mr. Rose as to whether a personal liability could be established against Mr. Davidson; and their joint opinion being favourable, Mr. Badgley was instructed to commence an action against Mr. Davidson.

MANAGING DIRECTORS,

14th March, 1849.

At a meeting of the Managing Directors, held this day, there were present: J. Redpath, Esquire, J. Ferrier, Esquire, Vice Presidents; Messrs. Torrance and Murray.

High School.

Some conversation ensued as to the proper course to be pursued in relation to the claim against the High School. The Actuary was instructed to cause the necessary steps to be taken to obtain a judgment against the School, and to see Mr. Lamothe, with a view to ascertain what was his intention regarding the judgment he had obtained.

Notes of D. Davidson and others.

The Actuary was instructed to send a letter to each of the parties, calling for immediate payment, and to bring an action against all who did not at once come forward.

MANAGING DIRECTORS,

Tuesday, 5th June, 2849.

A meeting was held this day, at three o'clock, P. M., pursuant to adjournment.

Present: Messrs. Morris, Redpath, Murray and Badgley.

High School.

Some conversation took place respecting the sale of the High School building, advertised for the 9th of July, with special reference to the propriety of buying the claim of Lamothe. It was decided that further enquiry be made; in the meantime the matter not to be lost sight of.

FINANCE COMMITTEE,

Wednesday, July 4th, 1849.

Present: Messrs. Redpath, Ferrier, and Murray. The question of buying the claim of the heirs Lamothe against the High School, was again brought up, and a statement of the hypothecary claims against the property was laid before the meeting. It was decided to call a meeting of the Managing Directors on Saturday. Meanwhile, Mr. Ferrier to confer with the Directors of the High School, with a view to ascertain what they could guarantee to the Bank as rent or interest.

The meeting here alluded to was not called, for some reason or other. Meanwhile the question assumed new features.

And further the deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JAMES COURT.

Signed before me, at Montreal,
this 30th December, 1850,

W. BRISTOW,
Chairman.

Province of Canada, }
District of Montreal. }

On this thirty-first day of December, one thousand eight hundred and fifty,

Personally came and appeared, the Honourable *William Morris*, of the City of Montreal, who, having been duly sworn, deposed and saith:

I was a Managing Director of the Savings Bank from the fourth of May, 1848, until the twelfth of October of the same year, as explained in a letter which I addressed to this Commission, dated the 4th instant, and which forms Exhibit No. Fourteen of the papers filed for this Commission. I was also a member of the Finance Committee from the fourth of May, 1848, a Trustee from the sixth of May, 1848, and President from the sixth of May, 1848, to the date of my retirement, above mentioned. Previous to my assuming office in the Provident and Savings Bank, I had no knowledge of the transactions of that institution; but immediately after I took office, the financial transactions of the Bank became the daily subject of investigation, in order to provide funds to meet the daily demands on the funds by depositors. Mr. Redpath and myself went over the various loans that had been made by the Bank, in order to ascertain those that were past due, as well as to see of what loans the securities had not been completed; and of the former class, the Solicitor of the Bank was instructed to make the collection; and of such loans as proper security had not been obtained, the parties were called upon to make the requisite arrangements in completion. I cannot enumerate the particulars of these loans, farther than to say the High School was one of them. There were also various loans to Churches and to private individuals, for which securities had not been given. Amongst these, I recollect the two Methodist Churches, St. George's and Mr. Wilk's.

The loan to the High School occupied my attention particularly. I was not aware of it until I became an officer of the Savings Bank. Mr. Redpath detailed the circumstances of it to me, and expressed strong disapprobation of the manner in

Appendix
(Q. Q.)

15th July

Appendix
(Q. Q.)

15th July.

which it had been contracted. Some of the Trustees of the High School which had obtained the money, were also Directors of the Savings Bank. I have no doubt that all those gentlemen who acted in the double capacity of Directors of these two institutions, had approved of the loan when made. None of them ever disclaimed such approbation, to my recollection.

Both Mr. Redpath and myself considered these gentlemen in honour bound to see that the Savings Bank should be protected from loss by that loan, and we expressed that opinion. We called upon the High School Directors repeatedly, to fulfil their obligation to the Savings Bank. I recollect having written, in my capacity of President of the Savings Bank, in July, 1848, to the Directors of the High School, calling their attention to this loan, and urging the fact that some of the Directors of the High School were aware that the loan had been obtained through Mr. Davidson, the Secretary, and some of the Directors of the High School, who were at the same time Directors of the Savings Bank. I think the Trustees I referred to were Messrs. Ferrier, Lunn, and Murray, as members of both Boards. When I was aware of this loan to the High School, and of other irregularities in the management of the Savings Bank, I would have instantly resigned, had it not been from a fear that my resignation would injure the credit of the institution, and cause a further run upon it. I therefore felt it my duty to give my best assistance towards putting the Bank in a more favourable position. When I first took office, (on the 6th May, 1848,) and for some time after, I was not aware that there was any defalcation of the funds of the Bank on the part of the then Actuary, Mr. Eadie. I think I received the first information of a deficiency through the Honorable Mr. Ferrier. Early in July, 1848, Mr. Ferrier accosted me in the street, and stated that Mr. Eadie had been guilty of using the funds of the Bank without authority. I understood this misapplication had long existed. Mr. Ferrier, I think, mentioned that his son-in-law, Mr. W. S. Macfarlane, was in some way involved in the misapplication of funds. I understood some days after, from some of the Directors, when the subject was discussed at the Board, that an investigation into Mr. Eadie's accounts had taken place, and that Mr. Eadie had offered to give up all the property he owned towards covering the deficiency. All these investigations were made by two or three of the Directors, I think Mr. Ferrier, Mr. Redpath, and Mr. Murray, who reported to me, as President, their proceedings, when we met at the Board. By reference to the minute book, I perceive that at a meeting of the Directors, held on the 14th July, 1848, at which I was present, the dismissal of Mr. Eadie was determined on, which resolution was accordingly carried out. I recollect Mr. Eadie being present on the occasion. He admitted the defalcation. He did not state the precise amount; it had not then been fully ascertained. It was about the time of the suspension of the Savings Bank that the dismissal of Mr. Eadie occurred. At the meeting of the 14th of July, 1848, it was determined to proceed no further in paying in full, but to tender to all depositors twenty per cent. on the amount at their credit, payable on certain days stated in the minute. I remember also a minute being passed on that day, which will be found in the minute book, authorizing transfers of mortgages on real estate held by the Bank, to some of the larger depositors, to an extent not exceeding ninety per cent. on the amount of any such deposits.

Ques. Have you any recollection of any other resolution passed at that meeting of the Board, re-

lating to payments to depositors besides those you have already enumerated?

Ans. I have not.

Ques. From your recollection do you think that any resolution authorising transfers of deposit books was passed at the meeting of the Board already referred to?

Ans. I have no knowledge of any such resolution, nor do I think that such a resolution could have passed without my remembering it.

Ques. Have you any recollection that a resolution was passed at any time authorising the transfers of deposit books?

Ans. I have no recollection of any such resolution having at any time been passed.

And further the deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

W. MORRIS.

Signed before me, at Montreal,
this 31st December,
1850.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this thirty-first day of December, one thousand eight hundred and fifty,

Personally came and appeared *John Redpath, Esq.*, of the City of Montreal, who having been duly sworn deposed and saith:

I am President of the Montreal Provident & Savings Bank, and have been since the seventeenth October, 1849, When I succeeded the Hon. Mr. Morris in that office. From the time of the opening of the Savings Bank until the seventeenth October, 1849, I had been Vice-President of the Bank. I have been a Managing Director of the Savings Bank from the time it was opened until now. I have also been a member of the Finance Committee during nearly, if not entirely the whole time the Bank has been in operation. I have latterly, that is from the time I was appointed a Trustee which was in the spring of 1848 taken an active part in the management of the Bank. I did not do so previously. I think there was nearly an entire year from the spring of 1845, that I do not recollect having attended any of the meetings, having been absent from Montreal a considerable part of the summer, 1845.

I cannot say the precise time in 1845 that I left Montreal, but I know it was in the summer. It must have been after the twenty-fifth of July, 1845, probably a few days after. I have no recollection of any loan to the High School having been applied for at the Savings Bank, at any meeting at which I was present in 1845. I certainly never sanctioned any such loan being made in 1845. I am aware, however, that a loan to the extent of three thousand seven hundred pounds was made by the Savings Bank to the High School in 1845, the first payment on account of which was made on the twenty-fifth July in a cheque for twelve hundred pounds. That cheque bears my signature as Director. I account for my signature being to this cheque in this manner; Mr. Eadie was in the habit of applying to some one or other of the Directors in the absence of the President to sign one, two or three cheques for the day.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

These cheques were ordinarily left blank as to the amount, which was subsequently filled in by the Actuary. My signature to this cheque for twelve hundred pounds must have been given in this manner. I certainly never authorised or contemplated this amount being lent to the High School. I do not recollect to have had any knowledge that a loan had been granted by the Savings Bank in 1845 to the High School, until towards the fall, 1847; and, when I was informed, I was greatly surprised that such a loan had been granted, and the securities not completed. The subject was discussed at a meeting of the Finance Committee of the Savings Bank, held on the tenth of August, 1847. The proceedings then adopted will be found recorded in the minute book. I was present at the meeting, and I expressed myself very indignant, both at the extent of the loan and at the manner in which it had been made. At various subsequent meetings I also expressed similar sentiments. I spoke to Mr. Eadie particularly about these loans, and asked how the thing occurred. This was in the spring 1848. I requested Mr. Eadie to state to me in writing what he recollected of the particulars of the loan. Mr. Eadie handed me a memorandum which I now exhibit, of which the following is a correct copy.

Montreal High School Loan.

The whole of the advances made by the Bank to this institution, were at the personal solicitation of Mr. Davidson. We have his letter explaining his object in applying for the first sum of £660. The others were made by verbal arrangement between him and those members of our Board who were Directors of both institutions, and the different sums, viz:

1845.		
July 25,	£1200	0 0
Aug. 30,	1200	0 0
Oct. 4,	600	0 0
Dec. 4,	700	0 0
	£3700	

were drawn for by Mr. Davidson.

Some of the gentlemen of our board, Mr. Armour I think, for one, objected to the extent of the loan, and in order to obviate these scruples, it was stated to me by Mr. Davidson, and repeated oftener than once, that if at any time the Bank required to do so, we were to overdraw our account to that extent, without its being considered an advance.

(Signed,)

JOHN EADIE.

19th April, 1848.
John Redpath, Esq.

No members of the board of the Savings Bank to my knowledge ever acknowledged to have authorised this loan. It was stated sometimes that Mr. Eadie had paid the amount without proper authority, but I cannot say that he was formally accused of having done so. Mr. Eadie certainly told me that he had received the sanction of some of the members of the board, but he did not particularise which. The then President of the Bank, Mr. Lunn, must have been perfectly aware that such moneys had been paid to the High School, and that no security had been given up to the time of the annual meeting of 1846 and 1847, when I think he declared that the vouchers were correct. He must have done so before he passed the annual report after the tenth of August 1847. The subject of the Savings Bank was brought up at numerous meetings of the Board, and references will be found to it in the minutes of the Board. It was at one time thought advisable to sue Mr. Davidson, Secretary to the High School, who obtained the money, for the amount, but the idea was abandoned, and the Corporation of the High School

Appendix
(Q. Q.)

15th July.

was sued. I think a judgment was obtained, but the large amount due to the *baillieur de fonds*, will absorb the whole proceeds of the property except six or seven hundred pounds, which is in contestation between the builder's claim and that of the Bank.

The examination of the witness is adjourned until the 2nd January next, and he hath signed.

Signed before me, at Montreal,
this 31st Dec., 1850.

J. REDPATH.

Province of Canada,)
District of Montreal. }

On this second day of January, one thousand eight hundred and fifty-one.

Personally came and appeared *James McCarne*, labourer, of the City of Montreal, who having been duly sworn, deposeth and saith:

I was one of the depositors in the Montreal Provident and Savings Bank, at the time it stopped payment. I had twenty or twenty-one pounds in it. I received a small dividend, amounting to about six pounds, a year after the suspension of the Bank, or thereabout. About the end of May or beginning of June last, I sold my book to one Mr. Barnard, for eleven shillings in the pound. I went with Mr. Barnard to the Bank. Mr. Barnard told the Clerk in the Bank that he bought my Bank book. The Clerk made an entry in the book, and told Mr. Barnard to watch the per cent. which I understood to mean that he must make the deduction of the dividend that I had previously received. I went back with Mr. Barnard to his office, and when he settled the account, from the manner in which he made it out, I found that I should receive less than ten shillings in the pound. I objected, and after some conversation he gave me ten shillings in the pound. The sum he paid me was eight pounds. He paid these ten shillings in the pound, he said, with a view that I should get for him some more Bank books: that he would buy as many as he could get: that I was not to tell the parties, what he, Mr. Barnard, would give, but to bring them to him.

And further the deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath declared to be unable to sign his name.

JAMES ^{his} ~~mark~~ McCARNE.Sworn before me, this 2nd
January, 1851,W. BASTROW,
Commissioner.

On this second day of January, one thousand eight hundred and fifty-one, the examination of the witness *John Redpath*, Esquire, was continued as follows:—

I wish to correct an error in my statement made before this Commission on the thirty-first of December last, arising from an inadvertence with respect to the time at which I was absent from Montreal, and in the United States. It was in the summer of 1846, and not that of 1845, that I was in the United States. I passed part of the summer of 1845 in Upper Canada, but I cannot say the precise time.

Appendix
(Q. Q.)

15th July.

In May, 1848, certain alterations of the Rules and Regulations of the Montreal Provident and Savings Bank were adopted. These are described in the minutes of the annual meeting of the 4th May, 1848. One of the objects of the change was to place the Trusteeship, which formerly existed in the thirteen managing Directors, in the hands of the President and Vice President, as mentioned in my evidence before this Commission on the thirty-first of December last. I was one of the Trustees appointed when this change in the system took place, and I subsequently paid more attention to the management of the Savings Bank than I had done before. The Finances of the Savings Bank were taken into consideration by the Trustees, about that time. An accountant, Mr. Blackader, had been employed to examine and post up the books; some of which were considerably in arrear. The deposit accounts were not in arrear, that I am aware of, but some of the general books were. At the time that I was so appointed Trustee, namely, in May, 1848, the accounts had only been formally made up to thirty-first December, 1847. Mr. Eadie had been repeatedly, I may say daily urged for the accounts in 1848, and he had repeatedly promised to have them ready. Previous to that time I had begun to be suspicious that something wrong was in the cash, and others, Directors, of whom I remember Messrs. Elder and Ferrier, and I think Mr. Murray, had expressed similar apprehensions. I am certain that my apprehensions had existed prior to May, 1848, but I cannot say positively that others had expressed themselves similarly before that time. Referring to the Journal of the Savings Bank now before me, I find that some of the entries for December, 1847, are in the hand writing of Mr. Blackader, consequently that book could not have been posted up to the thirty-first December, when Mr. Blackader was first employed. The cash book was also in arrear, not being entered up by Mr. Eadie beyond the 31st December, 1847.

When Mr. Blackader began to bring the books into shape, we found that there was a considerable deficiency of cash not accounted for. Upon examination of Mr. Eadie, and of the Paying Teller, Mr. Sharrocks, it was ascertained that he, Mr. Eadie, had kept a small book of his own, in which his private affairs were entered. I am not sure whether that book was kept by Mr. Eadie or Mr. Sharrocks. It was about that time also found that Mr. Eadie had been lending money without the knowledge or consent of the Directors, and that he had also taken money for his own purposes, without such consent.

I cannot charge my memory with the fact, sufficiently to say whether I was cognizant at the time I was made a Trustee, (6th May, 1848.) that Mr. Eadie was a defaulter, but I think I was not. I think it was also subsequent to my being a Trustee, that I ascertained the fact of a book independent of the general books of the Bank having been kept, detailing Mr. Eadie's private transactions. The book to which I refer was in the possession of Mr. Sharrocks the last time I saw it. I don't know what has since become of it. I spoke to Mr. Court, the present Actuary, a short time since about it, and he stated that he had never seen it. The book was a kind of pass book, between Mr. Eadie and Mr. Sharrocks, which Mr. Sharrocks said he had been ordered to keep by Mr. Eadie, at least such is my impressions.

The time when I first ascertained positively the defalcation of Mr. Eadie, was when the run was about commencing on the Bank. As at first we could not tell the precise amount of the deficiency, and as we feared that it might be to a greater extent than we had even yet ascertained, it was judged advisable to keep on Mr. Eadie, until we had

got the whole of the information, and also obtained security on the whole of his property.

The matter of the defalcation of Mr. Eadie was frequently talked of previous to the suspension of the Bank, but the first entry that appears in the minutes in relation to it, is on the 14th July, 1848, the day on which the Bank suspended payment, the probable extent of the loss by Mr. Eadie having been about then ascertained.

I recollect Mr. Murray and Mr. Ferrier having informed me that Mr. Eadie had lent money to Mr. W. S. Macfarlane, and also that he had taken money for his own purposes, but whether this information was prior to my being a Trustee or not, I do not recollect. This conversation confirmed my suspicions that I had previously entertained: I am not quite certain that when Messieurs Murray and Ferrier informed me that Mr. Eadie confessed to them that he had taken money for his own purposes, whether or not he had stated at the same time, that he had lent money to Mr. Macfarlane, when Mr. Eadie explained to the Board the nature and amount of his deficiencies, he either mentioned that he had notes for the amount from Mr. Macfarlane or showed these notes. I do not think that any member of the Board knew any thing about the notes having been taken until that time, or very shortly before, at all events I did not. The notes originally given by Mr. Macfarlane to Mr. Eadie, were made payable to Mr. Eadie as Actuary, or to him individually and not to his order, and it was thought necessary by Mr. Badgley, who was one of the Directors of the Bank, and who also acted as one of the Counsel for the Bank, that a change should be made in the form of these notes, in order to make them valid, so that the Bank might claim for them on Mr. Macfarlane's estate. I think the alteration that was made, substituted as the payee Mr. Eadie or his order in his individual capacity. I do not recollect whether the new notes bore the same date as the old ones for which they were substituted; if they were not dated the day on which the change was made, I have no doubt in my own mind that they bore the same date as the notes for which they were changed. I believe that it was not usual to take notes by the Bank in favour of the Actuary of the Bank, in those few cases where notes were given as collateral security in addition to mortgages, I am not aware of any of them having been given in favour of the Actuary, I think they were either given in the name of the Trustees or of the President and Directors. At the time when these notes of Mr. Macfarlane were exhibited to me, with others of the Directors, I remember that several other notes were also shown, but whether any of them were in Mr. Eadie's name as Actuary I cannot say. I think another note was changed in the same way as these of Mr. Macfarlane, and on the same ground, but I cannot say positively. It was I think Messrs. Mathewson and Sinclair's, or Mr. John Mathewson's note, that was so changed. Mr. Eadie was debited with the amount of Mr. Macfarlane's notes, he made no objection to it, I think he was not debited with Mathewson and Sinclair's, or John Mathewson's note. The reason why he was not so debited with the latter, was that it was thought that the Bank would recover the amount from the parties themselves. All the other notes exhibited at that time were charged I think to Mr. Eadie.

I remember, previous to the annual meeting of the Savings Bank, which took place on the 4th May, 1848, I had been examining into the state of the loans, and a list had been made out and furnished to the Board by the Actuary. After the Bank had suspended payment, it was found that for several of the loans the proper security had not been completed; I then immediately, with others, directed my

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July

best attention to have them completed; some of these loans, the securities for which were incomplete, had been of considerable standing. One of these was for the Ste. Anne Episcopal Church. Some dispute had arisen, at the time the loan was granted, about the securities to be given, and it was afterwards left in an incomplete state. The security for the loan to Zion Church was also incomplete; for this, there was no excuse; since, immediately on application, the securities were completed. There were several other loans, the names of which I do not recollect, and of which the securities had not been completed.

I was present at a meeting of the Savings Bank, on the 14th July, 1848, the day on which it was determined to suspend payment; it was then resolved to pay the depositors twenty per cent. on the amounts at their credit, at certain dates specified in a notice which was ordered to be published in the papers of the following day. To the best of my recollection, the notice was published in accordance with the resolution of the Board. At the same meeting of the Board, I believe the following resolution was passed: "The Board were of opinion that it would be satisfactory to some of the large depositors to receive transfers of mortgages on real estate held by the Bank as security on loans, and it was therefore ordered that facilities for that purpose be made by the Board to an extent not exceeding 90 per cent. on the amount of any such deposits: leaving the remaining ten per cent. to be accounted for when the affairs of the Bank were finally closed."

Ques. Did you concur in that resolution?

Ans. I must have concurred in it. I recollect, however, having stated that I thought 90 per cent. was rather too much; others thought that the reserve of ten per cent. would be ample to cover any losses.

Ques. Was general publicity given to the depositors of the Bank, of this resolution having been come to; if so, when and in what manner?

Ans. I do not know whether it was advertised at the time the resolutions were come to; but it was made known over the counter of the Bank, and I believe it was generally known by the depositors; and I know that it was specially noticed in the first statement published by the Bank on the 31st Oct., 1848, and all depositors were then requested to avail themselves of the opportunity thus afforded.

Ques. Is that notice of 31st Oct., 1848, to which you allude, the first public notification that mortgages of real estate could be transferred to depositors to the extent of ninety per cent?

Ans. I cannot say; but I know that there was a large amount then on hand.

Ques. When was that notification, dated 31st October, 1848, published?

Ans. Shortly after that time; say about the 10th of November, 1848.

Ques. Between the 14th July and the 10th Nov., 1848, the day about which you mention a public notification having been given to depositors, that transfers of mortgages would be made to applicants, had, or had not, large amounts of mortgages been actually transferred to certain depositors?

Ans. I should say very considerable amounts had been transferred. I see by the account published, that up to 31st October, £37,943 9s. 5d. had been so transferred.

The examination of the witness is here adjourned until to-morrow.

J. REDPATH.

Sworn and signed before me,
this 2nd January, 1851.

W. BRISTOW,
Commissioner.

On this third day of January, one thousand eight hundred and fifty-one, the examination of the witness, *John Redpath, Esq.*, was continued as follows:

Ques. Had the resolution of the fourteenth of July, 1848, authorising transfers of mortgages, the effect of paying dividends to the larger depositors in the Savings Bank, more promptly than to the smaller depositors?

Ans. I should think not, as it was a mutual arrangement between the parties to give a considerable length of time for the payment of the principal; which time was entirely regulated by themselves.

Ques. Did not the large depositors, on the transfer being made, receive by such transfer a dividend on the debt due to them by the Bank?

Ans. So far as the Bank was concerned, they received it as a dividend on their claim, but they did not receive money from the parties, having agreed to give ample time to the parties owing money.

Ques. Were these transfers of mortgages securities to the larger depositors for the amount of the debt due to them by the Bank?

Ans. They were securities to all depositors who accepted transfers to the amount of ninety per cent.

Ques. Were the depositors who received these securities the larger depositors in the Savings Bank?

Ans. I should think generally they were, although there are numbers of large depositors who preferred to wait.

Ques. When did the small depositors receive any dividend from the Savings Bank?

Ans. All depositors received twenty per cent., or were entitled to receive that amount, within about a month after the stoppage of the Bank, and they were entitled to receive seven shillings in the pound additional, on the first of November last.

Ques. Are these the only dividends paid to the smaller depositors up to this time?

Ans. These are the only dividends paid to the smaller depositors, and all who did not previously avail themselves of the transfers.

Ques. Were some of the mortgages held by the Savings Bank preferable or more easily made available than others?

Ans. I have no doubt that the securities of some might be considered better than others.

Ques. To all persons applying for transfers of mortgages, were the whole of the mortgages submitted for them to select from?

Ans. The Actuary, Mr. Freeland, was instructed to give every facility to persons applying for mortgages, by exhibiting to them the different loans, but leaving it with the parties to make their own arrangements. The resolution was intended to place all applicants for transfers of mortgages on an equal footing.

Appendix
(Q. Q.)

16th July.

Appendix
(Q. Q.)

15th July.

Ques. You have stated in your evidence given before this commission yesterday, that between the fourteenth of July, 1848, and the 31st October, 1848, £37,943 9s. 5d. was transferred in the shape of mortgages, does not that sum comprise the whole, or the greater part of such mortgages, held by the Savings Bank, of an eligible description, at the time of its suspension of payment?

Ans. I think by a statement given me from Mr. Court, that about the same amount has since been transferred. These latter transfers were considered equally eligible with the former. As I have stated before, the arrangement depended upon persons having loans, to make their own bargains for time, as they were only obliged to pay the Bank within a period of six months from the time of their notification, so that depositors could not in such cases choose their loans.

Ques. What was the limitation by law of the amount of deposits to be held in any one name at the time of the suspension of the Savings Bank?

Ans. Act 4 and 5 Vict. cap. 32, section 12, limits the amount to be received for any one depositor to five hundred pounds.

Ques. What were the provisions on that head of the rules and regulations of the Provident and Savings Bank?

Ans. By the original rules and regulations of the Savings Bank, a copy of which was deposited in the office of the Clerk of the Peace, according to the provisions of Act 4 and 5 Vict. cap 32, it was provided in the 8th rule that the amount of deposit from any one depositor, at any one time, shall not exceed two hundred pounds, and that the total sum at the credit of any one depositor, at any one time, shall not exceed five hundred pounds. On the third of Nov., 1848, the Board of the Directors, at a meeting at which I was present, passed a resolution that from and after that date not more than two hundred pounds should be received to the credit of any depositor. I believe the rule was never deposited with the Clerk of the Peace.

Ques.—Was that last rule to which you have alluded, ever rescinded?

Ans. I am not aware that that rule was ever formally rescinded, although by inference it might appear afterwards not to have been acted upon. I believe the resolution referred to was suggested by myself, in consequence of the prevailing tendency of the Actuary to receive larger deposits than the law allows, having had frequent occasion to complain on that head, and I continued to make it a constant source of complaint that the Actuary did not keep within bounds.

Ques. At the time of the suspension of the Savings Bank, or since, did depositors of sums larger than the amount fixed by the Act of Parliament, receive dividends along with those who were depositors to an amount in accordance with the law?

Ans. All depositors were treated alike.

Ques. At the meeting of the Board of Directors of the Savings Bank, held on the 14th July, 1848, at which it was determined for the Bank to suspend payments, was any resolution passed under which the depositors in the Bank, prior to its suspension, could receive dividends of more than twenty per cent. except by taking transfers of mortgages on real estate to the extent of ninety per cent. in the manner already described by you?

Ans. No farther resolution was recorded at that time in the books.

The examination of the witness is here adjourned until to-morrow.

J. REDPATH.

Sworn and signed before me,
this 3rd January, 1851,

W. BUSTROW,
Commissioner.

On this fourth day of January, one thousand eight hundred and fifty-one, the examination of the witness, *John Redpath*, Esquire, was continued as follows:

I continue my answer to the last question put to me yesterday as follows:

But either at that time or almost immediately afterwards, to the best of my recollection, it was at a subsequent meeting it was further agreed in order to facilitate the winding up of the affairs of the Bank, that it would be advantageous to the general interests of the institution, to give persons indebted to the Bank an opportunity of paying their debts in transfers of deposit-books, at ninety per cent., and such was agreed to be accorded to all who should not put the Bank to the necessity of taking legal steps to recover the amount.

Ques. Was a resolution to that effect ever recorded in the minute books of the Savings Bank?

Ans. I do not think that such a resolution was ever recorded, but it was generally made known to all persons that made application at the counter.

Ques. Were the other resolutions to which the Directors of the Savings Bank came, on the subject of dividends or payments to depositors, regularly recorded in the minute book?

Ans. I think they were regularly recorded.

Ques. Was the resolution sanctioning the payment, by persons indebted to the Bank, of the amount of their debts in deposit books, a public or a private act on the part of the Directors?

Ans. It was a public act, inasmuch as it was made known to all applicants, and was, I believe, notorious throughout the city.

Ques. Were the other resolutions affecting payments of dividends on a transfer of mortgages public in their character also?

Ans. I conceive they were.

Ques. Why were the resolutions affecting dividends and transfers of mortgages regularly recorded in the minute book, and the resolution authorising transfers of deposit books to debtors of the Bank not so recorded in the minute book?

Ans. I cannot say, at this distance of time, the particular reason why it was not so recorded; but my impression is, that it was one to which the Bank could not become a third party, but that the matter must be left entirely to the parties themselves. I would not have considered the Directors warranted in inviting depositors to dispose of their books at any thing below ninety per cent.

Ques. Did not the Bank, by authorising the transfer of deposit books in payment of debts, become a party to the transaction so expressly authorised by them?

Ans. I do not think they became any party to it, so far as any of the depositors were concerned. To the best of my recollection, it was suggested by

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

some member of the Board, in consequence of reports being abroad that some of the depositors were disposing of their claims to speculators for a very small amount, and at a great sacrifice, and that this arrangement would have a tendency to prevent such sacrifice.

Ques. Did not the Bank, by so authorising the transfers, by debtors, of deposit books, become parties to the transaction as regards such debtors?

Ans. They did.

Ques. Were these buyers of deposit books made aware, and if so, in what manner, that they could transfer their debt to the Bank by such deposit books, to the extent of ninety per cent. of the balance of such deposit books?

Ans. They were made aware over the counter, and I believe it was generally known to every debtor.

Ques. Was any notice stuck up in the Bank or given by public advertisement, that transfers of books would be received to the extent of ninety per cent. in payment of debts due to the Bank?

Ans. I am not aware of any.

Ques. Is it your belief that any public notice of any description was ever given, that transfers of books would be received in payment of debts, or in part payment of debts due to the Bank?

Ans. My belief is, that there was no public advertisement, and I am not aware of any other public notification.

Ques. How then could it become notorious to debtors of the Bank, since no public notice was given to them that transfers of deposits would be received in payment of their debts to the Bank?

Ans. From the circumstance that almost every debtor to the Bank had some communication with the Actuary, or with some person belonging to the Bank, on the subject of the liquidation of their debt, and from various other sources of information.

Ques. To what various other sources of information do you refer?

Ans. I refer to the continual application to buy books, both privately and through the agency of brokers.

Ques. Was the arrangement by which debtors to the Bank were allowed to pay in deposit books, beneficial to such debtors?

Ans. I should think so.

Ques. Did it enable them to purchase books at a price lower than the sum for which they stood in debt to the Bank?

Ans. It did not enable them, but it had that effect to those who availed themselves of it, inasmuch as books were generally below their real value in the market.

Ques. What steps were taken to inform sellers of books, by which is understood creditors of the Bank, that their books would be received in payment by debtors to the Bank?

Ans. No other steps that I am aware of, but such as I have already referred to, in giving information at the Bank when applied for.

Ques. Can you state positively from your own knowledge, that the Actuary, or other officer of the Bank, was instructed to inform creditors of the Bank that their deposit books would be received in payment of debts due to the Bank.

Appendix
(Q. Q.)

15th July.

Ans. I can state positively that the Actuary was instructed to give every information to depositors relative to all their interests; and farther, that he was instructed to inform all applicants to retain their books, not to sell them at a low value, as that if they would wait a little, the Bank would ultimately be able to pay them in accordance with the published statement, and that the loss would not be great; and I personally gave the same information to every applicant. I cannot say positively that the Actuary, or other officer of the Bank, was instructed to inform creditors of the Bank that their deposit books would be received in payment of debts due to the Bank, but I conceive that to be fully included in his general instructions.

Ques. How could it become a matter of notoriety to creditors of the Bank, without any public or official notification through public channels being given to them, that their books would be received in payment of debts due to the Bank?

Ans. From the circumstance of almost daily advertisements appearing in the papers.

Ques. How could public advertisements for books, appearing in the newspapers, be the means of informing creditors of the Bank, that their books would be received in payment for debts due to the Bank, unless those advertisements stated such to be the fact.

Ans. I cannot define to you how such advertisements would be the means of giving such information, but the obvious inference is, that these public advertisements would convey that information.

Ques. Is it not possible that persons might wish to buy books on speculation, without any view of their being received, at once, at the Bank, in payment of debts due to the Bank?

Ans. It is possible that such might be the case.

Ques. Have you any other reason than those you have already given, to suppose that it was a matter of notoriety to creditors of the Bank that their books would be received in payment of debts due to the Bank?

Ans. None; except that during my experience I have never met with a person, nor had any conversation with any one, to my recollection, who did not know the fact.

Ques. How soon was this fact so generally known as to become a matter of notoriety?

Ans. Within two or three months after the suspension.

Ques. How soon did the purchase of books by debtors to the Bank, commence?

Ans. I cannot say; but, as every transaction is noted in the books of the Bank, those books will shew.

Ques. You have stated that the effect of the resolution, which enabled debtors to the Bank to pay in Bank-books, was beneficial to the debtors; was it equally so to the creditors of the Bank?

Ans. I conceive it was beneficial, but not equally; and that, but for that opening, sales of books would have been made at a much lower rate; and also from the fact, that, whenever it appeared that there was more than one person in the market purchasing books, prices immediately rose.

Ques. Were the sales of Bank-books usually made at their full par value, that is to say, at the same rate, at which the debtors to the Bank were credited in the books of the institution?

Appendix
(Q. Q.)

15th July.

Ans. I think they were generally sold very considerably below that value, and that was the reason why the Directors did not consider it right to encourage the sale of books.

Ques. If it was, as you say, beneficial to make sales of books to debtors to the Bank, under the resolution which authorised the transfer of books, why did the Directors not consider it right to encourage the sale of books?

Ans. Because, while it was the duty of the Directors to endeavour to collect the debts due to the Bank, it was equally evident that it was their duty to protect the interests of the Depositors, and to advise them to retain their books, if possible.

Ques. How was it the duty of the Directors to advise the creditors of the Bank against a course which they considered beneficial to the interests of such creditors of the Bank?

Ans. From the circumstance of the books being so much below par in the market, and inasmuch as there is always a number of persons under such circumstances who are disposed or necessitated to sell their books, and it was beneficial to such to receive the higher price than I conceive by the other way would have been obtained, if there had been none but speculators in the market.

Ques. Have you any knowledge of about the ordinary rate at which Bank books were sold to debtors to the Bank?

Ans. I cannot state positively what were the ordinary rates, where the transactions were between debtors and creditors to the Bank; but to the best of my recollection, I have heard that the ordinary prices made by brokers' sales were about eleven and threepence, or twelve shillings, in the pound of the balance of ninety per cent. I cannot say positively, having had no transactions of the kind myself.

Ques. Did not debtors to the Bank, by these purchasers of books, realize a profit according to the rates at which you state books were usually purchased, of fifty to sixty per cent. on the amount of their purchases?

Ans. They did. In some cases, I should rather say they were saved from so much loss. It enabled them to pay eighteen shillings, with eleven and threepence to twelve shillings.

Ques. From whom were these profits derived?

Ans. They were derived no doubt from those who sold the books.

Ques. At the time the resolution was passed, authorising the payment to the Bank by debtors, of the amount of their debts in deposit-books, were or were there not several of the Directors of the Savings Bank, debtors to that institution, or responsible as collateral security for various public institutions, or for private debtors, to the said Savings Bank?

Ans. I think there were two or three in that situation, as collateral security for loans, and as principals, but that the majority was not.

Ques. Have any of the debts, due to the Savings Bank at the time of its suspension, for which any of the Directors were responsible, either as principals or as collateral security, been paid in deposit books purchased below their par value?

Ans. Some of them have been paid in deposit books. I cannot state at what rate they were purchased—I suppose under the par value.

Ques. Has any debt for which you were security to the Bank, at the time of its suspension, been paid in deposit books under their par value?

Appendix
(Q. Q.)

15th July.

Ans. None. The debts for which I was security were settled in full, within, I think, ten days of the suspension of the Bank. I paid a sum in cash and £171 8s. 9d. in deposit books, at ninety per cent., for which I paid the owners their full par value in cash, and the remainder of the debts for which I was responsible to the Bank was paid in the transfer of mortgages.

Ques. Have you derived any profit whatever from sales of books of creditors of the Bank?

Ans. I have not. As already stated, I have been concerned in no transactions of the kind.

Ques. Did you ever authorise any purchases of deposit-books to be made by or on behalf of the Savings Bank; and if so, when did you authorise such purchases, and on what conditions?

Ans. I, along with the other Directors, authorised purchase of some deposit books that were offered to the Bank by brokers—I think Mr. Barnard and Mr. Taylor were such brokers—but I am not sure about the former—to the extent of about twelve hundred pounds. I cannot say exactly the time, but they will all be found in the books of the Bank. The brokers had purchased the same on their own individual account—I do not recollect the rates, but understood, at the time, that they were sold to the Bank at a little, if any thing, more than what would have been an ordinary commission; it was thought better, more advantageous for the Bank to purchase them, than to allow them to remain in their hands.

Ques. Was this purchase of books from the brokers submitted formally at a meeting of the Directors of the Savings Bank, and if so, when?

Ans. I believe it was formally submitted to the Board, and concurred in. I cannot state the time, but it must have been the time of the purchase.

Ques. Have you any recollection which members of the Board were present when this purchase of books was determined on?

Ans. I know Mr. Badgley and Mr. Murray, and I think Mr. Ferrer, were present. I was also.

Ques. Was any application made to the Board by the brokers to purchase these books?

Ans. To the best of my knowledge and belief they offered the books to the Bank.

Ques. Did they make the offer in writing?

Ans. I think not.

Ques. Did they make the offer personally to the Board, or through any member of the Board?

Ans. Not that I am aware of. I think the offers were made through the Actuary.

Ques. Was any record of the transaction made in the minute-books of the Bank?

Ans. Not that I am aware of. On reference to the minute book I find there was no record.

Ques. Why was this transaction not recorded in the minute book?

Ans. I know no particular reason.

Ques. Are these the only instances that you are aware of, of purchases of deposit books made for cash, by or on behalf of the Savings Bank?

Ans. These are the only instances that I am aware of, except that at a meeting held on the 19th October last, it was resolved that in special cases, such as persons leaving the country, or being particularly desirous to close their account, they might

Appendix
(Q. Q.)

15th July.

receive seven shillings additional to the ten shillings on the transferable amount, provided they gave a discharge in full to the Bank.

Ques. What particular reason induced the Directors to purchase deposit books from the brokers, in the manner, and at the time, you mentioned?

Ans. I have already stated that it was considered advantageous to the Bank, and the reason why it was so, was, because that if such books had remained in their hands, they would have been entitled to a full share of the dividends of the Bank, whereas, by the Bank purchasing them at the rates they offered, the difference was thereby added to the assets of the Bank?

Ques. Would you have made purchases of books from other parties at the same time?

Ans. No.

Ques. Why should these brokers have a preference?

Ans. I should not consider the Bank warranted in purchasing from depositors. I do not consider it a preference.

Ques. If by this action of the Board of Directors, a depositor in the Bank could not be allowed to sell his book to the Bank, and a broker who had purchased books from depositors was allowed to re-sell such books to the Bank, was it not giving to the buyer of such books a privilege which was not accorded to the sellers of such books?

Ans. It was.

Ques. Had offers been made to the Bank by broker or others at any other time than that of the transaction with Messrs. Barnard and Taylor, would they have been accepted?

Ans. They would not.

Ques. What made this transaction an exception to the general rule of the Bank?

Ans. I believe because there was a little money on hand at the time, and it was thought that it would be advantageous to the general interests of the Bank, by adding to the assets.

Ques. Why had not depositors of the Bank an opportunity of exercising a privilege, should they think it advantageous, which was accorded to Messrs. Barnard and Taylor?

Ans. I am not aware of depositors having made the application, and I had always great doubt of the propriety of the Bank dealing with depositors.

Ques. What is the difference between the Bank dealing with depositors directly, and dealing with brokers who had transactions with depositors?

Ans. My own impression is, that by dealing with depositors directly, at less than the par value of the deposits, might lead to unflavourable imputations upon the acts of Directors; because, if they made any arrangement with one, all the others, on the same ground, might plead the same privilege, which it would have been impossible for the Directors to accord to them; whereas, in the instance referred to with the brokers, no such right could be pleaded.

Ques. Is it to be understood then, that this transaction with Messrs. Barnard and Taylor was not intended to be made public?

Ans. I know of no particular reason for its being a private transaction.

Ques. If so, why then should the Directors wish that others might not be enabled to plead for a simi-

Appendix
(Q. Q.)

15th July.

lar privilege to that accorded to Messrs. Barnard and Taylor?

Ans. Because it would not have been convenient for the Directors to have paid others.

Ques. Why were Messrs. Barnard and Taylor selected as the parties to whom all the funds of the Bank, which could be spared, were paid?

Ans. Messrs. Barnard and Taylor were not selected. They were the only persons who made application to the Bank; nor have I ever stated that all the spare funds of the Bank were used for that purpose.

Ques. Do you still persist in the answer you gave to the last question but one, "that it would not have been convenient to have paid others," meaning others than Messrs. Barnard and Taylor?

Ans. Perhaps I should have said it would not have been judicious to have paid others.

Ques. Had the bank a further amount of spare funds, or was it convenient to pay others than Messrs. Barnard and Taylor, at the time you made the payment to them?

Ans. I do not recollect whether there were any spare funds or not at the time, but I recollect that it was considered judicious to apply all the funds that should come into the hands of the Bank for the payment of the debt due by it to other Banks.

Ques. Was the Savings Bank heavily indebted at the time of the purchase of these books from Messrs. Barnard and Taylor to other Banks?

Ans. They were still considerably indebted to other Banks, and on that ground I opposed all further purchases of books.

The examination of the witness is here adjourned until Tuesday, 7th instant.

JOHN REDPATH.

Sworn and signed before me,
this 4th January, 1851,

W. BRISTOW,
Commissioner.

On this seventh day of January, one thousand eight hundred and fifty-one, the examination of the witness, *John Redpath*, Esquire, was continued as follows:

Ques. Were some of the Directors of the Savings Bank responsible as securities for some of the mortgages held by the Bank at the time of its suspension?

Ans. They were.

Ques. Were any of those mortgages on which Directors of the Bank were securities transferred to creditors of the Bank, under the Resolution authorizing transfers of mortgages to be made to some of the depositors?

Ans. They were.

Ques. Did the mortgagees, whose names were substituted in lieu of the Savings Bank in such transfers, continue to hold the personal securities which the Bank had possessed?

Ans. They did in all cases that I recollect, except in one in which I was security for Messrs. Hutchinson and Morrison, where the party did not think it necessary to call on me for security; the security itself being ample.

Appendix
(Q. Q.)

15th July.

Ques. Were any sales of property or of securities of any description held by the Bank, authorized by the Directors, at any time, to be made, and deposit books taken in payment?

Ans. I think, in two or three instances, there were. I believe some Corporation bonds were sold in that manner. I do not recollect the number or the amount; but they will be found in the books.

Ques. Do you consider that the purchase of deposit books in this form, was beneficial to the interests both of the Bank and of the creditors of the Bank?

Ans. I do consider it advantageous to the interests of the Bank; it was effected solely for that object. The securities thus sold being otherwise unavailable, except at a great sacrifice.

Ques. Do you consider that purchase of books to have been also beneficial to those creditors of the Bank, from whom the books were purchased; by whom is meant, the original holders of the books?

Ans. I consider that it was not beneficial to those holders of books. It would have been better for them to have held them.

Ques. Were these sales of Corporation bonds made to actual creditors of the Bank, at the time of the stoppage, for debts due by the Bank to them?

Ans. The sales were made to a broker, Mr. Barnard, I think, whether he was acting for himself or for the parties whose books he transferred, I cannot say, never having had any communication with him on the subject.

Ques. Would you have given any depositor who might have applied for it, Corporation bonds for his book, at ninety per cent.?

Ans. I think not; these were not sold at ninety per cent. I think they were sold at about one hundred and twenty; it was represented by the Actuary as advantageous. The whole transaction can be found in the books. Mr. Freeland can fully explain it.

Ques. Could any depositors, on application, have had transfers of Corporation bonds at the time, on the same terms?

Ans. I cannot say; none having been applied for to my recollection.

Ques. Was any public notice given to depositors, the original creditors of the Bank, that they could obtain Corporation bonds in payment?

Ans. I am not aware of any public notice having been given to any person.

Ques. Have you recollection of a sale of Corporation water-works debentures, made to Mr. T. M. Taylor, broker of this city, payable also, or paid for, in deposit-books?

Ans. I think I have some recollection of Mr. Freeland's mentioning that he had some negotiation with Mr. T. M. Taylor, about the sale of Corporation bonds, in the same manner. If there is a sale I must have consented to it.

Ques. Have you any knowledge of any depositors' books being purchased or required by the Savings Bank in any other way, or to a greater extent than you have already stated in your evidence for this Commission?

Ans. I have no knowledge of any other purchases of books by the Savings Bank; and where I have, on any occasion referred to the extent, I have always stated to the best of my recollection, and referred to the books for further particulars.

Appendix
(Q. Q.)

15th July

Ques. Do you recollect having been present at a meeting of the Managing Directors, held on the twenty-seventh of November, eighteen hundred and forty-eight, when a Resolution was passed, authorizing Dr. G. W. Campbell to pay in transfers, one half of his note for one thousand pounds, then due; and can you state any other reasons than those contained in the resolution for the vote passed on the occasion?

Ans. I recollect having been present at such meeting, and strongly opposing the passing of such a resolution, but was overruled by the majority of the Board then present, who seemed to think that Doctor Campbell's case was a hard one, from the representations he had made, and that it would be better to accept his proposal than to have to sue for the amount.

Ques. Was the rule passed about the time of the suspension of the Savings Bank, under which debtors of the institution were permitted to pay their debts in transfers of books, and which had been acted upon for several months prior to this application of Doctor Campbell, no longer in force at the time he was desirous of liquidating his debt in that manner; or was there anything in his particular case which rendered him an exception to the general rule?

Ans. The rule was still in force when Doctor Campbell made his application, but there was this in his particular case, that the Bank held his promissory note, independent of the other security, and that note had previously been put into the Bank for collection, and I opposed the application on the ground that the Bank had the right to collect the note, which was then due.

Ques. Have you any recollection of certain regulations being adopted in May, 1845, regarding the officers of the Montreal Provident and Savings Bank, which regulations are detailed at length in the proceedings of a meeting of the Directors, held on the sixth of May, 1845?

Ans. I have recollection of those rules being adopted, but have no distinct recollection of their contents.

Ques. Please refer to them in the minute book now before you, and say, do they or do they not, prescribe the form and manner in which payment shall be made by the Bank to creditors?

Ans. They do.

Ques. Are you aware whether those rules have ever been abrogated, or whether they are still in force?

Ans. I am not aware that they have ever been abrogated, and I think it a matter of impossibility to act up to them.

Ques. Did you give your sanction to those rules which you state to have been impossible to act up to?

Ans. I have no doubt that I did at the time.

Ques. Did the original rules and regulations of the Savings Bank, as deposited with the Clerk of the Peace, provide that all cheques for moneys paid by the Savings Bank shall be signed by three of the Board of managing Directors, and countersigned by the Actuary or other officer?

Ans. I believe they did, and I consider that it was the duty of the Actuary to see that it was so done.

Ques. Was there any rule of the Savings Bank at any time, which justified the signature by Directors of cheques in blank, that is, not specifying the

Appendix
(Q. Q.)

15th July.

amount, or, if or above one hundred pounds, not specifying the parties to whom such cheques should be made payable?

Ans. I do not know that any such rule ever existed.

Ques. Did you ever, as Director for the day of the Savings Bank, fulfil the duties imposed on such Director for the day, under the provisions of the eleventh rule of the Rules and Regulations established for the management of the Savings Bank at its opening, and deposited with the Clerk of the Peace?

Ans. So far as my recollection goes, I never acted as Director for the day.

Ques. Do you recollect whether any Directors of the day were ever appointed, in accordance with the provisions of the eleventh rule?

Ans. I do not recollect.

Ques. Did you ever audit the accounts of the day, in accordance with the provisions of the eleventh rule?

Ans. I do not recollect ever to have done so. The President was always considered to be the Executive Officer of the Bank, the same as in chartered Banks.

Ques. Are you aware of purchases of deposit books having been made by parties who do not appear in the books of the Savings Bank as debtors to that institution, and the amount of such books, after having been placed to the credit of such purchasers, in the books of the Savings Bank, having been subsequently transferred to the credit of accounts indebted to the Savings Bank, at the time of its suspension?

Ans. I am aware that there are some instances of that kind. There is one in the case of James L. Mathewson, where I believe he was making up an amount for the purpose of liquidating a debt due by John Mathewson to the Savings Bank; and there may be others that I do not recollect.

Ques. Was Mr. John Mathewson, a Director of the Savings Bank at the time of its suspension?

Ans. He was.

Ques. Are you aware of any payments made by the Savings Bank to any of the Directors, on account of services performed by them for the Bank?

Ans. I am not aware of any, except to the Honourable Mr. Badgley for professional services. This gentleman was a Director of the Savings Bank, and a partner in the firm of Messrs. Badgley and Abbott, who were counsel for the Bank.

Ques. Did you as President of the Bank, or as Director or Trustee, sign any returns for the Legislature, from the time of the opening of the Bank to the present day?

Ans. I think that I signed one during the Session of the Legislature of 1849, and I do not recollect having signed any other.

Ques. Did you make oath, in accordance with the provisions of the thirteenth section of Act 4 and 5 Vic., cap. 32, that the said return was correct, according to your knowledge and belief?

Ans. I do not recollect.

Ques. Was the return signed by the Trustees, or a majority of the Trustees, of the Savings Bank?

Ans. My impression is that it was signed only by myself and the Actuary, but I am not certain.

Appendix
(Q. Q.)

15th July

Ques. Did the return contain all the information which the thirteenth section of Act 4 and 5 Victoria, cap. 32, provides shall be laid before the Legislature at each Session?

Ans. I cannot say whether it was full in all its details.

I wish to add to my testimony given before this Commission the following remarks:

That, since the suspension of the Bank, the office that I have held as one of the Trustees, and subsequently as President and Trustee, has been to me a source of unceasing care and great anxiety of mind, besides occupying a large portion of my time. That no pecuniary consideration would have induced me either to accept or to continue to hold the onerous situation which I have done without fee or reward; that every action that I have taken in the fulfilment of my various duties has been done solely with the view of protecting the interests of the depositors, and of producing the best general results, and also of winding up the affairs of the Bank with the least possible delay; that my decided impression now is, that the course which has been adopted has been the best to effect that object; and that, taking in consideration the immense depreciation of all kinds of stock and property at the time of the suspension, few institutions in the Province would have wound up with less loss, had they been compelled to stop payment at the same time.

And further deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

J. REDPATH.

Sworn and signed before me,
this seventh day of January,
1851,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal, }

On this eighth day of January, one thousand eight hundred and fifty one, personally came and appeared John Eadie, Esquire, of Henryville, in the District of Montreal, who, having been duly sworn, deposeth and saith:

At a meeting of the Board of Directors of the Savings Bank, held on the 4th of February, 1849, the following resolutions were passed, and will be found recorded in the minute books of the Bank:

" 1. Moved by John Dougall, Esquire, seconded by J. Ferrier, Esquire, That the Montreal Provident and Savings Bank discount no bills or promissory notes without ample security, in the shape of stocks or mortgage, being deposited with the Bank.
" Passed unanimously.

" 2. Moved by Mr. Redpath, seconded by J. T. Brondgeest, Esquire, and passed unanimously, " That it be the duty of the Actuary to call a meeting of the Managing Directors, for the evening of the first lawful day of every month, to examine and approve of the monthly statement; and in the event of the Act being amended, such a clause be inserted in it."

I believe the former resolution continued in force during the whole of the time that I was Actuary. I have no knowledge that it was ever rescinded or modified. The second resolution passed at the above meeting was partially, but I cannot say regularly,

Appendix
(Q. Q.)

15th July.

acted on. It was modified at a meeting held on the 8th of February, by substituting three P. M. for the evening. I believe for about a year a statement was made up for the monthly meeting of the transactions of the month previous; but the practice fell into dis-use in the course of the following year.

At a meeting of the Finance Committee of the Savings Bank, held on the 16th of January, 1845, the following action was taken with reference to a deposit of eight hundred pounds.

" Mr. Redpath stated that he had observed in the deposit cash book a sum of eight hundred pounds lodged by C. J. Hill, taken as a special deposit at three per cent., and as he considered this to be beyond the legitimate business of the Bank, he moved that the Actuary be instructed to write to Mr. Hill to withdraw the same, which, after some discussion, he was ordered."

To the best of my recollection, the sum was withdrawn, according to the terms of this resolution.

At a special meeting, held at the Savings Bank, on the 12th of February, 1845, the annual statement of the transactions of the past year was brought before the Board.

Present: Messrs. Lunn, Redpath, Brondgeest, Ferrier, Mathewson, Dougall, Murray and the Actuary.

The following is an extract from the minutes of the proceedings:

" The Actuary laid before the meeting the draft of the general statement of the affairs of the Bank for the past year, which was gone over item by item. The only loan which appeared to the Directors not to be very satisfactorily secured, was the loan to St. Ann's Chapel, Grifflintown: and after some discussion, the Actuary was directed to intimate to Dr. Bethune, that unless another good name at least were added to the present securities, no more would be advanced, and notice would be served upon the Trustees to call up the loan."

The following resolutions were then moved and passed:

" Moved by J. Dougall, Esq., and seconded by J. T. Brondgeest, Esq.,

" Resolved,—That Messrs. Lunn, Redpath, and Mathewson be a Committee of Audit to examine the balance sheet, and all vouchers and securities, together with all the transactions of the Bank for the past year: and that for the more perfect fulfilment of this object, they be empowered to employ a competent accountant under their directions; also, that they report what improvements, if any, can be made in the mode of conducting the affairs of the Bank.

" Moved by John Redpath, Esq., and seconded by J. T. Brondgeest, Esq.,

" That in consequence of the accumulated business in the Bank, and the large amount deposited, and in order to have a more complete check, another assistant be employed in such way and manner as to the Directors shall deem best, after receiving the Report of the Committee.

" Moved by J. Ferrier, Esq., and seconded by J. Mathewson, Esq.,

" That all the securities and vouchers belonging to the Bank be deposited in one of the chartered banks, in an iron chest, under a double lock, one key to be kept by the President and another by the Actuary."

Appendix
(Q. Q.)

15th July.

On the twenty-fourth of February, the annual meeting of the Savings Bank was held, and the annual report was presented and approved. In that report, particular reference was made to the restriction of the amount of deposits in the following passage:

" The details now submitted will shew the particular classification of the depositors; and to that statement the Board would solicit the attention of the meeting. In an institution of this kind it is impossible altogether to prevent the facilities which it presents for obtaining interest on deposits from being embraced for temporary purposes, by parties for whose convenience neither the originators of it nor the Legislature ever contemplated its being applied; and the Board have considered it their duty to restrict the amount of such deposits to a sum considerably under what the Legislature authorizes Savings Banks to admit. This has to some extent diminished the aggregate, but its tendency is to produce a description of depositors partaking more of the character contemplated by the Act. Accordingly, while the total amount of deposits has increased by upwards of thirty thousand pounds, and many who had £100, or nearly so, at the period of the last report, have much more now, the relative proportions of depositors having deposits not exceeding £100 remain nearly the same as they were last year. Another circumstance may be mentioned here, which, though more of a statistical nature than affecting the interests of the Bank, indicates the change for the better, which has occurred in the condition of that portion of the community more immediately under the consideration of the Directors.

" In 1843 there were 1000 new accounts opened and 570 closed.

" This year, the number of new accounts opened, has been 1200, while the number closed has been only 543, being in the relative proportions of (nearly)

" 1843, opened 20, closed 11.

" 1844, opened 24, closed 11.

" In the last year's report the Directors took occasion to allude to the then existing depression in the trade of the city, and stated that such details of the comparative deposits and drafts ought to be, and eventually must be, an unerring index to the condition of the industrial classes; and they are gratified to find that the results now pointed out would seem to justify the view they then took.

" The Board, in closing their Report and handing over to their successors the management of this Institution, think it unnecessary to trespass further on the indulgence of the meeting. Hitherto they have considered it their duty in preceding Reports to impress upon the Reverend Clergymen, and other vice-Patrons, and upon the public in general, the propriety of giving the benefit of their advice and influence in promoting its objects, namely, to secure to the industrious, prudent mechanics, servants, labourers, &c., an accessible and secure receptacle in which they may deposit at once such portion of their earnings as their frugality may enable them to lay past, and where they may with confidence look forward to its regular increase by having added to it the best interest they can obtain. The Board beg leave to submit the following annual statement:"

The statement above referred to will be found at length in the minute book. The report of which the above passage is an extract was received and

Appendix
(Q. Q.)

15th July.

adopted by the meeting. The statement presented particularised the number of depositors and the amount of deposits arranged under different heads. By that account, £500 appeared to be the maximum of deposits by any individual. Fifteen persons are put down as depositors of £500.

Ques. Were there at the time, so far as you can recollect, any depositors in the Savings Bank having sums at their credit over £500?

Ans. I believe there were several.

Ques. Can you state why the account did not specify the number of depositors of sums over £500?

Ans. I considered those included under the class of depositors of £500.

Ques. Why did your account not distinctly state that there were depositors in the Bank of sums over £500?

Ans. The amount of deposits being restricted by the Act to £500, the directors did not wish it to appear that there were any depositors of sums over that amount.

Ques. Are you certain that in the statement of the accounts of the Bank which you made to the Directors, it appeared clearly that there were depositors of amounts over £500, and that they were aware that such was the fact?

Ans. I do not know that the exact amounts of the deposits were laid before them, but I am quite certain that they were aware that there were deposits of sums over £500 at that time.

Ques. Did the balance sheet laid before the special meeting of the 12th of February, 1845, and referred, as appears by the minutes, to Messrs. Lunn, Redpath and Mathewson, particularize the deposits from the deposit ledgers, or did it give the total balances only of the deposit ledgers?

Ans. It only gave the balances of the deposit ledgers.

Ques. Was any statement of the balances of the deposit ledger made up and compared with and verified by deposit account in the general ledger?

Ans. They were regularly taken off and compared by myself and Mr. Sharrocks. I cannot say that they balanced exactly to a shilling. The accounts were very numerous, upwards of two thousand, and we never could make them exactly agree. The difference, I think, was about £23. The Directors did not examine the accounts.

Ques. Can you state that it was by the express instruction of the Directors of the Savings Bank, or of any of them, that you did not, in the statement presented at the meeting of the 24th of February, 1845, show that there were in the Savings Bank depositors of sums over £500?

Ans. I cannot from recollection state that there were any special instructions on the subject.

At a meeting of the Finance Committee, held on the 20th of January, 1846,

Present; Messrs. Lunn, Brondgeest, Ferrier, Murray,

A loan to Daniel O'Connor was granted.

The following minute appears in the minute book:

"On the representation of the Mayor, and after a good deal of discussion, it was agreed to grant a loan of £500 to Daniel O'Connor, on the security of certain property of Robert Cooke and John Kelly,

"and upon the personal guarantee of the same, and the necessary bonds, which were ordered to be prepared and executed."

I think a written application had been made by Mr. O'Connor previously. The transaction was gone into with considerable reluctance. Both Mr. Lunn and Mr. Brondgeest, if I recollect right, expressed doubts of the propriety of the transaction. I think they did not consider the parties very good. I do not think that any of the parties were in actual difficulties at the time.

At the same meeting it was suggested by Mr. Brondgeest, one of the Directors, that the interest upon all sums not exceeding fifty pounds should be increased to five per cent. The subject was reserved for future decision; but on the same day, it was subsequently determined, on a consultation with the majority of the Committee, to adopt the suggestion, and an advertisement was issued, dated the same day, allowing five per cent. on deposits under £50, and four per cent. on deposits over that amount, as before.

At a meeting specially called on the 27th of April, 1846, at which were present: Messrs. Lunn, Brondgeest, Mathewson and the Actuary, the following record appears in the minute book:

"The Actuary submitted the statements and accounts of the transactions of the Bank for the year ending the 31st of December last, which had been previously particularly examined by Mr. Lunn; which, having met with their approval, were ordered to be laid before the general meeting, called for Wednesday, the 29th instant. The Actuary was also desired to prepare a Report of the proceedings and the usual papers."

The statement had previously been examined by Mr. Lunn. The securities held by the Bank were exhibited and compared. I do not recollect whether anything particular occurred with reference to the examination of the High School loan, but it appeared in the statement laid before Mr. Lunn. The annual statement made up at that time, specifying particulars from the books was, I believe, in the Bank at the time I was removed from my office as Actuary. A list of the depositors and their amounts was made up, or rather, I should say, a balance sheet of the deposit ledger, since the names of the depositors were not given, merely the folios or numbers of their accounts being given. This latter account was compared as usual, between me and Mr. Sharrocks. Any error in the balance was trifling.

The annual report was laid before the general meeting on the 29th of April, 1846. It contains the following passage:

"Early in January last, the Actuary submitted a sketch, shewing what the surplus interest was likely to be when the accounts were all made up, as well as what would most probably be the surplus in future arising out of the constantly increasing deposits; which statement having been duly considered, your Committee resolved to increase the rate of interest to five per cent. upon all *bond* *fide* deposits, the aggregate of which should not exceed fifty pounds, thereby endeavouring to benefit that class for which the Bank was originally instituted. This resolution took effect from the 1st of January of the present year, and has been very satisfactorily acted upon and well received."

In the account of that year, of depositors, the highest sums that would appear to be at the credit of any individuals are put down as being between £400 and £500. There were a considerable number of depositors of sums over £500; the statement

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

was therefore inaccurate in that particular. That statement did not particularize, as had been done on former occasions, the particular stocks in which the funds of the Bank were invested, nor the particular debentures which they held; but it was true so far as respects the total amount of stocks and debentures held.

Ques. In that statement, is there any reference in the assets which are there described as being held by the Bank, to any loans granted without personal security or mortgages having been previously taken?

Ans. There is no such reference.

Ques. Had there been, at the time that statement was made out, considerable loans made to parties from whom neither real estate nor personal nor any other security had been taken?

Ans. There were some loans of that description. That of the High School is one.

Ques. Were there any loans, at the time, on which personal security alone had been taken?

Ans. Yes. I think there were. I remember one to the Honourable James Smith, and others to Doctor G. W. Campbell, Mrs. Lunn, and James Hutchison. I have no doubt there were several others.

Ques. Did you receive the thanks of the meeting held on the 29th of April, 1846?

Ans. Yes. The following is an extract of the minutes of that meeting:

"Moved by Wm. Lunn, Esquire, seconded by J. T. Brondgeest, Esquire,

"That the thanks of this meeting be presented to Mr. Eadie, the Actuary, for the ability and courtesy with which he has discharged the duties of his office."

Ques. In which of the assets particularized in the statement of the Provident and Savings Bank for the year 1845, were those loans on personal security, and without security classed?

Ans. They formed part of a sum of £52,962 19s. 6d, put down as "Loans on Mortgage of Real Estate with personal security, with interest."

The examination of the witness is here adjourned until to-morrow.

JOHN EADIE.

Sworn and signed before me,
this eighth of January,
1851,

W. BRISTOW,
Commissioner.

On this ninth day of January, one thousand eight hundred and fifty-one, the examination of the witness, John Eadie, Esquire, was continued as follows:

At the first meeting of the Board after the general meeting, which first meeting was held on the first of May, 1846, and at which the new office bearers were appointed, my salary was advanced. It had previously been £300 per annum and was then raised to £450. The members present at that special meeting were:—Messrs. Lunn, Redpath, Brondgeest, Stuart, Dow, Watson, Murray, Scott, and the Actuary, (myself.) The advance of salary is regularly recorded in the minute book.

At a meeting of the Finance Committee held on the nineteenth of June, 1846, present: Messrs. Lunn, Redpath, Brondgeest, Murray, and the Actuary, a loan

to the Canadian Mission was granted. The following extract from the minute book will show the nature of the transaction: "Mr. Lunn explained that he had called a meeting on behalf of the Trustees of the Canadian Mission, who wished to borrow £1000 to be applied in the erection of buildings for the purposes of the institution. The meeting was aware that Mr. Ferrier, before he sailed for England, had signed a Bill, which had also been signed by Mr. Redpath, in favour of the Provident and Savings Bank, for the amount above mentioned, payable at six months after notice, which is now in possession of the Actuary, and he (Mr. Lunn,) and Mr. Redpath explained that until the proper transfers were made, and the mortgage in favour of the Bank completed, the said Bill would remain as security for such advances as might be required.

"The farm and buildings which would together be worth two thousand pounds, or more, and which are otherwise unencumbered, would be made over to the Bank with the customary conditions as to insurance, &c., and that Mr. Ferrier, Mr. Redpath, and probably two or three more Trustees, were willing to become personally bound as usual. It was farther stated and agreed to that the money should be placed against the institution, and would bear interest at and from the dates when paid; and that it would be a condition of the bond that the debt should be repaid periodically, at the rate of at least one hundred pounds per annum.

"The meeting agreed to this proposition and arrangement, and instructed the Actuary to have it carried into effect."

On the fourth of November, 1846, according to the minute book of the Savings Bank, that institution was indebted to the Bank of British North America to a considerable amount.

Ques. Can you state from what causes the Savings Bank became indebted to the Bank of British North America at that time?

Ans. During the course of that year, I find that the loans amounted to considerably upwards of eighteen thousand pounds (£18,000), and the Bank invested in Bank stocks upwards of two thousand (£2,000), which accounts for the debt due to the British North American Bank for certain portions of that year. At the end of the year, the balance was in favour of the Provident and Savings Bank to the amount of £598 2s. 6d.

Ques. What was the excess of the deposits in the Savings Bank over the amount drawn out of that institution in the year 1846?

Ans. The excess was about twenty-one thousand pounds (£21,000).

Ques. Of the loans and of the purchases of Bank stock in 1846, which you state amounted together to upwards of twenty thousand pounds (£20,000), what portion are recorded in the minute book by the Directors of the Savings Bank?

Ans. The following, viz.:

Jan'y 20.—Presbyterian Church, Galt,	£750	0	0
" " John Bower,	100	0	0
" " D. O'Connor,	500	0	0
" " J. Anderson,	150	0	0
" " J. Tully,	500	0	0
April 27.—S. Milligan,	600	0	0
June 19.—Canadian Mission,	1200	0	0
" " G. Mantz,	350	0	0
" " West'n Chapel, Sherbrook,	325	0	0
Aug. 18.—Corporation, Montreal, ...	1000	0	0

£5475 0 0

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

A further loan was made to the Corporation of £1,000, as recorded in the minute book under date of fourth November, 1846; but, for this amount, notes were discounted at the Bank of British North America, at six months' date, so that no portion of the funds of the Bank was taken at the time for this loan.

Ques.—What loans and purchases of stock were made during the year 1846, that were not recorded in the minute book?

Ans. I find by the books of the Bank that loans were made to the following parties, to about the following amounts, viz.:—

Arthur Ross, about	£800	0	0
John Sinclair,	100	0	0
William Footner,	400	0	0
Patrick Reynolds,	100	0	0
Mrs. Barry,	100	0	0
William Lunn,	220	0	0
Daniel Gorrie,	1200	0	0
Baptist College, Montreal,	1250	0	0
Bank Stock,	2500	0	0
John Kelly,	1000	0	0
George Bourne,	1000	0	0
Sir Allan N. McNab,	2100	0	0
James L. Eagan,	100	0	0
Robert Unwin,	100	0	0
Connolly Cassidy,	60	0	0
Hon. James Ferrier,	1350	0	0
Zion Church, Montreal,	800	0	0
Thomas McGinn,	150	0	0
Montreal Insurance Company,	2000	0	0
John Griffith,	450	0	0
John Hutchison,	200	0	0
Charles S. DeBleury, about	800	0	0
Wesleyan Chapel, Montreal,	500	0	0
Robert Everett,	75	0	0
Moses J. Hayes,	500	0	0
Moses S. David,	100	0	0
Hon. James Smith,	200	0	0
Catherine Peck Vass,	400	0	0
Mrs. E. Brondgeest,	400	0	0
Thomas Austin,	200	0	0
J. H. Jobin,	100	0	0
	<u>£19,255</u>	<u>0</u>	<u>0</u>

No record is to be found of these loans and investments in the minute book of the Savings Bank, I believe.

At a meeting of the Board of Directors, held on the 23rd January, 1847.—Present: Messrs. Lunn, Ferrier, Redpath, Armour, Dow, Torrance, Murray, and the Actuary. It was determined to raise the rate of interest on deposits not exceeding £300. The following is an extract from the minute book of the Directors:

“ Mr. Lunn stated that the present special meeting had been called to consider the propriety of increasing the rate of interest. It had been ascertained that the Savings Bank recently started, had given it to be understood, that, upon deposits being made to it of considerable amount—say £300 or £400—they would allow some addition, probably $\frac{1}{2}$ per cent., providing the deposits were allowed to remain at the least 3 or 4 months. In consequence of this circumstance, the Actuary had made a calculation and estimate of the probable result of the business of the Bank for the

Appendix
(Q. Q.)

15th July.

“ current year, which would be submitted to them, by which it would appear that the business of the Bank would enable them to increase the rate, provided the Board considered it expedient so to do. The Actuary would read the Report to them. The Actuary then read the following Report, submitted to a meeting of the Managing Directors, held 23rd January, 1847:

“ It being the intention of the Managing Directors to take into consideration the expediency of raising the rate of interest, payable upon deposits now in, or which may hereafter be made to the Bank, the following sketch is made up to assist them in coming to a conclusion thereupon.

“ The amount of deposits, including interest to 31st Dec., 1846, may be estimated at

£156,000	0	0
<hr/>		
“ Supposing the rate were raised		
“ on all deposits to 5 per cent.,		
“ the interest at the end of 1847		
“ upon £156,000, at the actual		
“ interest paid, about $4\frac{7}{8}$ per cent.,		
“ would amount to	7,605	0 0

“ But it is probable that there would be an increase in the aggregate deposits, during the year, of a large amount; the ordinary increase has been upwards of £25,000 a-year, and the increase under these circumstances may be assumed at say £40,000—interest on which, for an average of six months at the same rate, would be

975	0	0
<hr/>		
“ Probable amount of interest due		
“ to depositors at the end of 1847	£8,580	0 0

“ The amount of deposits as above, is

£156,000	0	0
<hr/>		
“ The contingent account will be,		
“ when the accounts are made		
“ up to 31st Dec., 1846,	5,000	0 0

20,000	0	0
<hr/>		
“ Assuming the increase at the		
“ amount stated, £40,000 equal		
“ to £20,000 for the whole year.		

£181,000	0	0
<hr/>		
“ Probable amount of funds avail-		
“ able for interest during 1847,		

“ It appears desirable that the balance to be kept at the credit of the current account, in whatever bank it may be for the time, should not be allowed to come under the amount of the surplus fund or contingent account, viz. £5,000, and it is not improbable that an arrangement may be made with one or other of the chartered banks, under which 4 per cent. will be obtained. This item would thereby produce....

£200	0	
<hr/>		
“ The balance of the funds		
“ £176,000 being invested, would		
“ in no case, at present, yield less		
“ than six per cent., in many cases		
“ more; but for our immediate		
“ purpose, let it be taken at 6 per		
“ cent. on £176,000, or	£10,560	0 0

£10,760	0	0
<hr/>		
“ Estimated amount of interest at		
“ 31st Dec., 1847;		

£10,760	0	0
<hr/>		
Carried forward,		

Appendix
(Q. Q.)

15th July.

Brought forward,..... £10,760 0 0

" Interest on de-
" posits as esti-
" mated above,.. £3,580 0 0

" If such an increase
" as is contem-
" plated above,
" takes place, an
" additional clerk
" will be requir-
" ed, which will
" make the salar-
" ies, say about. 1,000 0 0

" Stationery, adver-
" tising, rent, and
" assessment, &c.,
" suppose..... 350 0 0

" Total to be paid,..... 9,930 0 0

" Shewing a surplus, after paying
" 5 per cent., of..... £830 0 0

" The Actuary further stated verbally, that there
" was a greater probability of the increase in the
" deposits, exceeding the estimate, than of its falling
" below it; and that if the banks in which the insti-
" tution holds stock, continued to pay dividends equal,
" on the average, to 7 per cent., the surplus of interest
" would be at least £300 above what it is here esti-
" mated at.

" After some discussion and deliberating on the
" view now presented by the Actuary, it was moved,
" seconded, and agreed to, That the rate of interest
" should be five per cent. upon all deposits now in
" the Bank, or which may hereafter be made, the
" amount whereof shall not exceed £300, say three
" hundred pounds. This regulation to take effect
" from the first day of January current, and the
" Actuary was instructed to carry the same into
" effect as formerly.

It was also resolved, that in as far as practicable,
" the suggestion in the report, regarding the balance
" which ought to remain at the credit of the cur-
" rent account with the chartered Bank keeping
" the same, should not be allowed to come under
" £5,000, and the Actuary was instructed accord-
" ingly.

" But as it would become a matter of some im-
" portance to have the highest rate of interest attain-
" able upon the current account, as now proposed
" to be kept, the Actuary was instructed to issue a
" circular, addressed to all the chartered Banks doing
" business in the city, requesting to be informed upon
" what terms they would take the account, both with
" regard to the interest to be allowed upon the bal-
" ance, in favour of this institution, and what they
" would charge upon the sum. The institution might
" unexpectedly be obliged to overdraw the account,
" ample security being always ready to be placed in
" the hands of such Bank, for such advance. The
" answers to the said circular to be, as formerly, kept
" unopened, until a meeting be called, after the whole
" shall be received.

" The Actuary laid before the meeting a form of
" certificate to be issued to depositors, intended to
" facilitate the transfer of small deposits made by
" parties residing at a distance, whereby postage
" and other expenses, as well as delay, would be
" avoided; which, after some amendment, was
" agreed to, and leave given to adopt it."

The examination of the witness is here adjourned
until to-morrow.

JOHN EADIE.

Sworn and signed before me,
this 9th January, 1851,

W. BRISTOW,
Commissioner:

On this tenth day of January, one thousand eight
hundred and fifty-one, the examination of the witness,
John Eadie, Esquire, was continued as follows:—

In pursuance of the proceedings of the meeting of
the Board of the 23rd January, the following further
proceedings will be found recorded in the minute
book:

" 26th, January 1847.

" In conformity with the resolutions of the meeting,
" held on the 22nd instant, contained in the above
" minute, the following announcement was made in
" all the papers:

" PROVIDENT AND SAVINGS BANK.

" Notice is hereby given that on and after the
" first day of January current, the rate of interest
" upon all moneys deposited in this Bank the amount
" whereof shall not exceed three hundred pounds
" currency, shall be five per cent. per annum, until
" further orders from the Board of Directors.

" JOHN EADIE,
" Actuary.

" 9, Great St. James Street, Montreal,
" January 26th, 1847."

The following circular was addressed to the
Cashier of each of, the Bank of Montreal, City
Bank, Banque du Peuple, and the Commercial
Bank of King-ton, viz:

" PROVIDENT AND SAVINGS BANK,
" MONTREAL, 4th February, 1847.

" SIR, I am desired by the Board of managing
" Directors of this institution, to make the following
" inquiries, namely:

" In the event of their transferring the current
" account to your Bank, what rate of interest will
" you allow upon the daily balance?

" We lodge every day to the credit of our account
" current, the whole amount of the deposits made
" with us; and it is the wish of the Directors that
" the balance at our credit should not, as far as
" practicable be at any time less than five thousand
" pounds, say £5,000.

" All our payments, which average about £12,500
" per month, are made in the bills of, or by cheques
" upon, the Bank in which our account is kept.

" Although it is the intention of the Directors that
" the balance shall be as above stated, they wish to
" know to what extent your Bank would permit them
" to overdraw the account, should circumstances
" compel them to do so; it being understood that
" such will be for only a very short period, and that
" in all cases security will be lodged for the sum so
" overdrawn.

" They also wish to be informed what rate of in-
" terest would be charged in such circumstances.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

"Requesting the favour of your answer on or before this day week, I have the honour to be, &c.

"JOHN EADIE,
"Actuary.

On the same day the following note was addressed to Mr. Davidson, of the Bank of B. N. America :

"DEAR SIR,—At a recent meeting of the Board of managing Directors of this institution, at which it was resolved to raise the rate of interest upon deposits, it was also ordered that an application should again be made to all the chartered Banks, whose bills are payable in this City, requesting to be informed upon what terms in relation to interest, &c., they would be disposed to take the current account. I have accordingly addressed a letter to them, of which I now inclose a copy, and I will be obliged by your letting me know, in accordance with that letter, upon what conditions you will be disposed to retain the account.

"I am, &c.,

"JOHN EADIE,
" &c."

On the 18th February, 1847, a special meeting of the Directors was held—Present: Messrs. Lunn, Ferrier, Dow, Scott, Murray, Mathewson, Armour, and the Actuary. The following is an extract from the minutes of the proceedings of that meeting :

"The minutes of the preceding meeting were read, and the advertisements and notices following thereon.

"The Actuary also stated; that immediately after these intimations had been made, the new Bank had issued a notice, that they would at and from the same dates, give five per cent. interest upon all deposits. That this had caused numerous enquiries to be made by parties having larger deposits at their credit in this institution than the limited amount upon which the increased rate was to be paid, and intimation was in some instances given, that the deposits, or at least the differences would be withdrawn, if the interest were not made the same as the other had offered.

"The Actuary after consulting the members of the Finance Committee, intimated verbally that the rate upon all deposits would be made the same, viz., Five per cent.: and that he had since altered the printed notice to the same effect.

"The circular to the different chartered Banks was then read, and the answers received were handed over to the President to be opened and read.

"The City Bank offered 4 per cent. on the current account, and to charge 6 per cent. on the amount which might be overdrawn.

"The Banque du Peuple in like manner, offered 4 per cent, and to charge 5 per cent on amount overdrawn.

"The Montreal Bank offered 3 per cent. and 6 per cent.

"The Bank of British North America, offered to allow 4½ per cent. upon the balance at credit and to charge 5½ per cent. upon any sum overdrawn.

"The meeting were unanimous in opinion that the offer by the Bank of B. N. America was the most advantageous, and the account was ordered to be continued on the terms offered."

On the 19th March, 1847, a meeting of the Directors was held; Present: Messrs. Lunn, Ferrier, Dow,

Mathewson, Armour, Kay, Murray, Redpath, and the Actuary. The following is an extract from the minute book of the proceedings of that meeting.

"The Actuary stated that he had, in accordance with the arrangement entered into with the Bank of British North America, made a special deposit of £5,000, and that the balance to the credit of the current account had increased to about the same amount.

"The meeting after some discussion on the tendency of the late change in the rate of interest, to increase the amount of deposits to an unmanageable, or at least to an inconvenient amount, authorised the Actuary to purchase £3,000 of Commercial Bank Stock, at the lowest price obtainable."

On the 17th April, 1847, a meeting of the Managing Directors was held. The following is an extract from the proceedings of the meeting :

"Present; Messrs. Lunn, Armour, Redpath, Ferrier, Murray, Mathewson and the Actuary.

"The Actuary laid before the meeting the accounts of the transactions and proceedings of the Bank for the year ending the 31st December, 1846, which were examined and ordered to be made out, so as to be laid before the general meeting on Monday, and the Actuary was desired to have the Report ready for revision on Monday morning."

At this meeting the securities held by the Savings Bank were examined by Mr. Lunn, and Mr. Redpath also, I think, examined them. A balance sheet was, as usual, drawn up, of the general books of the Bank, and a statement of the balances in the deposit ledgers. I believe the cash on hand agreed with the balance in the cash book. There was no deficiency, at all events of any moment, probably not over (£100) one hundred pounds. The balances in the deposit ledger corresponded with the amount placed to that account in the general statement. There might be a difference of £20 or £30, but, to the best of my recollection, not of more.

The annual meeting of the Savings Bank was held on the 19th April, 1847, when the following Report was read :

"The Directors have again the satisfaction of being able to lay before the meeting a statement of the affairs of the institution, exhibiting at least as great a degree of prosperity as upon any former occasion. The number of depositors has increased in nearly the same ratio as formerly, and the amount of deposits has kept pace with their numbers.

"The relative proportions of the larger and smaller deposits have in no very remarkable degree varied from preceding Reports, as an inspection of the classified depositors will show. Fully one half of the number consists of depositors whose balances do not amount to £20 each; nearly nine-tenths have deposits not exceeding £100 each; and of the whole 3120, there is nearly one fourth (699) whose deposits are under £5 each; thus shewing the extent to which the labouring classes, and the industrious of very moderate means, make use of such institutions; one of the best proofs of which, however, consists in the fact that no less than 401 deposits do not yet amount to more than £1 each.

"In the Report presented at last annual meeting, the advance then recently made in the rate of interest was slightly alluded to. The increase was applicable to deposits under fifty pounds. The Directors deem it not out of place to enter a little more into detail here upon this branch of the subject.

Appendix
(Q. Q.)

15th July

Appendix
(Q. Q.)

15th July.

" When this Bank was instituted in October, 1841, there was only one Savings Bank existing in the City, whose transactions were on a very small scale, and the rate of interest allowed by it did in no case exceed three per cent., and this even was confined to very limited amounts. The gentlemen who organized the Provident and Savings Bank commenced by allowing four per cent. interest upon all deposits; and as they considered themselves merely Trustees for the depositors, they intimated, in the prospectus, and the Rules and Regulations of the Bank, prefixed to each of their deposit pass books, that this rate was adopted 'until the Directors were enabled to increase it.' The business of the Bank increased so rapidly, and so much beyond their anticipations, that the Directors soon found that the investment of the capital resulting therefrom involved a serious responsibility. However circumspect they might be in the selection of investments and securities, it was obvious that any unforeseen depression, permanently affecting any description of stock, might cause a loss of considerable amount to the Bank; and unless there was a fund created to meet that deficiency, no means existed of levying for it upon the depositors.

" Accordingly, early in 1843, they entered a regulation in their minute book, declaring that until a guarantee fund of at least £5000, to meet such contingency, were accumulated, it was inexpedient to increase the rate of interest, or to make any appropriation to any charitable purpose.

" The deposits still continued to increase, the profit upon the interest accumulated in proportion; and at the end of 1845, a fund of about £4000 having been obtained, and that being, as they considered, sufficient to authorize it, the Directors intimated that from and after the 1st January, 1846, the rate would be increased to five per cent. upon all sums not exceeding fifty pounds.

" During the year just passed, the business of the Bank, as has already been said, increased as regularly and to as great an extent as formerly; and at the end of the year, the reserved fund being found to exceed the amount originally contemplated, with a reasonable probability of its progressing for the future, so as to accomplish the end proposed, the Board came to the resolution to allow five per cent. upon all deposits not exceeding £300, from and after the 1st January of the current year; and from certain circumstances, which it is not essential to do more than allude to here, they soon afterwards extended that rate to all sums which the Bank can take.

" What effect this last alteration has had upon the deposits will be exhibited in the usual periodical statement for the first quarter of the current year, and it will be for their successors to take such measures in regard thereto, (should any be necessary,) as they may think the circumstances require. In the meantime, before closing this Report, the Board may be permitted, and it will be satisfactory to the public and to the friends of this institution, briefly to notice the state of the investments.

" Of the Bank stocks belonging to the Bank, exclusive of the part held in security, no portion has cost more than the rate at which it could be disposed of, at the present moment, while much the greater part would readily bring an advance of 4 to 6 per cent. The Road, Harbour, Canal, &c., debentures would, in every case, realise the cost and interest, and in some instances, a per centage more. Upon the most careful scrutiny of the remaining investments, the Directors are satisfied that, as far as human foresight can determine, there is no reason to apprehend any loss of the least

" consequence; thus leaving the large guarantee fund unfettered, upon which depositors may implicitly rely, as an ample security for all the transactions of the Bank."

In the statement accompanying the Report, the depositors are classed under various heads, from one pound to five hundred pounds. No depositors appear by this statement to have lodged over five hundred pounds (£500). There were at the time many depositors of sums larger than £500. I should say that there were about thirty. The statement rendered on that occasion did not specify in detail the different Bank stocks in which the funds of the Bank had been invested, nor the particular debentures which it held.

Ques. In that statement of the assets of the Bank, does it appear that any of the funds of the Bank had been invested on personal security merely, or without any security whatever?

Ans. There is no admission in that statement that any loans had been made on personal security merely, or without security.

Ques. Was a large sum of money, outstanding at the time that statement was made, invested either without security or upon personal security only?

Ans. I should say, yes, there was. The loan to the High School was one, to Doctor Campbell, to Mrs. Lunn, and various others.

Ques. Under which head of the assets of the Bank were these loans classed?

Ans. Under "Loans on mortgage with personal security."

A meeting of the Managing Directors of the Bank was held on the (7th) seventh September, 1847. The following is an extract from the minutes:—

" Present: Messrs. Lunn, Ferrier, Mathewson, Torrance, Elder, Anderson, and the Actuary.

" After some conversation on the rapidly increasing amount of deposits, and the wish of the Directors generally that all the means in our power should be employed to keep it within bounds, it was

" Resolved—That the Actuary shall make up periodically, once a month, a statement of all deposits, amounting to £500, that the Finance Committee may decide upon the expediency of reducing the said balances.

" That the Finance Committee shall, in like manner from time to time, or quarterly, examine the different loans and investments made by the Bank, with the view of ascertaining the position of the same, and of the securities, and report thereon to the Board at their quarterly meetings."

The examination of the witness is here adjourned until to-morrow.

JOHN EADIE.

Sworn and signed before me,
this 10th January, 1851,

W. BRISTOW,
Commissioner.

On this eleventh day of January, one thousand eight hundred and fifty-one, the examination of the witness, *John Eadie*, Esquire, was continued as follows:

The Resolutions of the (7th) seventh September, 1847, embodied in my evidence, given before this

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July

Commission yesterday, were never acted on. I continued to take sums that were offered to the Bank in deposit, without any limitation as to amount. After that time, the sums withdrawn were larger than those deposited, and continued so, until the failure of the Bank.

At the same meeting of the 7th September, various loans were effected on mortgage with personal security, amounting to £3250, viz. to the following parties:

Walter Miller, St. Rose	£ 500
A. M. Delisle	1000
W. Freeland, Brockville	1000
George Platt	250
W. P. Wells	500
	<u>£3250</u>

The following minutes relative to loans are extracted also from the minutes of the proceedings of that day:

"The Actuary was instructed to write, in reply to Mr. Turquand's note of 19th August, that at present the Bank had no surplus, which it would be worth while to offer to the Provincial Government.

"Mr. Ferrier stated that an application had been made to him personally, by a party connected with the Executive Council, which he expected would have come before the meeting to day in the ordinary manner; but as it had not, he did not think it necessary to say any thing farther than that he would recommend its being favourably considered if it were brought before them."

The following further minutes are extracted from the Minute Book, under date 10th September, 1847:

"The following letter, which was handed to the Actuary this day, contains the application alluded to by Mr. Ferrier, at the meeting held on 7th.

"MONTREAL, 10th September, 1847.

"JOHN EADIE ESQ.

"SIR,—On the part of the Hon. Dominick Daly, I beg to apply for a loan of the sum of Twelve Hundred Pounds, on the usual terms established by the Bank in similar transactions.

"Mr. Meredith, Q. C., is prepared to join in the necessary personal security, and Mr. Daly will execute a mortgage upon ample unencumbered real estate, within the City.

"May I request that you will have the goodness to bring this application under the notice of the Directors on an early occasion, and that you will inform me if any further proceeding required to be taken on Mr. Daly's part.

(Signed.) A. C. WEBSTER."

The following further minutes are extracted from the Minute Book under date 15th. September, 1847.

"MONTREAL, 15th September, 1847.

"Having taken the prefixed application into consideration, we are of opinion the securities offered warrant us to grant the loan on the usual conditions.

(Signed) "J. FERRIER.
"GEO. ELDER, JUN.
"WM. LUNN."

"John Eadie.

The property given as security for this Loan to Mr. Daly, consisted of lands and a house in St. Ma-

Appendix
(Q. Q.)

16th July

ry's suburbs. I have no knowledge of the value of the property; or whether it was unencumbered or not. A mortgage was regularly executed in favour of the Bank, and, I believe, registered by the Bank.

On the 6th December, 1847, the following resolution was passed at a Meeting of the Managing Directors.

Present:—Messrs. Lunn, Anderson, Murray, Mathewson, Elder, Torrance, Ferrier, Redpath, and the Actuary.

"It was resolved that the Finance Committee should meet every Tuesday, at half-past 10 o'clock, and that the Directors should be called together, on the second Monday of every month."

On the 17th December, 1847, a meeting of the Finance Committee was held. The following are the minutes of the meeting:—

"Met, Messrs. Lunn, Redpath, Elder, and Murray. The Meeting was occupied looking over the sketch of the loans, especially those to churches, &c., and the Actuary was instructed to write to all of the Trustees whose loans were more than 3 years old, that the Directors had decided that these loans should be gradually reduced."

On the 11th January, 1848, a meeting of the Finance Committee was again held, and on the 1st February a further meeting, when the loans made by the Bank were examined into. Several other meetings took place about the same time for the same purpose. No minutes were taken of their proceedings. The object was principally to call up the loans, or a portion of them.

A meeting of the Finance Committee was held on the 22nd February, 1848. Present: Messrs. Lunn, Ferrier, Murray, Elder, Redpath, and the Actuary: when "the Committee Resolved, That no further loans or investments should be made until the amount at the credit of the Bank account should be 7½ per cent. on the whole amount of Deposits."

I believe no loans were subsequently made by the Bank, except to Mr. Potts, £560, and the Coté Street Church, £600. The various loans continued to be the subject of examination, and on the 24th April, 1848, at a meeting of the Finance Committee. Present: Messrs. Lunn, Redpath, Ferrier, Elder, and the Actuary. A list of those loans which had been called up, and the mode of calling, was laid before the Board. That list comprised the oldest standing loans of the institution, I believe, and they were therefore selected to be the first called in.

The examination of the witness is here adjourned until Monday, 13th inst.

JOHN EADIE.

Sworn and signed before me,
this 11th January, 1851.

W. BRISROW,
Commissioner.

On this thirteenth day of January, one thousand eight hundred and fifty one, the examination of the witness, John Eadie, Esq., was continued as follows:

The following is a copy of the list of loans laid before the meeting of the Directors of the Savings Bank, held on the 24th April, 1848, referred to in

Appendix
(Q. Q.)Appendix
(Q. Q.)

my examination before this Commission of the 11th instant:

15th July.	£	s.	d.	
"	500	0	0	John Ross, by letter to him and his securities, 9th March.
"	150	0	0	Thomas Allan, by letter, now long past due. Mr. Cross.
"	450	0	0	Baptist School House, Pelton, 25th April, 1848.
"	1120	0	0	Second Congregational Church, Pelton, 19th April.
"	1200	0	0	M. J. Hays, 20th April, 1848.
"	1113	2	8	George Auldjo, (late,) the loan to be paid on or before July, 1848.
"				George Munro—stock sold.
"	200	0	0	Congregational Church, Sorel—wrote A. Savage, &c., 31st March.
"	423	2	1	John Carmichael—to be paid in June, or sued.
"	1350	0	0	W. D. Lindsay—by letters of 9th March, &c.
"	2500	0	0	H. O. Wait—wrote Dumas & Delisle, 15th March.
"	500	0	0	Thomas Ross—Pelton, 24th April.
"	600	0	0	Hypolite Guy—Pelton, 25th April.
"	150	0	0	James Laverock—Pelton, 1st May, Beauharnois.
"	1770	0	0	St. George's Church—Pelton, 3d Jan.
"	1000	0	0	Mrs. E. Gundlack—notice served by me, 13th January.
"	1000	0	0	Alexander Kinskowski—Pelton, 4th May.
"	250	0	0	William Browne—Pelton, 24th April.
"	200	0	0	John Morrison—notice served on him and sureties.
"	50	0	0	Henry Buchanan—May 16th, wrote him. J. E.
"	300	0	0	Richard Robinson—Pelton—notice to Campbell, May 17th.
"	500	0	0	John Hautson—Pelton—22nd April.
"				St. Ann's Chapel—wrote Dr. Falloon, 10th March.
"	276	5	4	Baptist Chapel—Pelton, 22nd April.
"	200	0	0	Edward Worth—Pelton, 5th May, Quebec.
"	500	0	0	Mr. Dougall & Morrison—Pelton, 24th April.
"	100	0	0	Estate of the late Galt—notified by me, 17th May, 1848.
"	2000	0	0	Sir Allan N. MacNab.
"	200	0	0	W. H. Dixon—John Yule, jr., to have it paid immediately.
"				Hon. Judge Smith.
"	150	0	0	George Harrison.
"	650	0	0	Peter MacNee, Sorel—Cross to sue—wrote him, 10th May.
"	1000	0	0	Arthur Ross—Pelton, 22nd April.
"	500	0	0	John Tully—Pelton, 24th April.
"	1250	0	0	Baptist College—Pelton, 22nd April.
"	800	0	0	Canada Baptist Mission—Pelton, 22d April.
"	100	0	0	J. H. Jobin—wrote him 12th May, to pay immediately.

At the meeting of 24th April, 1848, the following proceedings were adopted, as appears in the minute book of the Savings Bank:—"After some routine business regarding loans, the Actuary was instructed to write to Judge Smith, that, if the Bill for £500 be not paid within six days from this date, the note will be put in suit and the mining stock sold."

A memorandum in the minute book under the same date, appears in my handwriting: That I, on the same day, wrote Judge Smith in terms of the above. I did so write him.

On 26th April, 1848, a meeting of the Managing Directors was held. The following is a record of the proceedings extracted from the minute book:

"MANAGING DIRECTORS,
"26th April, 1848."

"Present: Messrs. Lunn, Ferrier, Murray, Dow, Elder, and Watson; present, also, the Actuary. "The statement of the funds, &c., for last year, was read over, and was referred to Mr. Lunn, to examine and compare with the vouchers, and to report. The annual general meeting was ordered to be called for Thursday, the 4th May—to be held in the office of the Bank, at 3 o'clock."

A meeting of the Finance Committee was held on the 2nd May, 1848. The following is an extract from the minutes of the proceedings of that meeting:—"Present: Messrs. Lunn, Ferrier, Redpath, Elder, and the Actuary. Hon. Judge Smith having given his note at 4 months from this date, endorsed by Hugh Taylor, for the £500, the Actuary was instructed to return him the mining scrip. It was also ordered that a mortgage upon two certain lots in Sherbrooke street, should be accepted (in the meantime) in place of personal security for the loan of £1000, and balance of £900."

A meeting of the Managing Directors was held on the 4th May, 1848. The following is the minute of the proceedings:—"Present: Messrs. Lunn, Ferrier, Mathewson, Redpath, Murray, Elder, Torrance, and the Actuary. The President reported that he had gone over the whole of the vouchers, bonds, debentures, &c., and found them to agree with the statement. The Report was then read, paragraph by paragraph, and approved and ordered to be presented along with the statements as formerly. "The proposed amendment of and addition to the Rules and Regulations drawn up by Mr. Cross, was ordered to be submitted to the meeting; and, if approved, to be recorded, engrossed, and lodged as before. Mr. Lunn was authorised to transfer £5,000, City Bank stock, to Mr. Davidson, to cover the balance due to the Bank of British North America." The following additional observation in my handwriting appears in the minute, at the close of the report of the proceedings, in pencil:—"In addition to their own stock, and the £5,000, Montreal Road debentures they at present hold."

In the statement laid by me before the Managing Directors (on 4th May, 1848), the whole of the bonds, debentures, and other securities held by the Bank, were particularised, as usual, in statements made for the annual meeting. A balance sheet was drawn out, as usual, of the accounts in the general ledger, and a balance sheet of the deposit ledger was also made in the usual form. I cannot say that either the general ledger or the deposit ledger was exactly balanced on that occasion. The books of the Bank were then in confusion, and the pressure on the Bank had begun. The statement was made up to the 31st December, 1847, and purported to contain a record of the proceedings of the Bank

15th July.

Appendix
(Q. Q.)

15th July.

during the whole year 1847. This statement was laid before the annual general meeting, which was also held on the 4th May, 1848.

Ques. Since the books had not been balanced to the 31st December, 1847, on what data did you proceed in making up the statement of the debts and assets of the Bank which was laid before the general meeting above alluded to?

Ans. The amount of the deposits was taken from the deposit ledger, with the interest from the balance sheet of the deposit ledger; and the amount withdrawn during the year, was taken from the general ledger, which had been examined as accurately as possible, and the balance formed the amount due to the Depositors. The surplus on the interest account was correctly extracted from the deposit ledgers. The amount, viz., £6388, will be found at the credit of guarantee fund, page 19 of the general ledger. These items formed the whole amount at the debit of the Bank. The accounts at the credit of the Bank should in like manner agree with the books. The statement which I furnished to the Directors, and of which the statement laid before the meeting of the 4th May, 1848, was a condensed abstract, contained the full particulars of the various bonds, debentures, and Bank and other stocks, held by the Bank as assets. The statement laid before the general meeting, I have no doubt, contained a true account of all the bonds, debentures, Bank and other stocks, held by the Savings Bank on the 31st December, 1847. The amount of loans to Churches, &c., &c., specified in the said statement, laid before the general meeting, I have no doubt was correct, and was a true condensed statement, extracted from the full statement, made by me of those loans. The loans on personal security which are put in the above statement, laid before the above named general meeting, at £70,950 9s. 9d., were not correctly stated; the sum stated was an approximation to what was believed to be the amount of such loans. The cash stated to be on hand, amounting to £6,555 18s. 3d., was not correctly stated. The cash account had not been balanced at that period.

Ques. Please refer to the Ledger, under the head of "Deposits," and say whether the sum stated to have been withdrawn during the year 1847 was correctly given in the statement, laid by the Directors before the general meeting on the 4th May, 1848?

Ans. There appears to be an error of £800 in the statement laid before the general meeting.

Ques. Please turn to the cash book and the ledger of the Savings Bank, folio 30, under the head of "Bank of British North America," and say what are the balances that appear respectively at the debit of those two accounts on the 31st December, 1847.

Ans. The balance at the debit of cash appears on that date to have been..... £2653 1 11
And at debit of the Bank of British

North America..... 5528 1 11

Total balance..... £8181 3 10

Ques. Should not the balance of these two accounts collectively correspond with the balance stated to be in cash among the assets of the Bank in the general account furnished to the annual meeting.

Ans. Yes.

Ques. Was the cash on hand in your possession at the time, counted over and verified by any of the Directors?

Ans. No; it was not.

Ques. Had you £2653 1s. 11d. cash on hand on the 31st December, 1847?

Ans. I believe not.

Ques. Had you any considerable sum on hand on the 31st December, 1847?

Ans. I did not keep the cash individually. The balance of cash in the cash book ought to correspond with the balance in the Paying Teller's hands. I find that the balance in the Paying Teller's hands on the thirty-first December, 1847, was £895 2s. The difference between that sum and the balance of cash as it appears in the cash book, which difference amount to £1857 19s. 11d., must have arisen from my transactions with W. S. Macfarlane and others. I did not myself balance the cash book; it appears to have been done by Mr. Cox, after I left the Bank.

Ques. Were the Directors or any of them aware, to your knowledge, that the statement, laid before the annual meeting on the 4th May, 1847, was not accurately made up?

Ans. They were aware of discrepancies in the cash of the Bank, existing prior to that time, and of course they must be aware that the accounts were not exactly correct. Mr. Lunn, Mr. Ferrier, Mr. Redpath, and Mr. Murray could not but be aware, before the 4th May, 1848, that there were deficiencies in the cash for the year 1847.

Ques. Was the Report read at the meeting, signed; and if so, by whom?

Ans. It was signed by me, and purported to be by order of the Board.

Ques. By the statement furnished to the general meeting, does it appear that any loans had been made at the time, on personal security only, or without any security whatever?

Ans. There is no specification in the statement and Report, of any loans having been granted either on personal security only, or without security.

Ques. Was a large amount outstanding, due to the Bank for loans made prior to thirty-first December, 1847, either on personal security only, or without security, at the time the annual statement was laid before the meeting of the 4th May, 1848?

Ans. Yes; there was a large amount.

Ques. Did that large amount appear amongst the assets of the Bank, in the statement laid before the meeting?

Ans. It did.

Ques. Under what head were these loans on personal security only or without security, classed?

Ans. Under the heads of "Loans to Churches, Chapels, Schools, Insurance Company, and to other corporate bodies, with, in no case, less than two personal securities, £31,854 13s. 7d.;" and of "Loans on personal security with mortgage on real estate, as collateral security, in all cases, not less than two sufficient names, £70,950 9s. 9d."

Ques. Were there any depositors on the 31st December, 1847, of sums over £500.

Ans. There were.

Ques. Does the statement of the proceedings of the Bank shew that there were any depositors of sums over £500.

Ans. There is not. The account specifies eighty-six depositors of sums over £400.

The following Report was laid before the meeting of the 4th May, 1848.

"Sixth annual Report by the Board of Managing Directors, of the transactions of the Montreal Pro-

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" vident and Savings Bank, from 1st January to 31st
" December, 1847, presented to the annual meeting
" of the Patrons and Directors, held on the 4th May,
" 1848.

" The Report which the Directors have to present
" to-day differs in no material degree from those
" which they have had to lay before previous meet-
" ings. The amount of deposits has increased to a
" greater extent than in any preceding year, which
" has no doubt been caused chiefly by the increased
" rate of interest now allowed by the Bank, and
" partly by the flourishing state of trade in the first
" six months of the last year, which has enabled
" many to deposit larger amounts of money, than
" would in ordinary cases have found its way into
" this or similar institutions. This increase in the
" amount of deposits has been found to be a source of
" inconvenience to the Directors, rather than an ad-
" vantage to the Bank, as it devolves upon them the
" duty of making investments from time to time,
" which may again have to be realized, perhaps at
" a more inconvenient period, when these deposits
" come to be withdrawn. The Directors have been
" as careful as possible in making investments, for
" the particulars of which they refer to the state-
" ment of the funds, &c., now laid on the table, and
" they have, after very careful investigation, found
" no reason to change the character of the Report
" which they made, in this respect, last year, namely,
" that as far as it is possible to foresee events, there
" is no reason to doubt that the large and increasing
" surplus fund, now amounting to £6,388 10s. 8d.,
" will much more than suffice to compensate any
" loss which can occur, on either Bank stocks or
" other investments.

" In regard to Bank stocks, which have suffered
" some depression lately, they have the satisfaction
" of being able to say, that a very considerable
" portion of the amount was purchased when the
" market price was as low as it is at present; and
" all advances made upon other property are gua-
" ranteed over and above, by personal security of the
" best description.

" The Managing Directors beg leave to submit
" the usual statement of the progress of the Bank,
" and of the funds thereof, which they trust will be
" found full in the details, and satisfactory in the
" exhibition which it gives of the affairs of the
" Bank."

The examination of the witness, *John Eadie*, Esq.,
is here adjourned until to-morrow, and he hath
signed.

JOHN EADIE.

Sworn and signed before me,
this 13th January, 1851,

W. BRISTOW,
Commissioner.

On this fourteenth day of January, one thousand
eight hundred and fifty-one, the examination of the
witness, *John Eadie*, Esquire, was continued as
follows:

Ques. In your evidence before this Commission,
given yesterday, when referring to the discrepancy
between the balance of cash, as it appears in the
books of the Savings Bank, and in the statement
exhibited at the general meeting on the 4th of May,
1848, you say that you did not yourself balance the
cash book, but that it appears to have been done by
Mr. Cox, the Receiving Teller: can you state whe-
ther the cash book had been balanced up to the 31st

Appendix
(Q. Q.)

15th July.

December, 1847, at the time the annual statement
was exhibited, say on the 4th May, 1848?

Ans. To the best of my recollection, it had not.

Ques. To what period of time did you yourself
balance the cash book, and regularly carry forward
the balance on hand?

Ans. The balance was correct, to the best of my
knowledge and belief, on 31st December, 1846, and
I then carried forward that balance in ink, as appears
by the cash book. I believe I never balanced the
cash afterwards.

Ques. Please refer to the cash books now before
you, and say whether they have ever been balanced
since by you?

Ans. They never have been. The additions are
marked in black lead, and carried forward. A
balance is also stated at the end of each month, in
black lead, and such balance is such as would ap-
pear from a comparison of the debtor and creditor
sides of the cash book.

Ques. In the annual statement exhibited at the
general meeting of 4th May, 1845, do not the debtor
and creditor sides exactly correspond in amount to a
penny?

Ans. They do.

Ques. In the then position of the books of the
Savings Bank, was it possible to extract a statement
from them which should be so correct as exactly to
balance?

Ans. Such a statement could not have been made.

Ques. Is it to be understood from your observa-
tions, that the exact balance which the statement
exhibited at the meeting of 4th May, 1848, shews,
could only have been arrived at by either guessing
at or knowingly mis-stating some or all of the par-
ticular items of which the statement is composed?

Ans. I have already said, in my examination yes-
terday before this Commission, that the statement
was an approximation to the real balance, by which
I mean that we made it as near to what we conceived
to be the truth as we could, under existing circum-
stances.

At the general meeting of 4th May, 1848, some
amendments of the rules and regulations of the
Bank were adopted. A copy of the amendments
was laid before the Clerk of the Peace immediately
after the meeting.

On the 10th May, 1848, a meeting of the Manag-
ing Directors was held. The following are the
minutes of the proceedings of the meeting:

" Present: Messrs. Morris, Ramsay, Elder, Leem-
" ing, Redpath, Torrance, and Badgley.

" The balance due the British North American
" Bank was stated to be now £12,300; the amount
" overdrawn since January, £23,000.

" The Directors resolved that the Finance Com-
" mittee should meet every Tuesday, at 10 o'clock,
" when the minutes of the former meeting
" before proceeding to other business.

" The Directors shall meet on the second Wed-
" nesday of every month, at 10 o'clock, and be called
" together by circular.

" That the following gentlemen be appointed a
" Sub-Committee to revise the by-laws, viz: The
" President, Mr. Elder and Mr. Ramsay, and to re-
" port to the next monthly meeting. That the Di-
" rectors contemplated reducing the salary of the

Appendix
(Q. Q.)

15th July.

"Actuary to £400; but it was agreed after discussion to allow it to remain for the year at £500, with a view to ascertain what are the actual duties of the office. The Directors, however, inclined to the opinion that the interests of the institution, demanding every regard to economy, would justify a return to the former salary of £400. It was also decided that Messrs. Sharrocks, Cox, and Mathewson's salaries should continue as during the past year."

On the 12th May, 1848, a meeting of the Finance Committee was held. The following are the minutes of the proceedings of the meeting:

"Present: Messrs. Morris, Redpath, and Elder. The Committee authorized the following application to be made to the Bank of Montreal.

"TO THE CASHIER OF THE BANK OF MONTREAL.

"SIR,—The Finance Committee of this institution find, that from the depressed state of trade, the sums withdrawn from the Bank, for some time past, have been greater than the deposits, in consequence of which it has become necessary to realise part of their investments, either by sale or by loan upon their bank stocks, that being the only property immediately available. But as this is a time when sales cannot be effected without considerable sacrifice, the Committee are desirous of obtaining a loan of £15,000, from the Bank of Montreal, upon the pledge of its own stock, so as to obviate such sacrifice on the part of the Provident and Savings Bank, and thus prevent the depreciation of the stock by its being forced into the market. The money to be drawn for as it may be required to meet any deficiency which then may be in the deposits, as compared with the sums withdrawn, from day to day. This arrangement to take effect from the date of the proposed loan. The loan to be at the legal interest, and to be repaid at such time, and in the manner that the Bank of Montreal may agree to.

"WILLIAM MORRIS,
President P. and S. Bank.

"12th May, 1848.

"List of loans to be called up, to be made and entered in the minute book, so as to be laid before the Committee to-morrow, at 10 o'clock."

On the 16th May, 1848, a meeting of the Finance Committee was held. The following are the minutes of the proceedings of the meeting:

"Present: Messrs. Morris, Elder, and Murray. The meeting was occupied with examining the loans, and giving instructions for calling up several and completing others, with a list of the loans over due.

"The following reply from the Cashier of the Bank of Montreal was read:

"HON. WILLIAM MORRIS,
President Provident and Savings Bank.

"SIR,—I have to acknowledge receipt of your letter, dated 12th instant. The same was laid before the Board of Directors at their last meeting, and in reply, I am directed to state, that while they cannot comply with the proposed terms for a loan to the extent of £15,000, upon the security of Bank stock, held by your institution, the same being contrary to the provisions of the charter, they have no objection to grant an open credit to the extent named, payable at the rate of six per cent., upon the understanding that the amount so drawn shall be re-imbursed, with interest, within a period not exceeding three months.

"I remain, &c. &c."

"A. SIMPSON.

Cashier.

"15th May, 1848."

Appendix
(Q. Q.)

16th July.

On the 18th May, 1848, a meeting of the Finance Committee was held. The following are the minutes of the proceedings of the meeting:

"Present: Messrs. Morris, Redpath, Elder, Murray, and Ferrier; also the Actuary.

"The minutes of the previous meetings were read, and Mr. Morris was sworn in by Mr. Ferrier.

"The lists ordered on the 16th were laid before the meeting, as far as completed, and were ordered to be inserted in the minute book. All notices, &c., given between the meetings, are also to be minuted as they occur, so as the book may contain a record of the transactions of the Bank, from day to day."

On the 23rd May, 1848, a meeting of the Finance Committee was held. The following are the minutes of the proceedings of that meeting:

"Present: Messrs. Morris, Redpath, Ferrier, Murray, Elder, and the Actuary.

"Inquiry having been made whether Mr. Pelton, as requested several days since, had sent a list of the additional notices made by calling up the loans, and he not having done so, the Committee requested the Actuary to intimate to him that unless all their instructions were promptly attended to, which they are not at present, they would be under the necessity of employing another Notary.

"Those that have not been served to be so immediately, and a list of all already served to be sent into the Bank by 10 o'clock, Thursday.

"Mr. Badgley, to whom the 9th and 13th sections of the Act 4 and 5 Vict. were referred, in relation to the loans made by the Bank, sent in his opinion as follows, viz:—

"MONTREAL, 22nd May, 1848."

"After a careful examination of the Statute 4 and 5 Vict., cap. 32, regulating Savings Banks, and more particularly the 9th and 13th sections of the Act, I am satisfied that the institution is limited in its investments to three quarters of its deposits, and altogether prohibited from lending or investing upon personal security. If the prohibition were for revenue purposes, with penalty attached, I should not consider the thing done against the prohibition void, nor the action thereon untenable; but when the prohibition is for other than revenue protection, I am of opinion that the transaction loses all legal force and effect, and no action will lie. The principle of law being, that where a provision is enacted for public purposes, it makes no difference whether the thing be prohibited absolutely or only under a penalty.

"W. BADGLEY."

"The Actuary was instructed to draw up a short case, to be submitted to Mr. Meredith, for his opinion on the same point.

"The subject of the High School loan was brought before the meeting, when Mr. Ferrier stated that if the Committee would postpone the consideration of the question until the next meeting, he would instruct Mr. Davidson, and the other Directors of the High School. Agreed to and adjourned till Tuesday next.

Memorial drawn up for the opinion of Mr. Meredith.

"A question having arisen involving the legality of loans made by the Provident and Savings Bank upon real estate or personal security, or upon both, the opinion is required upon the following points, viz:—

Appendix
(Q. Q.)

15th July.

" 1st. What is the legal construction of the 9th sec. of the 4 and 5 Vict., cap 32, as to the employment of the balance, after investing three-fourths of the whole amount of deposits, namely, the one-fourth remaining ?

" 2nd. In the event of the Bank suing for the repayment of any loan of this description, could the debtor or debtors to the Bank successfully plead that the Directors had exceeded their powers in granting said loan ?

" 3rd. Has the 13th section any reference to this question, as explaining the 9th, and what is the effect thereof ?

" 4th. Have the Directors the power, under one or both sections, to employ this one-fourth, or any part of it, in loans for a limited period, on the securities herein alluded to, viz.: real estate with personal security, or personal security only ?

On the 27th May, 1848, a meeting of the Finance Committee was held. The following are the minutes of the proceedings of that meeting :—

" Present: Messrs. Morris, Elder, Murray, Redpath, Ferrier, and the Actuary.

" The Actuary was instructed to write to Mr. Pelton, that for the reasons given in the note, sent by the Actuary on the 23rd instant, and also, because of no answer having been sent thereto, the Committee had decided on withdrawing the business of the Bank from him, as their notary; and the Actuary was to request him to send all papers connected with the Bank to the Actuary forthwith. The Committee decided on appointing Mr. Gibb as their notary, and he having been sent for, agreed to accept of the appointment.

" The matter of Arthur Ross was brought before the meeting, and Mr. Lunn having been requested to attend, it was explained that this loan was agreed to at a meeting of the Directors; but as it was at the time uncertain when the money might be required, or whether it might be required at all, no record of the application was made. That at the time Mr. Ross and his brother were considered wealthy and highly respectable.

" The Actuary reported having sold through T. M. Taylor, ten shares of the stock of the Bank of Montreal, at four per cent. premium; the Bank paying the brokerage.

" 3 shares of W. Blackley,
" 7 do. of W. D. Lindsay."

On the 14th June, 1848, a meeting of the Directors of the Provident and Savings Bank was held. The following are the minutes of the proceedings of the meeting :—

" Present: Messrs. Morris, Torrance, Badgley, Lunn, Murray, Ferrier, Redpath.

" The President stated to the meeting that the Finance Committee had been busily engaged since last meeting in investigating the different loans, and the obligations to the Bank, and that as far as they had proceeded, they had found matters in much confusion, and that it would still take several weeks to put them right, and complete the securities.

" The President also stated, that the Committee having found it impossible to get on without an additional accountant to assist them, and post up the books to 30th June, they had accordingly engaged Mr. Blackader temporarily, for this purpose.

" The President further stated, that the Finance Committee had found it necessary, in order to meet

" the daily demands, and for the better security of the Bank, to call up all the loans on real property; and that Mr. Gibb, the notary, had been employed to notify all the parties, as well as to complete all the obligations, which still remained unfinished: Mr. Gibb having been employed in place of Mr. Pelton, who had conducted his department most unsatisfactorily.

" The President also stated, that several of the sums which were overdue had been put into the hands of the Solicitors to the Bank, for collection; all which was approved by the Directors.

" The Finance Committee were then instructed to have the books posted and balanced up to the 30th June, with as little delay as possible."

The examination of the witness is here adjourned until to-morrow, and he hath signed.

JOHN EADIE.

Sworn and signed before me,
this 14th January, 1851,

W. BRISTOW,
Commissioner.

On this fifteen'h day of January, one thousand eight hundred and fifty-one, the examination of the Witness *John Eadie, Esquire*, was continued as follows :—

The following further Proceedings are extracted from the Minutes of the Meeting of the Directors of the 14th. June, 1848 :—

" The following opinion was received from Mr. Meredith, Q. C.

" The Montreal Provident and Savings Bank, established under the Provincial Statute 4 and 5 Vic. chap. 32, are desirous of having the opinion of Counsel on the following point.

" Ques. 1. How ought moneys invested in that Bank to be invested, and is there any objection to the Bank making investments upon the security of real estate ?

" Ans. The 9th section of our Statute contains the provisions by which it was intended we should be guided in this matter. But this section has been framed so carelessly and unskillfully, that it is, in my opinion, impossible to say with certainty what construction may be put upon it by our Courts. I find however that our Statute is nearly a copy of the Lower Canadian Act, 2 William 4th, chap. 49. and that Act in its turn appears to have been taken from the English Act, 9 George 4th, chap. 92. In the uncertainty, then, in which we are left by our own Statute, it may be proper to look to the sources from which it has been taken.

" The English Act imperatively requires that all moneys to be invested by Savings Banks be paid into the Bank of England or into the Bank of Ireland, as the case may require, to be invested in Bank Annuities or Exchequer Bills. From the provisions of the Lower Canadian Act, it is, I think, obvious that it was intended that the Trustees of Savings Banks to be established under that Act, should not invest the moneys under their control otherwise than "in some incorporated Bank or other public security in Lower Canada." The almost interminable delay in recovering money invested upon the security of real estate, was probably one of the reasons which induced the English Legislature, and the Legislature of Lower Canada, thus to reject security of this kind, and the

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

"sufficiency of this reason in this colony can hardly be doubted, when it is borne in mind that debtors of sums exceeding £500 can in our courts easily, certainly, and without any great expense, prevent the obtaining of an executory judgment against them for at least a period of 2 or 3 years, and that the satisfaction of such a Judgment from the sale of real estate would be attended with still further delay.

"It is true, however, that our law does not expressly prohibit investments upon the security of Real Estate, nor does it, as I think, even expressly say, how the funds of the Bank ought to be invested; but still I think it may be gathered from the 9th section taken in connection with the 13th, that it was the intention of the Legislature that a part not exceeding three-fourths of the whole of the funds of the institution should be invested in debentures or Bank stock, or other public securities, as mentioned in the 9th section, and that the remainder, (excepting the amount in the hands of the Treasurer to meet the expenses of the institution, and which may be invested upon personal security) should, as mentioned in the 13th clause, be deposited with Banks on interest, or be secured by Bank stock, or loaned on the pledge of public securities, and to me it appears right in all respects, and necessary for the interests of institutions that the intentions of the Legislature in this respect should be observed.

"Ques. 2. If there be objections to the making of investments upon the security of real estate, are those objections of such a nature as to render the mortgages taken by the Bank null and void?

"Ans. The observations which I have already made, sufficiently shew that I think there are objections to the making of investments upon the security of real estate; but it does not necessarily follow that the mortgages taken for money so invested are void. It is true that Corporations and other such artificial beings, have no powers excepting those expressly given to them, or which may fairly be considered necessary to enable them to fulfil the purpose of their existence. But the power of investing is a power incidental to every Savings Bank, and if our Legislature has not expressly declared how that power is to be exercised, then the managers of the Bank may, I think, use their own discretion in the exercise of that power.

"I apprehend that our Legislature have not expressly declared the modes in which investments are to be made. As regards one-fourth of the funds of the institution, there is no such declaration; and as regards the remaining three-fourths the words are, 'It shall be lawful for the Trustees to invest any moneys not exceeding three-fourths of the whole sum deposited, &c. &c.'

"Now although the permissive words, 'It shall be lawful,' may in some cases be taken as imperative, yet it appears to me that when taken in connection with the words 'any moneys not exceeding, &c. &c.' (which import the exercise of a discretion on the part of the Trustees) they cannot, for the purpose of annulling obligations entered into in good faith be considered so imperative as to annul everything done contrary to them.

"I am therefore of opinion that the objections which exist to the taking of mortgages by the Savings Bank, are not such as to render the mortgages taken by that Bank null.

"Ques. 3d. Could a borrower from the Bank in a suit against him take advantage of the fact, that

"in the loan to him, the Bank had exceeded its powers, if such were the case?

"Ans. I am of opinion that if a borrower from the Bank in a suit against him, could shew that in the contract between him and the Bank, the latter had exceeded its powers, such borrower could take advantage of that fact, so as to defeat the proceedings against him. But I have already endeavoured to point out the difference that exists between a total absence of power, and an improper exercise of power.

"Ques. 4th. What is the effect of the prohibition in the 9th clause to loans, upon personal security?

"Ans. The words, 'but it shall not be lawful for the said Trustees to invest any such moneys upon personal security,' ought not, I think, to be interpreted as prohibiting the taking of personal security under any circumstances, but only as rendering it the duty of the Trustees in every case to take other sufficient security. This construction is conformable to our Common Law, which prohibits tutors, curators, and others administering property not their own, from investing the funds under their care, in personal security only; but does not prevent such security from being taken in addition to other security. Besides, a contrary construction would render it impossible for the Bank to take security upon real estate: for with us, a mortgage is merely an incident or addition to the debt or personal liability secured by it. Moreover the dealings indicated in the 13th section imply that personal security may incidentally be taken.

"In fine, I may be permitted to observe, that the difficulties which might result from the institution of suits under the present Provincial Act, respecting Savings Banks, are of so grave a character, that I would deem it prudent to postpone, if possible, any such proceedings under that Act until it be amended.

"W. C. MEREDITH, Q. C.

"Montreal, 16th June, 1848."

The cause for obtaining these legal opinions as to the validity of certain securities held by the Savings Bank, was, that certain of the Directors were apprehensive of difficulty in recovering those loans, made on mortgages of real estate. Loans were originally granted on real estate by the Savings Bank, under the advice of Messrs. Fisher and Smith, who were then its Counsel. No opinion was ever given by them in writing on the subject, to the best of my knowledge. When the first loans were granted, the notary was desired to be guided by Messrs. Fisher and Smith in the form of the deeds. In all cases in which the notary entertained any doubt either as to the form, or as to the validity of the security offered, he was instructed to refer to Messrs. Fisher and Smith, so long as they were the Counsel of the Bank, which was until the death of Mr. Fisher. After that time I was instructed to apply to Mr. Cross, who succeeded to Messrs. Fisher and Smith as Counsel for the Bank. The principal difficulty in the deeds, on which the Savings Bank granted loans, was in such as related to Churches and unincorporated public bodies. Some of those were submitted to the Counsel, others were not. It depended in great measure on whether the notary was satisfied or not, to consult the legal adviser.

Ques. What arrangements were made as to the registration of deeds at the Registry Office, and to the ascertaining whether any prior mortgages existed, which could militate against the security offered to the Savings Bank, for loans?

Appendix
(Q. Q.)

15th July.

Ans. The Notary was instructed to have the deeds registered as soon as completed, and to charge the borrower with the registration fee. In very few cases was there any examination of the register ordered by the Directors. The personal securities which the Bank took, or intended to take, were supposed by the Directors, when any remarks were made at the Board on the subject, and such remarks did occasionally occur, to have sufficient interest in the loan to induce them to satisfy themselves that the security was good.

Ques. Were there any, and if so, what steps taken by the Board to ascertain the actual value of real property offered to them on mortgage for loans?

Ans. A considerable number of the loans were effected on property, the value of which was known to the Directors, and at their recommendation; and in such cases no farther inquiry was made. Occasionally parties applying for loans were required to give certificates from known parties, that the property was of sufficient value.

Ques. In such cases where certificates were required from known parties, were those certificates in writing, and did they state whether the property was encumbered or no, and if encumbered, did such certificate state the amount and nature of such incumbrance?

Ans. The cases to which I allude, referred to the value of the property merely, and not to the question of incumbrance.

Ques. Where loans were granted on property, was the amount or any portion of it, paid over until the security was executed?

Ans. It was frequently paid before the security was executed, wholly or partially.

Ques. Was it the practice of the Savings Bank generally to defer any payments on account of loans, until the securities had been completed?

Ans. It was, generally. When no understanding existed to the contrary, my practice was to defer paying the amount of the loan until I had the Notary's certificate that the deeds were signed. But very frequently from an understanding between the Directors and the parties, moneys were advanced as required, before the securities were completed.

Ques. Who were made parties to the deeds taken for security for loans by the Bank?

Ans. On the part of the Bank, generally Mr. Lunn, as President of the Directors. In some cases Mr. Ferrier and Mr. Redpath might be parties on behalf of the Bank. On one or two occasions which I cannot specify, I believe I represented the Bank. The borrowers and their security also signed the deeds of mortgage to the Bank.

Ques. Were you in the habit of getting cheques specially signed by one of the Directors for the payments made by the Bank on account of its loans?

Ans. Not uniformly. Sometimes they were specially signed, but much more frequently I filled up the blank cheques, always in my possession for such payments.

Ques. Can you state positively that the Directors or any of them were any time aware of your having granted cheques on account of loans sanctioned by them, previous to the securities to be taken for such loans having been completed.

Ans. The practice being so frequent of advancing the money before the securities were completed, all of the Directors who took any interest in the management of the Bank, must have been aware of it.

In many instances advances were made to themselves, as Trustees for public bodies already alluded to.

Ques. Were Directors of the Bank very frequently securities for loans made by the Bank?

Ans. They were.

Ques. What proportion would you say, of the loans made by the Bank, were on securities to which Directors of the Bank were parties, from the time of the opening of the Bank to the time of your leaving it?

Ans. I could not answer that question precisely. But a considerable portion of them were lent on securities to which Directors of the Bank were parties. I should say at least one-third of the loans were in that position.

Ques. In cases where the opinion of the law advisers of the Savings Bank was taken as to the validity of the securities offered for loans, who paid for such opinions?

Ans. It was always intended that the borrower should pay for such information.

Ques. Previous to granting or paying loans, did you ever obtain from the Registry office certificates as to the amount of incumbrances which stood on the property intended to be mortgaged to the Savings Bank.

Ans. We did in some instances; but it was not a practice.

Ques. Are you aware of any losses sustained by the Savings Bank on loans on mortgages, in consequence of the precaution not having been adopted of ascertaining the amount of incumbrances registered at the Registry Office, prior to the loans made by the Bank?

Ans. I am not aware of any loss actually sustained from that cause prior to my leaving the Bank, but, at the time of my leaving, the loans were only being called in; but I know some instances where the security was prejudiced by that cause. Arthur Ross, I believe, was one of them; Arthur Perry is another; and, I think, John Kelly another.

Ques. Have you any knowledge whether the claims of the Bank on property, on which they granted loans, were generally promptly recorded in the Registry office?

Ans. Generally they were not.

Ques. Have you any knowledge of any losses sustained by the Savings Bank in consequence of neglecting promptly to register their claims on property mortgaged to them?

Ans. I do not know absolutely of any losses sustained by them through that neglect; but I know of their claims being prejudiced by such neglect; that is, I know instances of properties being mortgaged to parties whose claims were subsequent to those of the Bank, but who obtained priority over the Bank in consequence of having been the first to register their claims?

Ques. Can you cite any such instances?

Ans. I remember the case of MacDougall and Morrison.

On the 29th June, 1848, a meeting of the Finance Committee was held. The following are the minutes of the proceedings of that meeting:

"Present: Messrs. Morris, Ferrier, Redpath, and Murray.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

"As the drain upon the Bank still continues, the Committee considered it advisable to make an application to the City Bank to ascertain whether they would accommodate this institution with a loan of £5,000 on terms similar to those on which the loan from the Montreal Bank was obtained. The President accordingly addressed a letter to the Cashier, similar to that addressed to Mr. Simpson on the 12th May last. For the same reason, the Actuary was desired to make up a statement of the various debentures guaranteed by the Province, the property of the Bank, stating the rate of interest and the time when payable, for the purpose of negotiating, through the Bank of Montreal, a loan upon the same in England."

The examination of the witness, *John Eadie*, Esq.,

is here adjourned until to-morrow, and he hath signed.

JOHN EADIE.

Sworn and signed before me,
this 15th January, 1851,
W. BRISTOW,
Commissioner.

On this sixteenth day of January, eighteen hundred and fifty-one, the examination of the witness, *John Eadie*, Esquire, was continued as follows:

The following is a copy of a paper in my handwriting, which I find amongst the papers belonging to the Montreal Provident and Savings Bank:

"LIST OF LOANS where the security, as fixed by the Bank, has not been given:

DATE OF LOAN.	TO WHOM.	AMOUNT.			DEFINITION.
		£	s.	d.	
" 1843, Sept.	C. J. Brown,	300	0	0	No personal security, none having been required at that time; will be paid up this summer.
" 1844 & 1846	P. Reynolds, c. a.	250	0	0	One personal security.
" 1844, May	John Douglass,	100	0	0	Same.
" 1843, Sept.	Thomas Allan, . . . c. a.	150	0	0	Ditto, in Cross's hands to sue.
" " Nov.	John Carmichael, . . . "	423	2	1	Ditto, to pay in June.
" 1844,	David Davidson, Sec'y .				
" 1845,	High School,	3700	0	0	Real and personal.
" 1844 & 1847	Arch. Hall, M. D.,	350	0	0	One personal security.
" 1844, March	Arch. Connolly, . . . c. a.	130	0	0	Ditto.
" " April 10	John Eadie,	200	0	0	No personal security.
" " "	Samuel Wardley, . . c. a.	50	0	0	One ditto.
" " June	Thomas Ross, "	500	0	0	One ditto.
" 1844, Oct.	Rev. H. Wilkes,	900	0	0	One personal security.
" " "	N. G. Reynolds, . . c. a.	1250	0	0	One ditto.
" " "	John Hautson, "	500	0	0	One become bankrupt.
" 1845, March	Thomas Tooke,	100	0	0	One personal security (P. McGill).
" 1845, May	John McNider, . . . c. a.	100	0	0	One ditto, other dead.
" Oct.	Chief Justice Rolland, . .	1000	0	0	One ditto (A. Quesnel).
" 1846, May 2	Samuel Milligan, . . c. a.	450	0	0	One ditto.
" " July	John Hutchinson,	180	0	0	One ditto.
" 1846 & 1847	Wes. Chapel, Montreal, .	4000	0	0	
" 1846, Sept.	Thomas Austin, . . c. a.	200	0	0	One personal security (W. F. Coffin)
" 1846 & 1847	A. W. Laird,	150	0	0	One ditto.
" 1847, January	James Brennan,	152	0	0	One ditto.
" " "	Arch. McVean,	400	0	0	
" " Feb'y 2	Alex. Macdonald,	150	0	0	One ditto.
" 1845, June	Robert Drake,	400	0	0	One ditto, (dead.)
" 1847, Sept.	Hon. D. Daly,	1200	0	0	One personal security.
" Oct.	W. Murray,	1000	0	0	

Ques. When was that list of loans made out by you?

Ans. It was made in the year 1848, before I left the Bank.

Ques. Was it made out prior to the annual meeting, which was held on the 4th of May, 1848?

Ans. I have no doubt that it was.

Ques. Can you say by whose directions that statement was made out?

Ans. I believe I was desired, at a meeting of the Finance Committee, to collect under one list the loans now under consideration; to the best of my recollection, Mr. Redpath was the person who gave the order.

On the 1st July, 1848, a meeting of the Managing Directors was held. The following are the proceedings of the meeting, extracted from the minute book:

"Present: Messrs. Morris, Ferrier, Elder, Badgley, Redpath, Lunn, Ramsay, Murray."

"The Finance Committee finding that a run on the Bank had commenced yesterday, informed the meeting that they deemed it prudent to restrict the payments to deposits not exceeding £10, according to the fourth regulation, and they also considered it necessary to prepare an address to be published, which they now submit for the consideration of the meeting. The address was read and approved of, and ordered to be printed in the shape of hand bills, as well as in the public prints.

"It was resolved not to open the Bank this evening, in order that the address may be read and considered by the public.

"It was ordered that parties having sums in the Bank exceeding ten pounds, be allowed to draw to that extent without giving ten days' notice, but not to be entitled to any further sum till the expiration of the notice."

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

"tion of that time. This order to apply to parties who made application for that sum this day, and who did not receive payment thereof. It was also ordered in the event of the closing of the Bank, that all deposits made since the morning of Friday, the 30th June, be returned in full, without delay."

The examination of the witness, *John Eadie*, Esq., is here adjourned until to-morrow, and he hath signeu.

JOHN EADIE.

Sworn and signed before me,
this 16th January, 1851,

W. BRISTOW,
Commissioner.

On this seventeenth day of January, one thousand eight hundred and fifty-one, the examination of the witness, *John Eadie*, Esquire, was continued as follows:

On the 3rd July, 1848, a meeting of the Managing Directors was held. "Present: Messrs. Morris, Redpath, Ferrier, Torrance, Murray, Badgley, Elder, Mathewson, and Ramsay. A communication was presented from a number of depositors in the Provident and Savings Bank, begging the Directors to attend a meeting of depositors to be held that same evening. The following answer was returned to the request:

"PROVIDENT AND SAVINGS BANK,
"MONTREAL, 3rd July, 1848."

"GENTLEMEN,

"The Directors of this institution, in reply to your request that they will attend a meeting this evening at seven o'clock, for the purpose of explaining the state of its affairs, beg leave to inform you that if the depositors at that meeting think proper to depute three or five of themselves to make the desired investigation, the Directors will be happy to receive them at the Bank chamber to-morrow at eleven o'clock, when every information will be readily furnished.

(Signed,) "W. MORRIS, President,
"Provident and Savings Bank."

On the 4th July, 1848, a meeting of the Managing Directors was held. The following is a copy of the minutes of the proceedings of that meeting:

"Present: Messrs. Morris, Redpath, Ferrier, Torrance, Murray, Badgley, Elder, and Mathewson."

"A deputation, consisting of the following gentlemen—Hon. Adam Ferrier, Messrs. Prentice, Gault, Andrew, MacFarlane, Leed, and Town-Major McDonald, appointed by the meeting of depositors held last evening—waited on the Board at eleven o'clock, when a full explanation of all matters connected with the interest of the Bank was given. The Directors entered minutely into the nature of each of the securities held by the Bank, going over the name of each party to whom money was lent, and the kind and extent of security taken for it. After several hours investigation into the matters laid before them, and having received from the Directors a detailed statement of the funds of the Bank, the deputation retired to prepare a Report on every thing which they had learned from the Directors bearing on the points on which the depositors desired information."

I was not present during the whole of the conference which took place on this occasion, but was called in when information was required which I could

give. The Directors went into very full details of the position of the Bank, and exhibited a statement of the assets. They also read over a list of the loans made by the Bank on real estate and on personal security, which had been prepared previous to the annual meeting, and on which explanatory memoranda had been made by Mr. Redpath, and other of the Directors.

On 10th July, 1848, a meeting of the Directors was held. The following are the minutes of the proceedings of that meeting, extracted from the minute book:

"Present: Messrs. Morris, Redpath, Badgley, Ferrier, Ramsay, Elder, Murray, Torrance. It was the opinion of the Board that in order to meet the demands of the depositors who gave notice of their intention to withdraw the sums at their credit on and after the 11th instant, an advance of £30,000 be from the several chartered Banks of this city on the security of certain bonds and debentures to be lodged with them by this Bank.

"The Directors were of opinion that all the demands of withdrawal on notices falling due to-morrow, amounting to about £3000, be paid off at once, and on the following morning (Wednesday,) that a like attempt be made to discharge the demands of which notice had been given on Saturday the 1st July, amounting to about £15,000, and in the event of there appearing to be a run during the day to a very large amount, that the doors be closed, but not until seven or eight thousand pounds had been paid at the counter in satisfaction of such demands. The Directors agreed to lodge securities with the Banks to an amount exceeding the loan of £30,000, in order to leave a sufficient margin to cover any depreciation of the securities.

"The President, together with Messrs. Redpath, Murray, Badgley, and Torrance, proposed that instead of paying off such large demands, absorbing the convertible securities of the Bank, to the probable injury of those who confided in the solvency of the institution, recommended that the loan should be applied to the payment on demand of 20 or 25 per cent. of all deposits above £10, until the loans on real estate could be collected, and that payment in full should continue to be made of sums under that amount; and also that all deposits made on and after Friday, 30th June, when the run on the Bank commenced, should be paid as formerly, and not be subject to that restriction. But upon consulting with the cashiers of the several Banks, and also with the gentlemen who had acted as a deputation from the meeting of depositors, they appeared to think that any such partial payment would be regarded by the public as a suspension, which would have the effect of closing the doors. Whereupon the above-named gentlemen agreed to waive their proposition for the purpose of trying the experiment of paying off all claims to a limited extent, without, however, being convinced of the propriety of that attempt.

"The President was instructed to transfer to the Montreal Bank £15,000 of their stock, to cover the loan of that amount agreed upon on the day of last. The stock to be sold at such time as may be agreed on, according to purport of the following letter."

Ques. Was an advance of about £30,000 obtained subsequently to the meeting of the 10th July, 1848, from the Chartered Banks of this City for the Savings Bank?

Ans. A proposition was made to the Banks, and agreed to, but not to the extent, I believe, of £30,000.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

£13,000 or £14,000 were obtained from the Banks of Montreal and of British North America; about £7,600 from the former, and £6,300 from the latter.

Ques. Were bonds and debentures lodged by the Savings Bank as security to these Banks for the repayment of the loans made by them?

Ans. I cannot speak from my own knowledge.

Ques. Was the sum obtained from these Banks applied to the payment of claims made by depositors in the Savings Bank?

Ans. Yes.

Ques. What amount was paid out of the Bank between the 11th and 14th July, 1848, both days inclusive?

Ans. About £13,929.

Ques. Was the regular notice stipulated for in the regulations of the Savings Bank given by all the parties who drew money out of the institution during the whole of the time of the run on the Bank, and especially between the 11th and 14th July, 1848?

Ans. Very soon after the run commenced, we demanded notice from all depositors whose amounts required to be withdrawn were above £10; and, to the best of my recollection, no sums were paid during those four days, except in accordance with the regulations of the Bank.

Ques. Prior to the period of your demanding notice for all sums over £10, as mentioned in your last answer, was the Bank in the habit of allowing sums over £10 to be withdrawn from the Bank without notice?

Ans. It was, with very few exceptions.

Ques. At what time did you commence to demand notice from depositors of their intention to withdraw from the Bank?

Ans. It must have been on the 1st July, 1848.

Ques. Did you act on the rule invariably?

Ans. I believe we did.

Ques. Was there a run on the Bank on the 11th and 12th July, 1848?

Ans. There was.

Ques. Did the run continue during the whole of the latter mentioned day, namely, the 12th July, 1848?

Ans. I cannot answer the question absolutely, but my impression is that it did.

Ques. Please turn to the cash book, and say whether there was not a very large sum paid that day?

Ans. There was upwards of £6,000.

Ques. According to the resolution passed at the meeting of the Directors of the 10th July, 1848, should not the Bank have been closed on the 12th July, 1848, provided the run should continue to a large amount during the whole of that day?

Ans. The regulation implies that it should have been closed on the 12th July, 1848.

Ques. Have you any recollection of any reasons which induced the Directors of the Savings Bank to keep open and continue to pay depositors on the 13th and 14th July, 1848, in contravention of the resolution of 10th July, 1848?

Ans. I have no recollection of any reasons that induced the Directors to keep the Bank open.

Ques. Was a large amount paid out to depositors on the 13th and 14th July, 1848?

Ans. There were about £6,500 paid on those days.

Ques. By whose orders was the Bank kept open on the 13th and 14th July, 1848?

Ans. By authority of the Directors. Mr. Morris and Mr. Redpath, and probably some others instructed me daily.

Ques. Was any formal meeting of the Board held, and was the resolution of the 10th July, relative to the closing of the Bank, rescinded?

Ans. I am not aware of any formal meeting of the Board being held, or of the resolution being rescinded?

Ques. On the 14th January instant, you have referred in your evidence given before this Commission to a proposition made to the Montreal Bank for a loan of £15,000, on security of bank stock of that institution, which loan was refused to be granted on such security, on account of its being contrary to the charter of the Montreal Bank to take such security, was a loan granted subsequently by the Montreal Bank to the Savings Bank, and, if so, on what conditions?

Ans. Subsequently a loan was granted, I believe of £11,000 or £12,000. I am not aware that any securities were deposited with the Bank of Montreal; but it was understood that the stock was security for the amount.

Ques. What was the balance to which the Savings Bank stood indebted to the Bank of Montreal on the 30th June, 1848?

Ans. It stood indebted to the Bank of Montreal in £11,270 13s. 10d.

The examination of the witness, *John Eadie, Esq.*, is here adjourned until to-morrow, and he hath signed.

JOHN EADIE.

Sworn and signed before me,
this 17th January, 1850,

W. BRISTOW,
Commissioner.

On this eighteenth day of January, one thousand eight hundred and fifty-one, the examination of the witness, *John Eadie, Esquire*, was continued as follows:

Referring to a book belonging to the Savings Bank, in which a daily statement of deposits and drafts is entered, I find that the balances at the Banks with which the Savings Bank kept its accounts, in 1848, were on the following days as under:

	Bank of B. N. America.			Bank of Montreal.		
	£	s.	d.	£	s.	d.
June 30.....	10,959	8	6	11,270	13	10
July 1.....	10,268	19	11	11,751	18	10
" 3.....	10,092	6	7	12,851	18	10
" 4.....	10,078	14	3	13,873	19	5
" 5.....	9,564	15	3	12,843	4	8
" 6.....	9,564	15	3	11,845	1	5
" 7.....	9,564	15	3	11,682	13	9
" 8.....	9,564	15	3	12,585	14	5
" 10.....	9,564	15	3	11,972	7	10
" 11.....	9,790	10	7	12,976	6	0
" 12.....	13,166	9	1	15,225	10	0
" 13.....	14,709	1	10	15,927	12	0
" 14.....	14,903	15	10	17,954	6	10
" 15.....	15,344	16	1	16,982	10	2

I am not aware of the precise character and amounts of the securities held by the Bank of British North America, and the Bank of Montreal, for the amounts due to them by the Savings Bank, at the time of its suspension.

I recollect receiving, on the 14th July, 1848, from the Montreal Insurance Company, £1000; and depositing the amount with the Bank of British North America.

Ques. Please turn to the cash book of the Savings Bank, for the month of May, 1845, and say what is the sum at the debit of "charges" in the cash book, for that month?

Ans. It appears to be £48 17s. 8d.

Ques. Please turn to the ledger, page 62, headed "expenses of management," and say what sum is there entered at the debit of that account for the month of May, 1845?

Ans. There appears to be £45 0 6d.

Ques. Should not the sum at the debit of "expenses of management" in the ledger exactly correspond with the sum at the debit of "charges" in the cash book?

Ans. It ought.

Ques. Can you state how the discrepancy arises?

Ans. I can not.

Ques. Please turn again to cash book, May, 1845, and state what sum is there, on the 9th May, placed to the debit of "bills receivable"?

Ans. £85.

Ques. Please turn to ledger, page 73, headed "bills receivable," and say what sum is placed there to the debit of "bills receivable," on the 9th May, 1845?

Ans. £25.

Ques. Should not these sums in the cash book and in the ledger have corresponded?

Ans. They should.

Ques. How does the discrepancy arise?

Ans. I cannot say.

Ques. When was the discrepancy discovered?

Ans. Shortly before I left the Bank. I believe in the month of June, 1848. It is charged to my debit in June, 1848, in the journal, in these terms: "John Eadie debtor to cash, for part of Austin's note to 'Try, entered too much, £60."

Ques. Does the above entry in the journal in any way rectify the original error in cash?

Ans. It seems not to me.

Ques. Is your account in the ledger debited with that £60?

Ans. It is.

Ques. Is cash credited with this error of £60?

Ans. It does not appear to be so.

Ques. Did you originally pay £25 or £85?

Ans. I believe the bill was originally £25.

Ques. Must not your cash have been £60 wrong in May, 1845, and ever since?

Ans. It seems so.

Ques. Must not your balance sheet for 1845 have been also erroneous?

Ans. I cannot at present recollect how it stood. I do not remember the error.

Ques. Please turn to cash book, September, 1845, to the following entry: "September 15th, Cash creditor by bills receivable paid per Mr. Eadie for '2 bills, due 31st December, with interest, £200,' and say whether that sum appears charged to any account in the ledger?"

Ans. It does not appear to be charged to any account in the ledger, but is balanced by the following entry in the cash book of the 31st December, 1845: "Cash debtor to bills receivable. Repayment of this amount advanced 15th September, and 'interest, £3 9s. 6d.—£200.'" This entry also is not in the ledger.

Ques. Can you say what bills are referred to in the above entries?

Ans. I am not quite certain. My impression is they were W. S. Macfarlane's.

Ques. Can you say whether those entries were observed by any of the Directors?

Ans. I cannot say. I am not aware that they were.

Ques. In your evidence given before us on the 9th November last, you referred to a sum paid on 31st July, 1847, for Lyman's note, £600, which sum was balanced on the 28th October following, by a similar sum paid in to cash, neither of which entries is posted into the ledger. To whom did you lend this £600?

Ans. It was to Mr. J. J. Gibb, notary.

Ques. By whose authority did you make this loan to Mr. Gibb?

Ans. I cannot say whether I had any authority or not.

Ques. Why was not the loan regularly noted into the ledger?

Ans. I cannot assign any reason.

Ques. From whom was the money received in re-payment for this loan?

Ans. From W. S. Macfarlane, to whom I had given the note for his accommodation.

Ques. Did Mr. Macfarlane pay you the amount in cash?

Ans. I believe so.

Ques. When were the entries made in the cash book, in relation to this loan, both on the debtor and creditor sides?

Ans. I cannot answer that question accurately; it must have been a considerable time subsequent to the dates they bear.

Ques. Were those entries made prior to the 31st December, 1847?

Ans. I cannot say; they might be in the month of December, or even later.

Ques. Were those entries made previous to the time at which you communicated to Messrs. Ferrier and Murray the fact of your having made large loans at different times to Mr. W. S. Macfarlane?

Ans. Yes.

Ques. Please turn to cash book, December, 1847, to the following entry: "December 17th, Cash Dr. to James Ferrier junior, repayment of sundry sums 'lent B. and F.,—£350'—and say what account is credited with that sum in the ledger, or whether any entry is made in the ledger of that sum?"

Appendix
(Q. Q.)

15th July.

Ans. There is no entry made of it, I believe, in the ledger.

Ques. Is there any account open in the ledger for James Ferrier, junior?

Ans. No.

Ques. Is he a creditor on the Bank for £350, the amount of the above entry?

Ans. No; the Bank never owed him anything.

Ques. Was the payment of £350 made on the 17th December, 1847, the date on which he appears by the cash book to have paid the money?

Ans. I cannot speak from recollection, but suppose it was.

Ques. Did James Ferrier, junior, owe the Bank £350 at the time he paid that money?

Ans. He must have owed it, and more than that, I should think.

Ques. Was that sum at the debit of any account in the ledger?

Ans. I believe not.

Ques. Can you say when that entry in the cash book was made by you?

Ans. Not accurately.

Ques. Can you say whether the entry was made by you prior to the 4th May, 1848?

Ans. It was.

Ques. Was it made prior or subsequent to your informing Mr. Ferrier of your having made loans to Messrs. Bryson and Ferriers.

Ans. It was made subsequent to my informing Mr. Ferrier.

Ques. Please turn to cash book, October, 1847, under date 29th October, where cash is debited to Samuel Gerard, for a special deposit, £1860, and say under what circumstances, and on whose authority so large a sum was received at one time?

Ans. I cannot say under whose authority it was received, or whether I had any authority to receive it.

Ques. Please examine the ledger, page 230, headed, "Lachine Railway," and say whether any stock in that Company was purchased by the Savings Bank previous to the Company going into operation?

Ans. The Bank subscribed, through their President, for twenty shares, at the time the Railway was projected.

Ques. Can you state any authority on the part of the Directors for the investment of the funds of the Bank in the Lachine Railway?

Ans. There is no minute of any such authority.

Ques. Can you say which of the Directors authorized the purchase?

Ans. I should say Mr. Lunn, Mr. Murray, and Mr. Ferrier authorized it.

Ques. What instalments were paid during the time you were in the Bank?

Ans. The whole amount was paid prior to my leaving the Bank, on the following dates: 1845, November 22, £5; 1846, August 5, £15; 1847, January 27, £100; April 9, £100; May 25, £100;

August 28, £100; July 15, £100; October 2, £100; November 6, £100; 1848, February 12, £100 12s. 10d.; March 14, £100.

Ques. Was a purchase of stock of the Bank of British North America made in August, 1847, from the Honourable George Moffat, amounting to £1380 currency?

Ans. There was.

Ques. Was the purchase authorized by the Board of Directors?

Ans. It was authorized by the Finance Committee, but there was no record of it in the minute book.

Ques. Was a purchase of St. Lawrence and Atlantic Railroad stock made from the Honourable James Ferrier in April, 1847?

Ans. There was a purchase of twenty shares made from the Honourable James Ferrier in April, 1847.

Ques. At what rate was the purchase made?

Ans. It was purchased at a discount of £46 on £100, that is to say, Mr. Ferrier had paid an instalment of £96 on account of the stock, and he sold his right in the stock to the Savings Bank for £50.

Ques. By whose authority was the purchase of this stock made?

Ans. There was no authority given for the purchase by the Directors. Mr. Lunn allowed himself to be forced into it by Mr. Ferrier.

Ques. Was the purchase in any way submitted to the Board of Directors previous to its being made?

Ans. No.

Ques. Was the purchase ever brought before the Directors, to your knowledge, subsequently to its being made?

Ans. It was.

Ques. Was any opinion ever expressed by any members of the Board as to the purchase?

Ans. It was not considered a very good investment.

Ques. Was the purchase of the stock made by Mr. Lunn, the President of the Bank?

Ans. It was.

Ques. Were you present when the purchase was made?

Ans. Mr. Ferrier originally proposed to me to buy the stock for the Bank. I replied, I would make the proposition to Mr. Lunn. In the meantime Mr. Ferrier transferred the stock before Mr. Lunn had agreed to take it. Mr. Lunn demurred to taking the stock, but was ultimately induced by Mr. Ferrier to accept the transfer.

Ques. Was the stock sold at the fair, current market value at the time of the sale?

Ans. I believe the market value could not be exactly ascertained at that time. Mr. Lunn himself thought it was high.

Ques. You have stated that Mr. Lunn was ultimately induced by Mr. Ferrier to buy the stock, on what grounds do you say so?

Ans. Mr. Ferrier complained to me of Mr. Lunn's reluctance to sanction the transfer, and asked me if he refused to do it. I answered, that he did not seem to like the transaction, but had not absolutely re-

Appendix
(Q. Q.)

15th July.

fused to sanction it. Mr. Ferrier used pretty strong expressions, saying, that it was very uncivil on the part of Mr. Lunn, and that he would speak to him on the subject. The transfer was accepted soon afterwards.

Ques. To the time of your leaving the Bank in July, 1848, what sum had been paid in instalments by the Bank on this stock?

Ans. £464 Os. 7d.

The examination of the witness, *John Eadie*, Esquire, is here adjourned until Monday, 20th January, 1851, and he hath signed.

JOHN EADIE.

Sworn and signed before me,
this eighteenth January,
1851.

W. BRISTOW,
Commissioner.

On this twentieth day of January, one thousand eight hundred and fifty-one, the examination of the witness, *John Eadie*, Esquire, was continued as follows:—

Ques. Please to state as near as you can any conversation which occurred in your presence between Messieurs Lunn and Ferrier, with relation to the purchase of the St. Lawrence and Atlantic Railroad stock, referred to in your evidence given before this Commission, on the 18th instant.

Ans. To the best of my recollection no conversation occurred in my presence between the two on the subject.

Ques. Did Mr. Lunn ever state to you any reasons which induced him to purchase this stock for the Savings Bank?

Ans. I believe Mr. Lunn stated to me that he had been obliged to purchase this stock to avoid a serious misunderstanding with Mr. Ferrier.

Ques. When you say you "believe," do you mean that your impression is, that such was the general character of Mr. Lunn's observations, and have you any doubt that Mr. Lunn did say in substance "that he had been obliged to purchase this stock to avoid a serious misunderstanding with Mr. Ferrier?"

Ans. I have no doubt whatever that Mr. Lunn did state in substance, that the reason of his buying this stock was to avoid a misunderstanding with Mr. Ferrier.

Ques. What objections do you consider Mr. Lunn entertained to the purchase of this stock?

Ans. My impression was, but I cannot say on what founded, that Mr. Lunn did not consider that the purchase of this stock would prove a profitable investment to the Bank.

Ques. Please turn to Ledger, page 188, account "Arthur Perry," and state the particulars connected with that account?

Ans. On 8th October, 1844, Arthur Perry is charged in the cash-book with "Loan to him per minute of 1st instant, £200." The Board of Directors at their monthly meeting, held on 1st October, 1844, sanctioned this loan, as appears by the following extract from the minute-book of the Savings Bank:—"Arthur Perry, for £200, per his letter on "certain property described therein."

Ques. Was any property mortgaged to the Sav-

ings Bank on account of this loan, either before or subsequent to its payment?

Ans. There was an obligation drawn out, to the best of my recollection, previous to the payment.

Ques. Do you know whether the property offered was sufficient in value to repay the amount of the loan?

Ans. My impression is that it was not, and that there was some radical defect in the security which made it unavailable for the purpose of liquidating the debt.

Ques. Who was security on the deed of obligation?

Ans. I think they were Mr. Perry's brothers.

Ques. Did Arthur Perry subsequently receive further sums of money from the Savings Bank?

Ans. He did, viz.: On the 28th November, 1845, as appears by the following entry in the cash-book: "By Arthur Perry, Montreal,—paid him on account of loan as arranged with Mr. Ferrier and Mr. Murray," he received the further sum of £42, and on the 3d December, 1845, he received £58 additional, which is thus charged in the cash-book: "By Arthur Perry, Montreal,—paid him further to account of loan to him, £8.—Paid him per Mr. Ferrier, £50."

Ques. Was this loan of £100 sanctioned by the Board?

Ans. I have no recollection of its being so, and there is no record of it in the Minutes.

Ques. What security did Mr. Perry give for this loan of £100?

Ans. I cannot say positively. But my impression is that he gave no security. I have no recollection of his giving even a note for the amount, but there may be some security which I do not recollect.

Ques. Had any portion of that loan been repaid when you left the Bank?

Ans. No.

Ques. Can you recollect any conversation between yourself and Mr. Ferrier, or between yourself and Mr. Murray, on the subject of the loan of £100 to Arthur Perry?

Ans. I recollect distinctly that Mr. Ferrier mentioned to me at the time I paid him the £50, that Arthur Perry owed him that sum for rent of premises belonging to Mr. Ferrier, occupied by Perry.

Ques. Have you any recollection of any other conversation between you and Mr. Ferrier, or between you and Mr. Murray, on the subject of this loan of £100?

Ans. I have no distinct recollection. My impression is that something was said by one or other of these gentlemen regarding Perry's usefulness as a fireman, which seemed to influence them in giving him the loan.

Ques. Did any other deserving firemen obtain loans at the same time on account of their utility?

Ans. I have no recollection of any.

Ques. Is it to be understood from your remarks that the moneys of the Savings Bank were lent to Mr. Arthur Perry on the ground of his usefulness as a fireman only, and not as the best and securest means of investing those moneys?

Ans. I have no doubt whatever that the loan was made on some proposed security, but cannot at this moment state what security.

Appendix
(Q. Q.)

15th July.

Ques. Was the loan to Arthur Perry a matter of special favour or of ordinary business?

Ans. My impression always has been that it was more of a special favour than of ordinary business.

Ques. Have you any grounds for that impression, further than you have already stated?

Ans. I have no particular grounds for that impression, further than those I have already stated.

Ques. What was the balance due by Arthur Perry on the 30th June, 1848?

Ans. £370 3s. 7d.

Ques. Please turn to the letter book of the Savings Bank, which contains letters taken by a copying machine, and say whether the letter on page 25 is in your hand writing?

Ans. It is in my hand writing, and is a copy of a letter written by me.

Ques. Was that letter written by order of the Directors?

Ans. I should think it was.

Ques. Is the following a correct copy of that letter?

" PROVIDENT AND SAVINGS BANK,
" MONTREAL, 17th April, 1844.

" EDWARD MALLOCH, ESQUIRE,

" SIR,—I am in possession of your favour of the 12th instant, inclosing cheques for £1000, which will become due on the 23rd. By a recent resolution of the Directors, we have restricted the amount receivable from any one individual to £200, excepting for charitable or religious purposes. While, therefore, I shall credit you with the whole, I can allow you interest at 4 per cent. only upon the restricted amount.

" I remain, Sir,

" Your obedient servant,

" JOHN EADIE.

" The money will be at your disposal upon demand.

" J. E."

Ans. Yes, it is a correct copy.

Ques. Please turn to ledger, page 137, headed "P. W. Cooper," and say by whose authority the sum at the debit of that account, viz: £47 2s. 8d. was paid?

Ans. I am not aware of any authority. I believe it consists of several small advances made to him, and originally entered in the deposit ledger, and subsequently transferred to the general ledger.

Ques. Please turn to ledger, page 159, account, "James Knapp," and say in what manner that debt was contracted to the Savings Bank?

Ans. I find the following entry in the cash book, under date 14th June, 1844. "James Knapp, paid him on loan on mortgage and security per minute of £250." There is no record, I believe, of this loan in the minute book. The Bank obtained an obligation from Mr. Knapp on some property, I think, in DeBlcury street; and, I think, gave his own note, endorsed by one Scrivin. No portion of this was repaid when I left the Bank. The sum at the debit of this account on the 30th June, 1848, was £303 17s. Some applications were made for the money; I think the first one was in 1848. The security was registered about the time

the mortgage was taken. I do not know whether the security was good or not.

Ques. Was any application made to Mr. Knapp prior to 1848, for either principal or interest.

Ans. I think there must have been.

Ques. Please turn to ledger, page 239, account, "John Tully," and say under what circumstances that debt to the Bank was contracted?

Ans. The particulars of this loan will be found detailed in the minute book of the Savings Bank, under date 20th January, 1846. The following is a true extract: "An application from Mr. John Tully, dated 19th instant, was laid before the meeting, requesting a loan of £1000, and offering certain securities, as specified in the letter. After considering the same, the Actuary was authorized to accede thereto, to the extent of £500, as soon as he considered the funds would admit of it; the remainder to lie over for future consideration." On the 6th February following, John Tully was paid £500, under this minute.

Ques. Had any property been mortgaged to the Bank, prior to this payment of £500?

Ans. There had been.

Ques. Of what did that property consist?

Ans. I do not recollect the particulars; it was some property situated in Griffintown.

Ques. Was that property free of incumbrances?

Ans. I am not quite sure. We made some attempts to ascertain that point, at the Registry Office; at least, I believe, Mr. Lunn did, but I believe he could get no satisfactory information.

Ques. Was the claim of the Savings Bank on this property registered prior to the payment of the loan?

Ans. It was registered, but I do not recollect the date of registration.

Ques. Was any portion of the principal or of the interest paid during the time you were in the Savings Bank?

Ans. None. The amount of debit of the account on 30th June, 1848, was £571 19s. 2d.

The examination of the witness, *John Eadie, Esq.*, is here adjourned until to-morrow, and he hath signed.

JOHN EADIE.

Sworn and signed before me,
on this 20th January, 1851,

W. BRISTOW.

On this twenty-first day of January, one thousand eight hundred and fifty-one, the examination of the witness, *John Eadie, Esquire*, was continued as follows:

To all parties depositing money in the Savings Bank, deposit books were furnished, in which was printed an abstract of the rules and regulations of the Bank. The following is a copy of the abstract, printed in the books issued at the commencement of the Bank:

" MONTREAL PROVIDENT AND SAVINGS BANK.

" *Abstract of the Rules and Regulations.*

" 1. Deposits of not less than one shilling shall be received from the parties themselves, or from the

Appendix
(Q. Q.)

15th July

Appendix
(Q. Q.)

15th July.

"Tutors, Trustees, &c., of such parties whose names, residences, occupations, &c., shall be inserted in the deposit ledger of the Bank, as the title of the said Depositor's account, and a pass book shall be at the same time furnished to the Depositor, in which the deposit shall be entered, and which shall be a receipt for such deposit. All future deposits shall, in like manner, be entered in the books of the Bank and in the said pass book at the time the same shall be made; and the Actuary or other officer shall, in all cases, put his initials to the entry thus made in the said pass book.

"II. When the Depositor resides in Montreal or its immediate vicinity, the pass book must be brought to the office to be filled up when a deposit is to be made, or when all or any part of the amount deposited is to be withdrawn. Those who have made a deposit personally, shall not again be required to attend, but may send any future deposit, taking care to send the pass book along with it.

"III. Interest at the rate of four per cent. per annum (until the Directors be enabled to increase the same) shall be allowed upon all deposits of ten pounds or upwards, from the date of deposit; and deposits under ten pounds shall bear interest from the last day of the month on which the deposit shall be made; and in all cases the interest due on the amount of any deposit at the 31st day of December of each year, shall be added to the said principal amount, and shall bear interest in like manner, so long as the same shall be allowed to remain in the Bank.

"IV. All demands upon this Bank shall be paid in the bills of any of the chartered Banks of the city. Where the sum shall not exceed ten pounds, it will be paid on presentation of the order; and for sums above ten pounds, ten days' notice of the intention to withdraw may be required.

"V. Persons residing at a distance, who may deposit money in this institution, will be furnished with a printed certificate of the deposit being made, instead of a pass book as before, and with a printed form of draft to enable them (in the event of their not being able to attend personally) to withdraw the same, which draft will require to be signed or marked in presence of the clergyman or of a magistrate of the place where the Depositor resides, or of a Director of the Bank.

"VI. The Directors or Actuary may refuse to receive, or may return any or all deposits, with interest to the date of such return.

"VII. None of the Directors can derive any salary or emolument whatsoever, from the funds or surplus interest of the Bank, but such surplus to go after paying expenses, to increase the rate of interest on deposits, &c.

"VIII. Bank to be open every lawful day on which the chartered Banks are open,—from ten till three o'clock, and on Monday and Saturday evenings from six till eight o'clock.

"Office No. 172, Notre Dame Street."

The above was the form of notice for, I think, about two years after the opening of the Bank. When the first set of books was used up, another set was procured, varying from the first only in this, that the passage in a parenthesis in the former ("until the Directors be enabled to increase the same") was omitted in the latter.

Immediately after the adoption of the Resolution by the Savings Bank of 23rd January, 1847, a new

form in accordance with that Resolution was adopted and books prepared in conformity, which were handed to new Depositors in the Bank. The following is a copy of the notice in the books, issued subsequently to the last adopted regulations:

"The Montreal Provident and Savings Bank.

"This Bank was established and commenced business on the 1st October, 1841. The principle adopted and steadily carried into effect in its progress, is to apply the profits arising from the employment of the aggregate deposits, to the augmentation of the rate of interest. Accordingly the Directors, in their outset, gave four per cent. on all deposits, until they were enabled to increase the rate."

"On the 20th January, 1846, they found that the large amount of the deposits which had then been entrusted to their management, enabled them to increase the rate, which they did, making it five per cent.; but as their desire was to benefit the parties for whose advantage, chiefly, such Banks have been instituted, they limited the amount upon which this advanced rate was to be paid, to deposits of fifty pounds.

"The deposits continuing to increase, and having reached an amount which, after paying all the expenses of the institution, left a fund which they think amply sufficient to guarantee the Depositors from any loss which may arise upon investments (without which no Savings Bank can be considered perfectly secure), they again, on the 23rd January and 1st February, 1847, raised the rate to five per cent., and extended the same to all deposits which the Bank could take.

"Abstract of the Rules and Regulations.

"I. Deposits of not less than one shilling, nor more than £500, shall be received from the parties themselves, or from the Tutors, Trustees, &c., of such parties, whose names, residences, occupations, &c., shall be inserted in the deposit ledger of the Bank, as the title of the said depositors account; and a pass book shall be at the same time furnished to the depositor, in which the deposit shall be entered, and which shall be a receipt for such deposit. All future deposits shall in like manner be entered in the books of the Bank, and in the said pass book, at the time the same shall be made; and the Actuary or other officer shall in all cases put his initials to the entry thus made in the said pass book.

"II. When the depositor resides in Montreal or its immediate vicinity, the pass book must be brought to the office to be filled up, when a deposit is to be made, or when all, or any part of the amount deposited is to be withdrawn. Those who have made a deposit personally shall not again be required to attend, but may send any future deposit, taking care to send the pass book along with it.

"III. Interest shall be allowed at the rate of five per cent. upon all deposits until the Directors shall see fit to alter the rate. When the first deposit amounts to ten pounds or upwards, it will bear interest from the next lawful day after the date thereof. When such deposit is under ten pounds, it shall bear interest from the last day of the current month, but each subsequent deposit shall bear interest from the next lawful day after the date thereof. The interest due on the amount of any deposit, at the 31st December of each year, shall be made up and added to the said principal amount, and shall bear interest in like manner, so long as the same shall be allowed to remain; but the Bank shall not be required to make up the

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

" interest at any other period, except when the whole
" deposits are to be withdrawn.

" IV. All demands upon this Bank shall be paid in
" the bills of any of the chartered banks of the city.
" Where the sum shall not exceed ten pounds, it will
" be paid on presentation of the order; and for sums
" above ten pounds, ten days' notice of the intention
" to withdraw, may be required.

" V. Persons residing at a distance, who may de-
" posit money in this institution, will be furnished
" with a printed certificate of the deposit being made,
" instead of a pass book as before, and with a printed
" form of draft to enable them (in the event of their
" not being able to attend personally) to withdraw
" the same, which draft will be required to be signed
" or marked in presence of the clergyman, or of
" a magistrate of the place where the depositor re-
" sides, or of a director of a Bank. Or if they prefer
" it, a certificate will be given them which will
" enable the holder, whoever he may be, to receive
" the amount thereof, together with the interest
" thereon, at any bank in the Province, by complying
" with the directions therein given.

" VI. The Directors or Actuary may refuse to
" receive, or may return any, or all deposits, with
" interest to the date of such return.

" VII. None of the Directors can derive any salary
" or emolument whatsoever from the funds or surplus
" interest of the Bank; but such surplus to go, after
" paying expenses, to increase the rate of interest on
" deposits, &c.

" JOHN EADIE,
" Actuary.

" Office No. 9, corner of St. Francois
" Xavier and Great St. James
" Streets."

Ques. Please turn to ledger, page 157, title, " John
Griffith, Montreal," and state the particulars of loan
made to him?

Ans. On the 31st May, 1844, John Griffith received
£500, amount of loan to him on mortgage and secu-
rity. This loan was paid to him under the authority
of a minute of the Board, at the monthly meeting of
the Directors of the Savings Bank, held on the 7th
May, 1844. The following is a correct copy of the
minute:—

" An application from John Griffith, Montreal, for
" £500, upon the security of certain brick houses,
" now in the progress of building, together with the
" personal security of Messrs. James Ferrier and
" James Telfer, was agreed to."

On 11th April, 1846, John Griffith received a
further sum of £100, " advanced him on Kingston
" Corporation debentures."

On the 12th March, 1846, John Griffith received
£67 17s. 3d., proceeds Doran's note to him, dis-
counted.

On 18th July, 1846, John Griffith further received
£300, " paid him loan on mortgage." There is no
record in the minute book of this loan having been
authorized by the Directors. I do not precisely
recollect, but I think it was on the authority of Mr.
Lunn and Mr. Mathewson that the loan was granted.
A mortgage was executed prior to its being granted,
to the best of my recollection. I do not remember
who were the securities under the obligation.

In July, 1847, John Griffith further received £133
9s. 9d. in two sums, thus noted in the cash book:
" July 17th, paid him to account £75." July 22nd,
" paid him balance of settlement, £58 9s. 9d." There

is no minute, I believe, of this loan in the Directors'
minute book. It was authorized, not, I think, at a
Board meeting, but by Messrs. Lunn and Mathew-
son, and very likely by Mr. Ferrier. I believe secu-
rity was given for those sums, but I am not certain
what security.

On 2nd November, 1847, John Griffith received a
further sum of £207 12s. 10d. No minute of this
loan is to be found in the minute book, I believe. It
was granted, I believe, in the same manner as the
payment in July, 1847. At the time I left the Bank,
the balance at the debit of the account of John
Griffith, was £1,228 18s. 11d.

And further the deponent saith not; and, having
had the whole of his deposition read over to him, as
given before the Commissioners since the 8th instant,
he declares it to contain the truth, persists therein,
and hath signed.

JOHN EADIE.

Sworn and signed before me,
this 21st day of January,
1851,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this twenty-second day of January, one thou-
sand eight hundred and fifty-one, personally came
and appeared *William Murray*, Esquire, of the City
of Montreal, District of Montreal, who having been
duly sworn, deposeth and saith:

I recollect being present at a meeting of the Di-
rectors of the High School, held on the 5th June,
1845. I was then appointed in conjunction with
Messrs. Holmes and Davidson, a Finance Commit-
tee to make arrangements for providing the funds
necessary for paying the instalments upon the pro-
perty, and defraying the cost of the new buildings
to be erected. I never took any action as a mem-
ber of that Committee, nor was ever required to do
so. I recollect being present at a meeting of the
Directors of the High School, held, as appears by the
minutes of the High School, on the 9th September,
1845. I recollect that the subject of a loan from
the Savings Bank to the High School was then
mentioned. I do not recollect whether it was men-
tioned at the meeting or not, that £2,400 had been
received by the High School from the Savings Bank.
I recollect having been present at a meeting of the
Directors of the High School which appears by the
minutes to have been held on the 10th October,
1845. A Committee was then appointed to revise
the form of a bond or mortgage for the loan by the
Savings Bank to the High School. I cannot say
positively whether or not, I was aware at the date
of that meeting, that any moneys had actually been
advanced by the Savings Bank to the High School.
I do not recollect any decision to which the Com-
mittee appointed on the 10th October, 1845, came,
on the subject of the security to the Savings Bank.
I recollect having been present at a meeting of the
Directors of the High School, which appears by the
minutes to have been held on the 29th November
1845, at which the Chairman, the Hon. George Mof-
fatt expressed a doubt as to the power of the Direc-
tors to borrow money. It is more than probable, but
I cannot say to a certainty, that I must have been
aware at the time of this meeting, that moneys had
actually been advanced by the Savings Bank to the
High School. I think it extremely probable that I
must have heard of it either at the High School or

Appendix
(Q. Q.)

15th July.

at the Savings Bank. I did not consider myself qualified to judge, whether the Directors of the High School were empowered to borrow money or not.

Ques. Did you, subsequently to a doubt having been expressed, as already mentioned at the meeting of the 29th November, 1845, as to the power of the Directors of the High School to borrow money, authorize in any way the advancing by the Savings Bank of any moneys to the said High School?

Ans. I have not the slightest recollection of having done so, and am inclined to believe I did not.

Ques. Please refer to No. 16. of the papers and records of this Commission, and say whether Mr. Davidson, the Secretary of the High School, had any conversation with you as to the cause of the delay in completing the security to be given by the High School, prior to his obtaining a cheque for £700, which appears by the books of the Savings Bank to have been paid to him for the High School, on the 4th December, 1845?

Ans. I have not the slightest recollection of any conversation with Mr. Davidson, on the subject of these loans, except what may have taken place at meetings of the Board.

Ques. Please refer to the same record, which contains a copy certified by the Prothonotary, Court of Queen's Bench, of a cheque, dated 4th October, 1845, on the Bank of British North America, for £600, in favour of David Davidson, and say whether you ever signed as Director of the Savings Bank, such a cheque, and whether such cheque formed part of a loan by the Savings Bank to the High School?

Ans. It is very probable I have signed such a cheque, but I have no distinct recollection of it; nor could I say whether it was for the High School or not.

Ques. Were you in the habit of signing cheques for the Savings Bank, without knowing the purposes to which the moneys for which such cheques were drawn were to be applied?

Ans. I have signed cheques to meet the current demands on the Bank by depositors, and also for special loans. I could not be aware to what depositors the money was to be paid.

Ques. Previous to your signing cheques of the Savings Bank, were those cheques at all times filled up, as respects the amount, and the parties in whose favour they were drawn?

Ans. I never to the best of my recollection signed a cheque, as Director of the Savings Bank, without having the amount filled in, previous to my signature being appended.

Ques. Are you aware of its having been the practice in the Savings Bank, for one or other of the Directors to sign a number of cheques blank, both as to the amount, and as to the parties to whom payable?

Ans. I do not think it was the practice to sign cheques blank as to the amount, but it may have been as to the parties to whom they were to be paid. These cheques that were filled up as to the amount, but not as to the parties, were intended to meet the daily demands of depositors. All other cheques, I should suppose, were filled up with the names of the parties to whom they were payable. At the same time the Actuary may have paid special loans with the cash on hand, or with cheques drawn by the Bank for depositors.

Ques. What was the ordinary amount of the

sums for which cheques were drawn, for the daily demands of depositors?

Ans. I think they would range from £100 to £500.

Ques. If called on by the Actuary to sign a cheque for sums ranging over £500, were you in the habit of having the name of the party to whom they were to be paid, filled in?

Ans. At certain times, the sum required to meet the demands of depositors may have ranged over £500. It is probable that cheques may have been signed for the use of depositors to the extent of £1000, and in such case I should not require the names filled in.

Ques. Do you recollect, at the meeting held at the High School on the 10th October, 1845, at which time Messrs. Meredith, Day and Young were appointed to revise the form of security by the High School to the Savings Bank, any objection having been stated to a personal responsibility being incurred by the Directors of the High School?

Ans. I have no recollection of any such objection.

Ques. Can you state positively that one or more of the Directors of the High School did not, at the meeting of the 10th October, 1845, decidedly object to incurring a personal responsibility?

Ans. I cannot state positively whether such an objection was raised or not at the meeting, but I rather think not.

Ques. In your evidence given before this Commission on the 29th October last, you mentioned a loan made by the Savings Bank to the High School on the security of the promissory notes of several of the Directors of the High School. Had any portion of that loan been repaid at the time of the suspension of the Savings Bank, or had any portion of the interest of the loan been paid?

Ans. I believe not.

Ques. Were you one of the promissors on those notes?

Ans. I was.

Ques. Have you since paid those notes?

Ans. I have paid a portion.

Ques. What is the amount that you have paid?

Ans. I have paid upwards of £50.

Ques. When did you pay that amount?

Ans. In June, 1850, I paid £40, and in September 1850, I paid £11 19s. 8d. The entries will be found in Journal, page 199 and 210.

At a meeting of the Directors of the High School, held according to the minutes, on the 28th July, 1848, I remember to have been present, when the matter as to granting a mortgage to the Savings Bank was brought forward. One of the gentlemen present opposed giving this mortgage, unless similar mortgages were given simultaneously to the other creditors of the School. I felt very much annoyed at such an objection, especially as the Directors had failed in their two former proposals of securing the Bank. I then proposed that each of the Directors should advance from twenty to five and twenty pounds, in order to satisfy, or partly satisfy the tradesmen having claims against the School; but as this proposal was only supported by three of the gentlemen present besides myself, the proposal or motion which followed was not carried; and feeling that the Bank had not been properly used, I left the meeting and never attended another.

Appendix
(Q. Q.)

15th July.

The Montreal Fire Insurance Company had several loans from the Savings Bank. The first loan was on 11th April, 1842. I forget whether any security was lodged with the Bank or not. I cannot state with whom I negotiated the loan, but I was a party. There appears no record of the loan in the minutes of the Board of Directors. That loan appears by the Savings Bank ledger, now produced to me, to have been repaid with interest on the 12th June, 1843. I have no doubt that this loan was arranged for with the approbation of some of the Directors of the Montreal Fire Insurance Company. On the 7th May, 1844, I see by the Savings Bank ledger, a loan of £500 was made to the Montreal Insurance Company, which is stated in the cash book to be per note. I have no recollection of any note having been given. On the 18th October, 1845, the Savings Bank made a loan to the Montreal Insurance Company of £1677 15s. 3d. This loan is recorded in the cash book of the Savings Bank as having been "agreed upon by Mr. Lunn, Mr. Ferrier, and Mr. Murray." No record of the loan appears in the minute book of the Savings Bank. I believe there was a meeting of the Board at which the loan was determined on. I do not recollect who were present at such meeting.

Ques. Previous to this £1677 15s. 3d. being paid by the Savings Bank, were any securities lodged with the Savings Bank for the loan?

Ans. There was not.

Ques. Did the Montreal Insurance Company subsequently, and if so, at what time, lodge with the Savings Bank any security for the said loan of £1677 15s. 3d.?

Ans. I believe there was security lodged for a time.

Ques. When was that security first lodged with the Savings Bank?

Ans. I think it was immediately after the transaction.

Ques. For how long a space of time did that security remain lodged in the Savings Bank?

Ans. I think they did not remain one year in the possession of the Savings Bank?

Ques. Was any security substituted for that withdrawn from the Savings Bank?

Ans. No.

Ques. What was the nature of the security lodged for a time with the Savings Bank by the Montreal Insurance Company for this loan of £1677 15s. 3d.?

Ans. Corporation bonds to the amount of £2000.

Ques. Was there any other security lodged?

Ans. None. The whole transaction was of this nature. Mr. Munro, one of the Contractors of the New Market, had obtained a loan on the same bonds from the Bank of Montreal, and being unexpectedly called upon to pay the amount to that institution, he was put in a situation of great difficulty, and the progress of building of the market must have been stopped. It was first proposed, to the best of my recollection, to the Savings Bank to purchase the Corporation bonds, and relieve Mr. Munro; when I think it was suggested that, if the Insurance Company bought the bonds, the Savings Bank would advance the amount due to the Bank of Montreal. This was done, the Insurance Company paying Mr. Munro the difference. The bonds are still on hand, and I exhibit them to-day. They are held by me as Manager of the Insurance Company.

The examination of the witness, *William Murray*, Esquire, is here adjourned until to-morrow, and he hath signed,

WILLIAM MURRAY.

Sworn and signed before me,
on this 22d January, 1851,

W. BRISTOW,
Commissioner.

On this twenty-third day of January, one thousand eight hundred and fifty-one, the examination of the witness, *William Murray*, Esquire, was continued as follows:

Ques. Do you mean to say from your explanation of yesterday that the loan by the Savings Bank of £1677 15s. 3d. was to the Montreal Insurance Company, or to Hector Munro?

Ans. It was to the Insurance Company, with the view of obliging the Corporation of Montreal and Mr. Munro.

Ques. Why then did the Montreal Insurance Company hold the Corporation bonds which were given as security, instead of the Savings Bank holding them?

Ans. To the best of my recollection, they came into my hands for the purpose of collecting the interest.

Ques. For whom did you collect the interest?

Ans. For the Insurance Company, as the Company had to pay the interest to the Bank.

Ques. How were the Insurance Company entitled to collect interest on securities the property of the Montreal Provident and Savings Bank?

Ans. The Bank had perfect good faith in the Montreal Insurance Company, and therefore confided the bonds to me, being a Director of the Bank. To prevent confusion, the Company had to collect interest on £2000 from the Corporation, and of course were accountable to the Bank for the interest on £1677 15s. 3d.

Ques. Did you pay over to the Savings Bank the interest on the amount of their loan, say £1677 15s. 3d.

Ans. I did not. Had the Bank made demands for the interest as we collected from the Corporation, we should have paid off the whole amount at any hour rather than have been troubled in that manner.

Ques. Was it the rule of the Savings Bank that the interest on loans made by it should be paid at certain stated intervals?

Ans. The rule was, to the best of my recollection, that interest should be calculated on the 31st of June and 31st December in each year. I do not know whether, but I think the rule was that the interest should be payable half yearly.

Ques. Was there any resolution or authoritative declaration by the Savings Bank, excepting the Montreal Insurance Company from the application of the general rules under which loans were granted, with regard to the payment of interest?

Ans. There was no exception in favour of the Montreal Insurance Company that I recollect or that I am aware of, made by the Directors of the Savings Bank, and the Bank was due the Insurance Company

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

for rents, taxes, and other charges; and any interest would have been paid had the Actuary presented an account for interest, which was never done.

Ques. Be good enough to refer to the books, and say at what period of time the Savings Bank was indebted to the Montreal Fire Insurance Company for rent, to an equal amount to that for which the Montreal Insurance Company was indebted to the Bank for interest?

Ans. It never was to an equal amount.

Ques. Can you shew any authority for withdrawing from the Savings Bank the securities of £2000, which had been lodged there by the Montreal Insurance Company, for the loan of £1677 15s. 3d. granted to them.

Ans. I recollect no authority. It must have been one of those transactions based on good faith between the Actuary and myself.

Ques. Was it known to the Directors of the Savings Bank that this portion of the securities had been withdrawn by their debtors, the Insurance Company?

Ans. I cannot say. I had no object in secrecy, and the Directors of the Savings Bank would have considered the Montreal Insurance Company perfectly good without any security.

On the 14th July, 1846, the Actuary of the Savings Bank asked me if the Insurance Company would take £2000, as the Bank had a large balance at their credit in the Bank of British North America; and to the best of my recollection, as an inducement to take the money, offered it at five per cent. I replied that the Company did not require the money, and that we would not wish to take the money at less interest than what the Bank obtained from others. It then occurred to me that I could meet the wishes of the Bank by taking the money, and paying off a special loan that the Insurance Company owed to the British Bank; and on that date I took the money, and paid the British Bank £2500 in full of the loan from that Bank. The interest on the same £2000 was charged by the Savings Bank, and paid by the Insurance Company, at the rate of six per cent. The transaction was entirely with the view of serving the Savings Bank.

Ques. Are you quite certain that the Montreal Insurance Company have paid six per cent. on the amount of this loan of £2000, from the time it was contracted to the time of its repayment.

Ans. I am perfectly satisfied that such is the fact.

Ques. Who authorized, on the part of the Savings Bank, this loan to the Montreal Insurance Company of £2000 at five per cent.?

Ans. As I stated before, it was offered by the Actuary. I do not know whether he had any authority from the Finance Committee or not. I never inquired. It certainly was not my intention to pay less than six per cent.

Ques. Have you ever, as Director of the Savings Bank, authorized a loan of any of the funds of that Bank under six per cent.?

Ans. I never recollect to have done so.

Ques. What security was given for this loan of £2000?

Ans. None was asked and none was given.

On the 12th November, 1846, £200 is charged to the Company, which was not a transaction that the Company had any thing to do with. I think it was

got from Mr. Ferrier for the High School, and was repaid on the 31st December.

On the 4th July, 1846, I find, by reference to the books, that £650 was paid on a note of Bryson and Ferriers to me. The note was at ten days, and the money was advanced for their accommodation; the Actuary being made aware that I had the controul of amply security for the amount. I find, by the books of the Bank, that it was transferred to the Montreal Insurance Company on the 31st December, 1846.

On the 20th of August, 1846, I find, on reference to the books of the Savings Bank, that £300 is charged to James Ferrier; and on the 21st, £400 to the same party; being amounts paid Bryson and Ferriers, for a note in my favour, and endorsed by me. At the time, I did not know that the money for this note was obtained from the Savings Bank. This sum appears to have been transferred on the 31st December, 1846, to the debit of the Montreal Insurance Company, without my knowledge at the time.

Ques. Was it customary for the Savings Bank to make up an annual statement of its accounts with the Montreal Insurance Company?

Ans. There was an occasion, where two years elapsed; but on other occasions, I think, it was done annually.

Ques. Was a statement rendered for the year 1846?

Ans. I think it must have been rendered in the course of 1847.

Ques. Did that statement include the sum of £1350, transferred on 31st December, 1846, from the debit of James Ferrier to Montreal Insurance Company?

Ans. It did.

Ques. Did the Bank hold any security for that loan of £1350; and if so, what security?

Ans. There was ample security lodged with me, and the amount was allowed to remain at the debit of the Insurance Company.

Ques. When you speak of the security so lodged with you, was it in your capacity as Manager of the Montreal Insurance Company, or as Director of the Savings Bank?

Ans. The parties giving me the security, did it to me as Manager of the Insurance Company, or as an individual.

Ques. Was the Montreal Insurance Company debtor to the Savings Bank for this loan; and if so, when and in what manner did they become so?

Ans. They were, from the time that Mr. Ferrier sanctioned the transfer, which I understood he did.

Ques. Did Mr. Ferrier, in his capacity of President of the Montreal Insurance Company ever, and if so when, authorize or instruct you on behalf of the Montreal Insurance Company to assume the responsibility of the sum of £1350, advanced by the Savings Bank, and charged to him in July and August, 1846?

Ans. He was perfectly aware of it. He must have done so, but I cannot recollect the precise time.

Ques. Please refer to the books of the Savings Bank, and say whether any, and if so what portion of the various loans which you have enumerated as having been made by the Savings Bank to the Montreal Insurance Company, during the years 1844, 1845, and 1846, and whether, and if so, what portion

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

of the interest accruing thereon had been repaid to the Savings Bank up to the 31st December, 1817?

Ans. On the 31st December, 1846, £500 were paid on account, and £89 6s. 8d., which must have been in liquidation both of principal and interest.

Ques. What was the balance at the debit of the Montreal Insurance Company with the Savings Bank on the 31st December, 1847?

Ans. By the Bank ledger it appears to be £5597 8s. 9d.

Ques. Were there any other securities for this debt than those you have already enumerated?

Ans. There were not.

Ques. At the time of the suspension of the Savings Bank, say on the 14th July, 1848, what was the balance due by the Montreal Insurance Company to the Savings Bank?

Ans. It appears by the bank book to have been £2745 3s. 3d.

Ques. Has that balance since been paid?

Ans. It has.

Ques. What sum was the Montreal Insurance Company indebted to the Savings Bank according to the books of the latter institution, on 31st December, 1848?

Ans. £2317 5s. 8d. That balance was subject to considerable reductions for rent and other charges.

Ques. What was the amount of those deductions?

Ans. Probably about £300.

Ques. The balance then, on the 31st December, 1848, must have been about £2000: when was that balance repaid?

Ans. On the 20th July, 1849, £500 was paid; on the 23d October, 1849, £1000 was paid; and on the 31st July, 1850, £400 was paid.

Ques. Why was not the balance due by the Montreal Insurance Company to the Savings Bank, paid sooner?

Ans. At the time of the suspension of the Savings Bank, a dividend of twenty per cent. was paid to the depositors, and I considered that it would be sufficient, if this balance was paid previous to any other dividend being declared.

Ques. When was the dividend of twenty per cent. paid?

Ans. From the 15th July to the 24th August, 1848.

Ques. Why was not this balance due by the Montreal Insurance Company paid in from part of that dividend?

Ans. A large loan had been obtained from the British Bank and the Bank of Montreal, to meet that dividend, and had I considered it of importance that this balance should have been paid, there is no doubt that the British Bank would have transferred that amount to the credit of the Savings Bank, and to the debit of the Insurance Company.

Ques. Was not the borrowing by the Savings Bank of moneys from the Montreal Bank and Bank of British North America, owing to the difficulty of collecting outstanding debts due to the Savings Bank?

Ans. It was.

Appendix
(Q. Q.)

15th July.

Ques. Did not the Savings Bank deposit shares or other securities with the Banks from whom they borrowed the money?

Ans. I think they deposited Government securities or debentures; the Montreal Bank had the security of its own stock also.

Ques. Is it to your knowledge that any of the securities given by the Savings Bank to the Banks from whom they borrowed money as above mentioned, were sold at a loss to repay the loan?

Ans. I have no doubt that stocks were sold at a loss, with a view of repaying the Bank, and under the apprehension that they would still go lower.

Ques. Have you any knowledge of either of the Banks, from whom the Savings Bank borrowed money, being urgent for the sale of the stocks which they held on security for the loans made by them to the Savings Bank?

Ans. I think the British Bank was rather urgent.

Ques. When was the British North American Bank urgent?

Ans. I cannot say precisely. I think it must have been about the end of 1849, or early in 1850.

Ques. Was the balance due by the Montreal Insurance Company at the time of the suspension of the Savings Bank all paid in cash?

Ans. It was all paid in cash, with the exception of a sum which was transferred, belonging to the Trustees of the burying-ground, amounting to £427 17s. 7d., which the Insurance Company took at the full sum allowed, for the protection of the Trustees, I being one of them. The transfer was made at ninety per cent. in the Savings Bank books, as in other transfers.

I recollect having been present at the meeting of the Directors of the Savings Bank, hold on the 14th July, 1848, at which it was determined for the Bank to suspend payments. It was then determined, as appears by the minutes, to pay a dividend of twenty per cent. to all depositors, at certain dates, as specified in a statement which was published on behalf of the Savings Bank.

Ques. Was any Resolution adopted at the Board authorizing transfers of mortgages to the extent of ninety per cent. on the amounts due by the Bank to some of the large depositors?

Ans. There was such a Resolution passed. It was considered that the ten per cent. would have been more than sufficient to cover any loss.

Ques. Was the Resolution relative to the transfers of mortgages published along with the statement relative to the payment of the dividend of twenty per cent?

Ans. I do not recollect.

Ques. Was publicity given in any form to the Resolution authorising transfers of mortgages?

Ans. It was certainly given verbally to the depositors, if not in the public papers.

Ques. How do you know that such information was given verbally to the depositors?

Ans. I have again and again heard it explained to depositors in the Bank by the officers of the Bank, as also by the Directors. I have done it frequently myself. The thing was quite notorious.

Ques. Were you constantly in the Bank during the hours that it was open for business?

Ans. I was not. But at any time I happened to

Appendix
(Q. Q.)

15th July.

be in the Bank about that period, I saw Depositors looking over a list of mortgages, with a view of making transfers.

Ques. How frequently did you attend, and for what space of time on each occasion that you visited the Bank at that period?

Ans. I presume I would be at the Bank almost daily, but not long at a time.

Ques. When you say that information was verbally given to depositors, do you ground your assertion merely on the facts you have already detailed, or have you any other grounds?

Ans. I have no other grounds.

Ques. Will you state positively the first occasion on which you were aware of any depositors in the Savings Bank knowing that they could obtain transfers of mortgages, to the extent of ninety per cent. on the debt due by the Bank to them?

Ans. I cannot say to the date, but I am convinced that it must have been immediately after the resolution had been come to.

Ques. Can you state that any public intimation was given, in any form, prior to the 31st October, 1848, the day on which the Directors of the Montreal Provident and Savings Bank made a report, that transfers of mortgages, to the extent of ninety per cent., were authorized?

Ans. My impression formerly was, that some public notice had been given prior to 31st October, 1848, but from what I have since heard, I have my doubts.

Ques. Was any resolution, affecting the payment of dividends, or transfers of debts, due by the Savings Bank—that is, not other than those you have already referred to, passed at the meeting of the Directors of the 4th July, 1848?

Ans. I know of none.

Ques. Are you aware that debtors to the Bank have paid the whole, or a portion of their debts to the Bank in the form of transfers of deposit books?

Ans. I am.

Ques. Under what sanction has this payment, by debtors, in deposit books, been made?

Ans. By the sanction of the Directors of the Savings Bank, I should say.

Ques. Did you ever sanction the payment by debtors of their debt to the Bank in deposit books?

Ans. I did.

Ques. In what manner did you sanction it?

Ans. I concurred in a resolution, passed on the 14th July, 1848, which is in the minute book of the Savings Bank.

Ques. Be good enough to cite the resolution which authorizes the payment, by debtors of the Savings Bank, of their debts, or of a portion of them, in transfers of deposit books?

Ans. The following: "The Board were of opinion that it would be satisfactory to some of the large depositors to receive transfers of mortgages on real estate, held by the Bank as security on loans; and it was therefore ordered that facilities for that purpose be made by the Board, to an extent not exceeding 90 per cent. on the amount of any such deposits, leaving the remaining ten per cent. to be accounted for, when the affairs of the Bank were finally closed.

Ques. Where do you find in that resolution an authorization of debtors of the Bank paying their debts in transfers of books?

Ans. I consider that that resolution gives the power to depositors to receive mortgages.

Ques. Does that resolution give to debtors the power to pay in transfers of books?

Ans. I really think it does.

Ques. Where do you find in that resolution, the power given to debtors of the Bank, to pay their debts in books?

Ans. In these words: "that facilities for that purpose be made by the Board, to an extent not exceeding 90 per cent."

Ques. Are the debtors of the Bank mentioned at all in that resolution?

Ans. The debtors are not. When debtors of the Bank had obtained books, they became creditors of the Bank, and I should say were entitled to that privilege.

Ques. Were all debtors of the Bank, without exception, authorized, under this resolution, to pay their debts in bank books?

Ans. I should say it would be optional with the Directors to take or refuse to take payments in bank books, as they might consider it most conducive to the interest of the Bank.

Ques. In what part of the resolution do you find the option reserved to the Directors of taking or refusing payment in bank books?

Ans. In that part of the resolution having reference to mortgages. It would not give to persons who had obtained loans on the security of bank stock the privilege of availing themselves of this resolution.

Ques. Were debtors of the Bank, or any portion of them, and if so, what portion of them, informed either publicly or in any other manner, and if so, in what manner, that they could pay their debts to the Bank in bank books?

Ans. I cannot say, but it was generally known.

Ques. Were creditors of the Bank, or any portion of them, informed on behalf of the Bank, and if so, in what manner, that the debtors of the Bank, or any of them, would be allowed to pay their debts to the Bank in transfers of bank books?

Ans. I am not positive, but I believe the officers of the Bank told creditors of the Bank, that debtors of the Bank would be allowed to pay their debts to the Bank in transfers of bank books, at 90 per cent.

Ques. On what do you ground your belief that the officers of the Bank gave this information to the creditors of the Bank?

Ans. I was informed by Mr. Redpath that it was done.

Ques. When did Mr. Redpath inform you that this information had been communicated to the creditors of the Bank?

Ans. I think it was two or three months since.

Ques. Have you any knowledge that at any time since the suspension of the Savings Bank, public intimation in any way has been given, that debtors of the Bank, or any portion of them, have paid, or been allowed to pay their debts to the Bank, or any portion of them, in transfers of deposit books?

Ans. I am not aware of any public intimation ex-

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

cept those which refer to transfers of mortgages, which I have already referred to, and I considered that that embraced a notice both to debtors and creditors. I do not suppose that there was ever any public notification that the Directors had received deposit books in payment of debts.

Ques. At the time of the suspension of the Savings Bank, was there a large amount of moneys outstanding invested in mortgages?

Ans. There was.

Ques. Was there any other security than the property mortgaged to the Bank, held by the Bank for these loans?

Ans. For the greater part of them, there was personal security in addition to the mortgage.

Ques. Was there, or was there not personal security for the whole of these loans on mortgage?

Ans. I should say not for the whole.

Ques. Did the regulations of the Bank provide that there should be personal security in addition, in all cases where loans were granted on mortgage?

Ans. I think they did.

Ques. At the time of the suspension of the Bank, were any of the Directors indebted to the Bank?

Ans. There were some.

Ques. Who were they?

Ans. I think Mr. Lunn, and Mr. Mathewson had loans, and some of the others were securities.

Ques. How many were indebted to the Bank as securities?

Ans. I really cannot say how many, but there were several.

Ques. Did any Directors of the Bank, who were directly debtors of the Bank, pay their debts or any portion of them, in transfers of books?

Ans. I am not aware. I believe Messrs. Lunn and Mathewson got large depositors to take transfers of mortgages for their debts, and they may have paid portions of their debts in books, but I cannot speak positively.

Ques. Were any debts to the Bank for which Directors of the Bank were responsible as securities paid to the Bank in deposit books?

Ans. There were, I should say to a considerable amount.

Ques. Were you a debtor of the Bank, either directly or as security for any loans made by the Bank, at the time of its suspension?

Ans. I was directly, for the amount of the loan by notes to the High School, granted in 1844, that is for my proportion of the notes for £660. I was also as security, having endorsed some paper for the accommodation of others, which the Bank held. I was also security on some private mortgages, I think, too. My indirect liability would be about £2,000.

The examination of the witness, *William Murray*, Esquire, is here adjourned until to-morrow.

WM. MURRAY.

Sworn and signed before me,
this 23d January, 1851.

W. Baistrow,
Commissioner.

Appendix
(Q. Q.)

15th July.

On this twenty-fourth day of January, one thousand eight hundred and fifty-one, the examination of the witness, *William Murray*, Esquire, was continued as follows:

Ques. Has the debt by the High School, under the promissory notes for £660, to which you were a party, and which was unpaid at the time of the stoppage of the Bank, since been paid in full?

Ans. It has not all been paid. I have paid as already mentioned, more than my proportion, viz.: £51 19s. 8d.

Ques. Were you not individually responsible for the whole of that £660 with interest, at the time of the suspension of the Savings Bank?

Ans. There were eight or ten names to the notes, of which mine was one. I do not remember whether the obligation was joint and several; if so, I was.

Ques. For the paper which you had indorsed did you become responsible individually, and if so to what amount?

Ans. I think it was about £250.

Ques. Is it to be understood, then, that since the suspension of the Bank, you have paid about £300 for debts, for which you were responsible to the Bank?

Ans. I have, these notes being for the accommodation of others.

Ques. How did you pay this £300 to the Bank?

Ans. Entirely in transfers of books.

Ques. When did you pay the Bank this £300, in transfers of Bank books?

Ans. It appears by the books, on the 30th September, 1850, but I think they must have been in the Bank three or four months earlier.

Ques. Which of the Directors sanctioned your paying to the Savings Bank your debts in bank books?

Ans. They were handed to the Actuary by me, and he, as was his practice in other cases, placed them to my credit. The Directors, at least those who were taking an interest in the Bank, must have known the transaction.

Ques. Are you now of opinion that it was as a matter of right, that you could pay your debt to the Bank in bank books?

Ans. As that liberty was granted to others, I did not think there was any impropriety in my having the same privilege.

Ques. Was that liberty granted to all others?

Ans. I think it was granted to all others, except such as had given Bank Stock or similar securities, which could be easily converted.

Ques. Under what rule of the Bank were you allowed to pay your debts in bank books?

Ans. I know of no other than the one mentioned by me yesterday.

Ques. Please to point out what part of that resolution, authorized the receipt of bank books in payment of debts due to the Bank on open accounts, or on promissory notes?

Ans. I see nothing in that resolution that would bear on that subject, or that would authorize such a payment.

Ques. Has there been any resolution passed either subsequently to, or on the 14th July, 1848, author-

Appendix
(Q. Q.)

15th July

izing the reception of bank books in payment for open accounts, or for debts on promissory notes due to the Bank ?

Ans. I do not recollect, but I have been informed that such a resolution was passed.

Ques. When were you informed that such a resolution had been passed ?

Ans. It is not many weeks ago since I heard that such a resolution had been passed.

Ques. When and where did you hear this ?

Ans. I think it was during the course of some conversation that occurred at the Bank two or three weeks since.

Ques. Are you aware of the question ever having come before the Directors of the Savings Bank, and of any instance in which those Directors have refused to receive deposit books, at the rate of 90 per cent ? If you are aware of any such instances, please to cite them.

Ans. I see by the minute book, that Dr. Campbell made an application on the 27th November, 1848, to be allowed to pay his debt on a promissory note in deposit books, which proposition of his was partially accepted, and partially refused.

Ques. Were you present at that meeting ?

Ans. I was.

Ques. Can you assign any reason why you should be permitted to pay your debt to the Savings Bank, in deposit books, and Dr. Campbell be refused a similar permission ?

Ans. To the best of my recollection, Dr. Campbell's note had been negotiated at the Bank, and the Directors feeling it inconvenient to advance the money for the whole, they agreed to renew one half of it, and take transfers for the other. This was a loan of his own, whereas my obligation was on account of others, and occasioned loss to me.

Ques. What was the precise sum you paid to the Savings Bank in deposit books for your debts, for which you became directly responsible ?

Ans. £315 14s. 9d.

Ques. What did you pay the parties for those deposit books which you handed to the Bank.

Ans. As the books I got were not kept separate, I cannot say correctly what the amount referred to cost.

Ques. To whom did you pay 20s. for bank books ?

Ans. I do not recollect. I know I did for about £200.

Ques. What was the total amount of profit you made by paying the Bank your debt in bank books instead of cash ?

Ans. The saving I made in any transaction of that kind would be very small. I do not think it amounted to £100.

Ques. To what amount, and for what parties were you security on mortgages granted to the Bank prior to its suspension, and which were unpaid at that time ?

Ans. I was responsible for a mortgage granted to the Bank, by John Dyde, for £1000 ; and for one granted by Wm. Cormick, for a Loan of £500. I believe my responsibility for Mr. Cormick did not exceed £500, although he was indebted to the Bank for £950 at the time of its suspension. I was also

responsible for a note of Hon. Judge Smith for £200, with my name on it.

Ques. What portion of these several debts to the Savings Bank, amounting altogether to £2,150, did you yourself pay in transfers of bank books ?

Ans. I paid on account of these £1293 8s. 8d.

Ques. How did you acquire those bank books ?

Ans. They were offered to me by a broker, and I bought them on account of the principal parties indebted to the Bank.

Ques. Who were the principal parties indebted to the Bank, for whom you bought the books ?

Ans. The principal was Mr. Cormick.

Ques. What did you pay for those books ?

Ans. I do not recollect precisely.

Ques. From whom did you buy those books ?

Ans. I decline to answer.

Ques. Did you pay for those books in cash ?

Ans. I decline to answer.

Ques. What amount in cash have you paid for your liability to the Savings Bank, as security for the loan to Mr. William Cormick, and for Judge Smith ?

Ans. I paid no cash to the Bank on that account.

In consequence of the refusal of the witness to answer the two questions preceding the last question, the Commissioners here adjourned their sitting till one o'clock p. m., then to be resumed, at which hour the witness was directed to be again in attendance, and the Commissioners have signed.

WILLIAM BRISTOW,
WILLIAM SNAITH,
C. E. BELLE.

In pursuance of the above adjournment, the Commissioners again assembled at one o'clock, P. M., and the witness, *William Murray*, Esquire, having again had put to him the two following questions, which he refused to answer prior to the adjournment, and which are as follows :

Ques. 1st. From whom did you buy those books ?

Ques. 2nd. Did you pay for those books in cash ?

To which the witness made answer as follows :

Ans. With every disposition to answer what I consider fair questions, I do not consider myself at liberty to reveal either my own private transactions, or those of others, and I therefore decline to answer those two questions.

The examination of the witness, *William Murray*, Esquire, of this day, is here adjourned *sine die*, and his foregoing deposition having been read over to him, he declares it to contain the truth, and he hath signed.

WM. MURRAY.

Sworn and signed before me,
this 24th day of January,
1851.

W. BRISTOW.

The Court then adjourned further proceedings until to-morrow, at 10 o'clock, A. M.

W. BRISTOW.
WM. SNAITH.
C. E. BELLE.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)Province of Canada, }
District of Montreal. }

15th July.

On this twenty-fifth day of January, one thousand eight hundred and fifty-one,

Personally came and appeared, the Honourable *James Ferrier*, of the City of Montreal, who, having been duly sworn, deposeth and saith :

Referring to the minute Book of the Savings Bank containing the proceedings of the Directors, of a meeting held on 4th August, 1843, I find the following resolution recorded, which, I have no doubt, is correctly given :

“ 1st. Moved by John Dougall, Esquire, seconded by J. Ferrier, Esquire: That the Montreal Provident and Savings Bank discount no bills or promissory notes, without ample security, in the shape of stocks or mortgage, being deposited with the Bank.

“ Passed unanimously.”

I have no recollection that that resolution was ever rescinded.

Ques. Please refer to the minute book of the Savings Bank, and say whether, in the annual statements read at the annual meetings of each year, since the opening of the Savings Bank up to the 31st December, 1847, and which purport to give a statement of the assets of the Bank, there would appear to have been any loans whatever granted by the Savings Bank on personal security only ?

Ans. I see nothing in those statements stating that loans had been granted on personal security only. I do not remember whether the resolution forbidding discounts on personal security only, which I have already quoted, was rigidly observed or not.

Ques. Have you any recollection of a loan by the Savings Bank to the Trustees of the Canadian Mission; and can you say whether any such loan was granted on personal security only ?

Ans. I remember putting my name on a bill for the purpose of facilitating a loan for the Mission House at Pointe-aux Trembles; but I have no knowledge, having shortly after I signed the note left for England, whether Mr. Redpath, in negotiating with the Savings Bank, placed any further security with the Bank.

Ques. Have you any recollection of having been present at any meeting of the Board of Directors of the Savings Bank, either at the close of 1845 or in 1846, at which any loan was authorized to Arthur Ross ?

Ans. I do not recollect at what date, but I was present at a meeting of the Board of the Savings Bank, when an application was made by Mr. Arthur Ross for a loan of money, offering for security a mortgage upon his seigneurie; and my impression is, that his brother and Mr. Wicksteed's personal security was offered with the mortgage. I do not recollect whether the application was granted or not, at the time.

Ques. Did you ever sanction, personally, the payment to Mr. Ross of any moneys on account of the loan, prior to proper securities being executed in favour of the Bank ?

Ans. I have no recollection of ever having done so, and do not believe I ever did.

Ques. Have you any knowledge of any considerable amounts advanced by the Savings Bank in the years 1846 and 1847, and charged to the Wesleyan

Church, for which no security was taken other than personal at the time these loans were granted ?

Ans. I have no recollection of dates, but I have recollection of an application being made by the Trustees of the Methodist churches for a loan from the Savings Bank, offering mortgages upon their churches, with the personal security of all the Trustees; but as Mr. Kay was the Trustee-Steward, I do not know how he arranged with the Trustees of the Savings Bank; or whether he gave securities prior to receiving moneys from the Savings Bank or not.

Ques. Have you any recollection of having authorized, at any time at the close of 1846 or early in 1847, certain loans by the Savings Bank to Alexander Urquhart, on personal security only ?

Ans. I have no recollection of ever having authorized any such loans.

Ques. Have you any recollection of having authorized the discount in May and June, 1847, of certain notes for R. Howard & Co., without any other security than such notes furnished ?

Ans. No. I have no recollection of anything of the kind; nor do I believe I could have given my sanction to it.

Ques. Were you in the habit frequently of signing cheques for the Savings Bank on the Bank in which its funds were deposited ?

Ans. Yes.

Ques. Were the cheques you so signed at all times filled up both as to the amounts and as to the parties to whom payable ?

Ans. No. The cheque was usually filled up, so far as regards figures, in the pound line, but the body of the cheque left blank, so as to be filled up by the Actuary when required.

Ques. When such cheques were for a larger amount than £100, were you in the habit of having the names of the payees inserted, or do you mean to say that in such cheques also the body of the cheques was left blank, as you mentioned in your last answer ?

Ans. My impression is that the cheques were in general for £100 or £200, and that when they were for larger sums, the names of the payees were inserted previous to my signing them.

Ques. Do you think you ever signed cheques for so large a sum as £500, without knowing to what purpose it was intended to apply such cheques, or without taking the precaution of having the payee's name inserted in the body of the cheque ?

Ans. I think it is possible that I have signed cheques for £500 or upwards, without having had the payee's name inserted, but always had a satisfactory explanation from Mr. Eadie as to the purpose for which such cheque was wanted, having then entire confidence in Mr. Eadie's word.

Ques. Do you think you ever signed a cheque for over £1000, without having the payee's name inserted, or without obtaining full information of the purpose for which such a sum was required ?

Ans. A certified copy of a cheque amounting to £1,200, being presented to me by one of the commissioners, it appears to me that I may have signed that cheque for £1,200, which is dated 30th August, 1845, without the payee's name being filled in. I have no recollection of that particular cheque, but think Mr. Eadie must have given me some explanation of some purpose for which it was required; but

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)Appendix
(Q. Q.)

15th July.

whether the true purpose was stated by him, I cannot say.

Ques. Were cheques for so large a sum as £1,200, in 1845, of frequent occurrence?

Ans. I do not know.

Ques. Were all cheques signed by you, as Director of the Savings Bank, filled up so far as regards the figures in the pound line, previous to your signing them?

Ans. I cannot say.

Ques. Then is it not possible that the cheque for £1,200, to which you have already adverted, may have been signed by you entirely in blank, that is, without either the name of the payee or the amount being specified?

Ans. I cannot say.

The examination of the witness, the Honourable *James Ferrier*, is here adjourned until Monday, and he hath signed.

J. FERRIER.

Sworn and signed before me,
this 25th January, 1851.

W. BRISTOW,
Commissioner.

On this twenty-eighth day of January, one thousand eight hundred and fifty-one, the examination of the witness, the Honourable *James Ferrier*, was continued as follows:

Ques. When were you first aware of Mr. Eadie having applied the funds of the Bank for his own individual purposes, or in loans to individuals?

Ans. Some short time before the suspension. I mean between the date on which Mr. Morris was appointed President, which I observe by the minute book, was on the 6th May, 1848, and the time when the run on the Bank commenced.

Ques. Were you not aware towards the close of 1847, or early in 1848, that Mr. Eadie had made considerable loans to Messrs. Bryson and Ferriers?

Ans. I was not aware that he had made considerable loans. I was aware that he had made loans, from my son stating it to me, but I cannot say the precise date when my son gave me the information.

Ques. Did your son state to you the amount of the loans?

Ans. No.

Ques. Did your son, at the time that he stated that he had had loans from Mr. Eadie, inform you of the amount, or anything like the amount, to which he was indebted at the time, to Mr. Eadie?

Ans. He did not.

Ques. Did your son inform you, on or about the 17th December, 1847, that he had repaid sundry loans, amounting to £350, or thereabouts, to Mr. Eadie?

Ans. No.

Ques. Were you aware, or had you reason to believe, that Mr. Eadie had made the loans to which you allude, to your son, out of the funds of the Savings Bank?

Ans. I did not think that Mr. Eadie would do so.

Ques. Had you any reason to believe that Mr. Eadie had private funds of his own, available for loans to individuals?

Ans. I believed that Mr. Eadie had private funds of his own.

Ques. When you heard of these loans by Mr. Eadie, did you inquire into the state of his account with the Savings Bank?

Ans. I did not.

Ques. Did you at the time, or shortly after you were made aware that Mr. Eadie had made loans to your son, communicate the fact to the Directors of the Savings Bank, or to any of them?

Ans. No, because I did not consider that the Savings Bank had any thing to do with it. I did not think it necessary to communicate to the Directors.

Ques. On what occasion did you first learn that Mr. Eadie had absolutely used the funds of the Bank, either for his individual purposes, or on loans, without authority, and to whom had such loans been made?

Ans. The first thing that I heard that led me to suspect that there was something wrong with Mr. Eadie's finances, was a report which I heard in the Bank of British North America, that a note for £1000, bearing the signatures of Mr. Eadie, Mr. Footner, and W. S. McFarlane, had been offered for discount in St. Francois Xavier Street. I said, if that is the case, there is something wrong. I immediately went to W. S. McFarlane, informed him of what I had heard. He denied that his name was on any note for £1,000, with that of Mr. Eadie and Mr. Footner; but, upon interrogating him, he confessed that he had had loans of money from Mr. Eadie, but would not state to me the amount. I immediately went over to Mr. William Murray, informed him of what I had heard, and expressed my apprehension that something must be wrong with Mr. Eadie, as I thought it impossible that such a report as that a note of £1000 could be offered for discount unless such a note did exist. Mr. Murray appeared very much surprised, and, after consultation, I recommended that we should call up Mr. Eadie from the Bank below to the room of the Fire Insurance office where we were sitting, and state to him the report that I had heard, and request from him an explanation. Mr. Eadie denied that a note for £1,000, with the above mentioned names, had been offered in St. Francois-Xavier street for discount, but said that he had lent Mr. McFarlane moneys belonging to the Savings Bank, but could not state what the amount was until he made it up. I stated that that must be done at once before he left the Bank that evening, and told Mr. Murray in the presence of Mr. Eadie that he must see that Mr. Eadie attended to this immediately. I was so anxious about it myself that I came down late at night to see that the matter had been attended to, when Mr. Murray informed me that as far as they could ascertain the amount was about (£1200) twelve hundred pounds. Either next morning or the morning following, I informed Mr. Redpath of all that had occurred, and Mr. Redpath said that the thing should be communicated to the Board, which was done. This must have occurred some time between the annual meeting of the 4th May, 1848, and the run on the Bank.

Ques. Have you any knowledge that subsequent investigation of the accounts between Mr. W. S. McFarlane and Mr. Eadie led to the discovery that the loans granted by the latter to the former amounted to between £2600 and £3000, and that notes were

Appendix
(Q. Q.)Appendix
(Q. Q.)

15th July.

15th July.

given by Mr. W. S. McFarlane for the whole amount of his debt?

Ans. From the day that I communicated with Mr. Redpath, I believe that the investigation was followed up until the amount was ascertained, and I understood that some settlement was obtained from Mr. McFarlane.

Ques. Was this discovery of Mr. Eadie having made loans to Mr. W. S. McFarlane, made prior to the suspension of payments by the latter?

Ans. It must have been.

Ques. When were you first made aware that Mr. Eadie had used the funds of the Bank without authority for payments connected with the property which he had acquired in conjunction with Mr. Footner, and for other transactions with Mr. Footner, and with others also without authority?

Ans. I think it was immediately after my communication with Mr. Redpath, to which I have already alluded, and which the investigation immediately followed.

Ques. Have you any recollection of a loan by the Savings Bank to John Kelly and Company of £1000 granted either late in December, 1845, or early in 1846?

Ans. I cannot exactly say the date, but know that there was a loan, having been one of the securities myself.

Ques. Is that loan recorded in the minute book of the Savings Bank?

Ans. I do not find it recorded.

Ques. Have you any recollection who were the parties who made application for this loan?

Ans. I think it must have been Mr. Kelly. I have no recollection.

Ques. What security was given for this loan?

Ans. It was on Mr. Kelly's property, situated in the St. Lawrence suburbs. I remember requesting that the documents connected with that property should be submitted to the lawyer of the Bank, to see that every thing was right, which I believe was done. Myself and Mr. Tobin were also personally responsible, and joined in some deed to that effect.

Ques. Is the debt to the Bank for this loan now liquidated?

Ans. I believe not.

Ques. Why have you not liquidated this debt under the obligation to which you were a party?

Ans. The matter has stood over on account of the Bank having taken, from the assignees of Mr. Kelly's estate, certain properties and cash, and having given a discharge to the estate of Mr. Kelly. These properties that the Bank assumed, were at the time ample in value to cover the whole amount of the debt, but have since been destroyed by fire, and the managing authority of the Bank had neglected to have insurance effected upon them. If I am legally bound for the balance due the Bank on this loan, I am willing to pay it.

Ques. Has the Bank ever applied to you for payment of the amount of the balance of this Kelly Loan?

Ans. Mr. Redpath has, and I stated to him what I have done here.

Ques. Have you any recollection of two loans made to Daniel O'Connor, one of £500, and one of £250, early in 1846?

Ans. I find by the minute book of the Savings Bank, that a loan of £500 was made in January, 1846; and I know there was, some time after, a further loan of £250, which does not appear to be recorded in the minute book.

Ques. Do you recollect at whose application these loans were obtained?

Ans. I do not recollect, but I know I recommended the loan.

Ques. Do you recollect the security on which the two loans to Daniel O'Connor were granted?

Ans. I believe it was on the fixed property of Cooke and Kelly, with their personal guarantee.

Ques. Did you undertake, in any way, to the Savings Bank, to become responsible for the repayment either of the whole or of any part of these loans?

Ans. No.

Ques. Have these loans been repaid to the Savings Bank?

Ans. Not in full, but I believe the securities are bound for them.

Ques. Have you any recollection of a transfer of £1350, made from the debit of your account on the 31st December, 1846, to the debit of the Montreal Fire Insurance Company, in the books of the Savings Bank, which sum appears to have been paid in July and August of that year, and then charged to the debit of your account?

Ans. I have no recollection of the transfers being ordered by me, but it is possible they were. I was in Europe during the months of July and August, 1846, and certainly never applied for any such moneys. If Mr. Eadie informed me that those sums were obtained and at my debit, and used Mr. Murray's name as the party who had got them, it is quite probable that I did order Mr. Eadie to transfer the amounts to the Montreal Insurance Company, for whom I must have presumed Mr. Murray got the money.

Ques. Have you any knowledge of a loan of £100 to one — Goodwin, early in 1845, and can you say whether any, and, if so, what security, was granted for it?

Ans. I know that £100 was lent, and believe that a mortgage on the property of the late Mr. Galt was given. I was security on the mortgage, and am still, to the party to whom it was transferred.

Ques. Are you aware of a number of loans in cash and discounts made to David Brown, in 1846, without any other than personal security?

Ans. I was not at the time, but I am now aware that a number of loans were made to David Brown, but not with my authority.

Ques. Have you any recollection in October, 1845, of having authorized a loan by the Savings Bank to the Montreal Fire Insurance Company, of £1677 15s. 8d., and, if so, on what conditions?

Ans. I have no particular recollection of any such loan by the Savings Bank, but I observe my name in the cash book of the Savings Bank as having authorized it.

Ques. Have you any knowledge of any of the Savings Bank moneys being invested in Railroad stock of any description.

Ans. Yes.

The examination of the witness, the Honourable

Appendix
(Q. Q.)

15th July.

James Ferrier, is here adjourned until to-morrow, and he hath signed.

J. FERRIER.

Sworn and signed before me,
this 28th January, 1851,

W. BRISTOW,
Commissioner.

On this twenty-ninth day of January, one thousand eight hundred and fifty-one, the examination of the witness, the Honourable *James Ferrier*, was continued as follows :

Ques. Was any of the Lachine Railroad stock purchased by the Savings Bank ?

Ans. I think there was £1000 subscribed when the Company first went into operation. I believe I was absent in England at the time the subscription was made.

Ques. Are you aware that that stock has been sold at a heavy loss since the failure of the Bank ?

(Answer omitted.)

Ques. Have you any knowledge of a sale of St. Lawrence and Atlantic Railroad stock to the Savings Bank early in 1847 ?

Ans. Yes.

Ques. From whom was that stock purchased ?

Ans. From myself.

Ques. Was that purchase of stock by the Savings Bank authorized by the Board of Directors previous to its being made ?

Ans. I cannot say, it being a personal transaction with myself. I invariably allowed the other Directors to decide in every matter where I was personally interested. My negotiation was with the President and Actuary of the Bank. About three months before the transfer of this stock was made to the Savings Bank, I made sale of this stock to the President, in the presence of the Actuary. The circumstances were as follow: Being dissatisfied at the Board of Directors of the Atlantic Railroad adopting the broad gauge for the road, I determined to sell out the shares I held, namely twenty. I mentioned my determination in the Savings Bank, in casual conversation, expressing my annoyance and determination to sell the shares to the first purchaser. The Actuary of the Bank remarked to the President, Mr. Lunn, we have none of that stock, I think we should take it. The President consented to take it. I allowed some time for consideration; and, I think about a month after, I requested Mr. Lunn to go with me and make the transfer. He expressed himself as particularly engaged for the moment, but was ready to go with me at any other time. I think in about a month after this second conversation to which I have referred, with Mr. Lunn, I met him on the street, and asked him again to go with me and get the stock transferred. I think he said he was going in the Montreal Bank, and could not attend to that transaction at that time; but still made no objection to effecting the transfer. The next time that I requested Mr. Lunn to attend to the transfer was on the 6th April, 1847. I met him in the Board room of the Montreal Fire Insurance Company, and requested him to go with me to the St. Lawrence and Atlantic Railroad Office to make the transfer. He demurred, by saying that he did not think the stock so saleable now as it was. I replied that he had bought the stock three months ago. He said it was true, but that it was for the Savings Bank. I replied, it was unfair that I should suffer any loss by

his neglect in not receiving from me the transfer of the stock; and after some rather unpleasant conversation regarding his neglect, I agreed, rather than have farther difficulty, to a deduction of £46 upon the £96 which were paid for the stock. The transfer was then made.

Ques. Have you any recollection of loans made by the Savings Bank to one Arthur Perry, in 1844 and 1845 ?

Ans. I observe by the minute book of the Savings Bank, that a loan was made to Arthur Perry, by order of the Directors, at a meeting held on the 1st October, 1844. I was not present at that meeting. I am aware that the security given for that loan was a double two-story brick house, in St. Alexander Street, with the personal security of John Tully, and two brothers of Perry. A further loan of £100 was given to him in November and December, 1845, as I find by the cash book of the Savings Bank: for this further loan of £100 the same security was given, to the best of my recollection, as for the £200, lent to him in 1844.

Ques. Are you aware that the security given by those loans to Arthur Perry, has been found insufficient, and that the whole amount of these loans is expected to prove a total loss to the Bank ?

Ans. I am aware that the houses given for security by Arthur Perry have been sold by public sale. I was absent at the time of such sale. I understood on my return, that the amount they brought was three hundred and fifty pounds, (£350) which I considered a complete sacrifice. I expressed to Mr. Eadie my dissatisfaction that that sale had not been attended to on behalf of the Bank, and the property saved from being sacrificed. I consider the value of that property, at the time it was sold, at least from £600 to £700. I mean the house and lot. The amount for which this property was sold, I believe, left nothing to go towards the repayment of the loan to the Bank. I have no knowledge what incumbrances were on the property at the time of the sale.

Ques. Are you aware whether the sanction of the Board of Directors of the Savings Bank was obtained for the loan of £100 made in November and December, 1845, to Arthur Perry ?

Ans. I cannot positively say, but I believe it was, the same securities being taken for it as for the former loan. I say so from seeing the names of the same securities standing opposite both loans in the Books of the Savings Bank.

Ques. Did you yourself receive a portion of this loan of £100 to Arthur Perry ?

Ans. Yes. I received £50, as it stands recorded in the books of the Savings Bank. Arthur Perry was indebted to me for that sum.

Ques. Did you consider the security offered by Arthur Perry, for the loans of 1844 and 1845, if given as you state you suppose them to have been, ample for the liquidation of the loans, say £300, and for any other incumbrances that you were aware of, as being on the property ?

Ans. I did. I believed Mr. Tully, one of the securities, who interested himself in obtaining the loan, at that time to have been good security for £300: and I also believed that there was ample security on the property itself.

Ques. Did you consider that Mr. Eadie, in neglecting to attend the sale of the Perry property, wilfully and culpably compromised the interest of the Bank ?

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Ans. It was Mr. Fadie's duty to look after all the securities which the Bank had, and it was his duty to have acquainted the President or Board, of the day when the property was to be sold; and when I charged him with neglect, to the best of my recollection, he said it had been overlooked.

Ques. Do you recollect having been present at a meeting of the Board of Directors which appears by the minute book to have been held on the twentieth January, 1846, at which a loan was conditionally sanctioned, of £500 to Mr. John Tully?

Ans. My name appears in the minutes of that day as having been present at that meeting.

Ques. Have you any knowledge that the loan was made?

Ans. It appears by the cash book to have been paid on the 6th February, 1846.

Ques. Do you know what security was given for that loan?

Ans. I do not know the nature of the security. I can give no further information than is contained in the books.

Ques. Did you attend frequently at the Bank at the time of the run?

Ans. I did.

Ques. Are you aware of any resolution having been passed at the time of the suspension of the Bank, or very shortly after, sanctioning transfers of mortgages on real estate held by the Bank as security on loans to some of the large depositors, to an extent not exceeding 90 per cent. on the amount of such deposits?

Ans. There is such a resolution in the minute book. My name does not appear as having been present at the meeting at which it was passed.

Ques. When were you made aware that such a resolution had been passed?

Ans. I cannot positively say, but I think it was about the month of September, 1848. To the best of my recollection, I was absent from home for some time after the suspension of the Savings Bank. On my return I understood that the securities of the Bank on real estate were offered to depositors in general who pleased to avail themselves of it.

Ques. Did you on or about the 31st October, 1848, append your name to a Report of the Directors of the Savings Bank in which transfers of mortgages on real estate were offered to creditors of the Bank to the extent of 90 per cent. on their deposits?

Ans. My name is appended to such a report, and I presume I must have sanctioned it.

Ques. Can you state that, prior to the publication of that Report, any official or public notification had been given to depositors in the Bank, that they would be allowed transfers of mortgages on real estate to the extent of ninety per cent. on their claims upon the Bank?

Ans. I cannot.

Ques. Are you aware of any resolution having been adopted by the Directors of the Savings Bank, and, if so, at what time, authorizing debtors to the Bank, or any of them, to pay their debts to the Savings Bank in deposit books, at the rate of 90 per cent.?

Ans. I do not find any resolution in the minute book authorizing debts to the Bank to be paid in that manner; but I believe that the Board did resolve to do so, from the conversation I distinctly remember at

the Board, that depositors were selling their books at a very low rate; and it was thought, if debtors were allowed to pay what they owed, in books at 90 per cent., that this would raise the value of deposit books, and prevent the depositors from parting with their books without obtaining their proper value.

Ques. Do you mean to be understood, then, that, in consequence of the low rate at which deposit books were selling in the market, a resolution was passed by the Directors, sanctioning the payment of debts to the Bank in deposit books?

Ans. I think that is what led the Directors to that resolution.

Ques. Were you present when any such resolution was passed?

Ans. Finding no minute in the book of such a resolution, I cannot say positively whether I was present or not, but I know that I concurred with the Board in the propriety of allowing debts to be paid in bank books.

Ques. When did the Board determine to receive bank books in payment of debts to the Bank?

Ans. I do not recollect the date.

Ques. When were you first aware that debtors of the Bank were allowed to pay in bank books?

Ans. I am unable to say.

Ques. When you say that you concurred in the opinion of the Board as to receiving bank books in payment from debtors, do you mean to say that you expressed that opinion prior or subsequent to the passing of a resolution authorising such bank books to be received in payments?

Ans. I may actually have been present when this resolution was passed, or I may not; I cannot say which. If I was present, I must have expressed a favourable opinion, for the reasons already stated, to wit: that it would give greater value to the deposits.

Ques. Can you state positively whether the resolution authorising payment of debts to the Bank in deposit books was or was not passed on the day of the suspension of the Savings Bank, or within a very few days after?

Ans. I was not present at the meeting at the time of the suspension of the Savings Bank, as appears in the minute book. My impression is, speaking from recollection, that it was some time subsequent.

The examination of the witness, the Honourable James Ferrier, is here adjourned until to-morrow; and he hath signed.

JAMES FERRIER.

Sworn and signed before me,
this 29th January, 1851,

W. BRISTOW,
Commissioner.

On this thirtieth day of January, one thousand eight hundred and fifty-one, the examination of the witness, the Honourable James Ferrier, was continued as follows:

Ques. Are you prepared to say that the time at which it was determined to receive bank books in payment of debts due to the Bank, was subsequent to its having been known at the Board of Directors that depositors were selling their books under par value?

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Ans. As far as my memory serves me, the determination to receive bank books in payment was made subsequent to the time when the Board were informed that deposit books were selling under their proper value.

Ques. Have you any knowledge that public notification has at any time been given, on behalf of the Savings Bank, to creditors of the Bank, that debtors were allowed to liquidate their debts to the Bank in deposit books?

Ans. I am unable to say whether any public advertisement was issued on the subject, or whether any public notice was stuck up in the Bank; but I know that instructions were given to the clerks behind the counter, to inform every depositor that the books were taken by the Bank at 90 per cent. from debtors to the Bank.

Ques. When were these instructions given to the clerks in the Bank, to your own knowledge?

Ans. From my own personal knowledge I can only speak from the end of August to the beginning of September.

Ques. Do you mean to say that you, some time about the end of August or the beginning of September, personally instructed the then Actuary, or any of the clerks, and if so, which of them, to inform all depositors that the Bank was receiving their books in payment of debts due to the Bank, at the rate of 90 per cent. on the value of such books?

Ans. If the determination of the Board was come to so early as the end of August or the beginning of September, of which I have already said I am not quite sure, not remembering exactly the time at which it was agreed to receive deposit books in payment from debtors, I did so instruct the Actuary, and the clerks behind the counter, to inform depositors that their books were being received in payment of debts at the rate of 90 per cent.; but if the determination of the Board was taken at a later date, my instructions must have been subsequent to the determination of the Board.

Ques. Would it not have been a more effectual means of giving publicity to the fact, that the bank books were received in payment of debts to the Bank, to have stuck up a notice to that effect in the Bank, or to have issued a public advertisement, than to have committed the duty to the clerks of conveying such information to depositors?

Ans. I have already said that I do not know whether any public notice was given, or notice stuck up in the Bank. My convictions are that the depositors in general called at the Bank, and got the information previous to disposing of their books. In every personal application that was made to me by the depositors, I invariably advised them not to part with their books, as there was every prospect of the Bank paying the 90 per cent.?

Ques. Are you aware whether the determination to receive bank books, in payment of debts to the Bank, was general in its application, or not, to all debtors?

Ans. I believe that it was general in its application to all debtors whose accounts were standing unsettled; to the best of my recollection some debts were owing to the Savings Bank in notes, and these notes were discounted in other Banks. In these latter cases, I think that rule was not fully applied, the Savings Bank not having the control over the notes.

Ques. Was this rule, or determination to receive bank books in payment of debts, the source of great pecuniary advantage to the debtors of the Bank?

Ans. The debtors to the Bank must have received the advantage of whatever they bought the books for, under 90 per cent.

Ques. At the time the determination to receive books in payment of debts, at 90 per cent. was come to, were any Directors of the Savings Bank either directly or indirectly liable to the Bank, for sums outstanding, due to the Bank?

Ans. Without referring to the books, I cannot say what others did, but I was indirectly indebted to the Bank, on a security for W. S. Macfarlane, to the amount of £1,000, and on some other securities.

Ques. Have you paid any portion of your liability to the Savings bank, at the time of its failure, in Bank books, and if so what portion have you so paid?

Ans. I believe that one of my sons paid on my account, £989 19s. 9d., in bank books on the debt for which I was security for W. S. Macfarlane. I take this sum from the Bank books, not having any personal knowledge of it. These payments appear to have been made on the 6th February, 1849, £638 1s. 3d., 13th March, 1849, £10 10s. 0d., 14th May, 1849, £341 8s. 6d.

Ques. Do you know what was the cost of those bank books?

Ans. I do not know.

Ques. Do you know from whom those bank books were purchased?

Ans. I do not know.

Ques. Have you any knowledge of the Savings Bank having at any time made any purchases of bank books?

Ans. I had no knowledge of the Bank having purchased any bank books, until within a few months, that is, I mean during last autumn, when I was informed that something about the amount of £1,200 had been bought by the Bank.

Ques. From whom did you derive this information?

Ans. I think Mr. Murray first mentioned it, and I then inquired of Mr. Redpath, who informed me that it was the case.

Ques. Did Mr. Murray or Mr. Redpath assign to you any reason for the purchase of those books?

Ans. They did not, to the best of my recollection, nor do I remember to have asked them.

Ques. Did you learn from whom those deposit books had been purchased by the Savings Bank?

Ans. I did not.

And further the deponent saith not; and having had the whole of his deposition read over to him, as given before the Commissioners since the 25th instant, he declares it to contain the truth, persists therein, and hath signed.

J. FERRIER.

Sworn and signed before
me, on this 30th January,
1851,

W. BRISTOW.

Province of Canada, }
District of Montreal. }

On this thirty-first day of January, one thousand eight hundred and fifty-one, personally came and ap-

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

peared *William Murray*, Esquire, of the City of Montreal, District of Montreal, who being duly sworn, deposed and saith:—

The two following questions being put to witness, (which he declined to answer on a former occasion, namely:)

Ques. 1st. From whom did you buy these books?

Ques. 2d. Did you pay for those books in cash?

Witness made answer:

Ans. When I declined answering the first question on the 24th instant, I did not consider it pertinent to the inquiry, and I felt a great dislike to disclose the private affairs of others; but upon consideration I think it better to answer it, lest it might be supposed that the transactions were on my own account and for my benefit. I therefore answer: that Mr. Taylor, a well known broker, having on several occasions offered the books, arrangements were made by me and Mr. Cormick, to purchase the greater amount from him, part in cash, and part on time. An amount was bought from Mr. J. J. Gibb, by me for account of Mr. Cormick; another amount from a person, whose name I think is Robertson, from the country; and a moderate amount from one or two persons, whose names I cannot recollect at the moment. The portion I bought from Robertson, cost me 20s. in the pound. The average of the other portion was about 15s. in the pound, on the amount transferred. I desire to give an explanation why I had transactions of that nature. A short time after the suspension of the Bank, I made every effort to get some of the depositors to take a transfer of Mr. Cormick's loan. I remember, in particular, of asking Mr. Learmont, Mr. Porteous of the Post Office, and others to do so. I also requested Mr. Freeland and Mr. Cox to endeavour to make such an arrangement, but all without effect, even although additional security was offered. Finding such a transfer could not be accomplished, Mr. Cormick had to raise money at a heavy sacrifice, to enable him, through me, to purchase the books which were offered by the broker. Mr. Cormick's loan was originally for £950, and to the best of my recollection, the Bank had or was to have had security over property at Laprairie, worth a greater amount; besides a note of Mrs. Cormick's, endorsed by me for £500, as collateral security, and stock in the Montreal Insurance Company for £250. The property at Laprairie was destroyed by the great fire; and as the Actuary had neglected to insure the property on account of the Bank, the only security which remained was the note for £500, and the Insurance stock. Mr. Eadie had also, unknown to me, advanced Mr. Cormick £100 merely on his *bon*, and allowed the interest to accumulate. This loan was made as early as August, 1846, but I do not think I had the slightest knowledge of it, until after the suspension of the Bank. The total loan amounted to upwards of £1,200. Mr. Cormick's property at Laprairie being swept away by fire, and from other misfortunes, he was in difficulties, and had no property of his own. Mr. Cormick, however, was very anxious to get the Bank paid, but had it not been for my efforts, the Bank would only have recovered the amount of the note, and proceeds of the stock, both of which would not have exceeded at that time, £700 to £750, instead of the £1,200 and upwards paid.

As regards Judge Smith's note of £200, the circumstances are as follows: He had lodged with me stock to the extent of £200, which I sold for him, at his desire. It realized £130. Judge Smith wished to have the amount to buy deposit books, but as my name was on his note for £200, I preferred applying the proceeds of this stock towards the liquidation of

that portion of his debt to the Bank; and I gave for him, into the Bank, deposit books to the extent of £200, which cost me upwards of £140. All these deposit books were bought solely on account of the parties named, and not on my own account. I could not object to their having the same privileges as others, merely because I happened to be part security for the one and endorser for the other. I had no advantage in any of the Bank transactions with which my name was connected; on the contrary, my loss will exceed £300. Neither would I have had anything to do with Bank transfers, had it not been from the desire of protecting the Bank from loss. Had the books offered me not been bought, I was informed that they would have gone into the hands of speculators, so that the transaction did no injury to the original depositors. Upon all occasions I dissuaded depositors from selling their books, and informed them of what I thought, that the Bank would ultimately pay; and I wrote to several depositors at a distance to the same effect. I can safely say, that not one of the loans with which my name is connected, was on my account, but entirely for the accommodation of others, without the least advantage to me, in any shape whatever. I beg distinctly to state, that all the books were offered to me by the broker, and not purchased by him for me.

Ques. Are you aware of the Directors of the Savings Bank having at any time authorized the purchase of any Bank books for account of the Savings Bank?

Ans. I recollect—I think it was a year or a year and a half ago, but I cannot say the precise time—some conversation occurred relative to the purchase of a lot of deposit books that was offered by a broker to the Bank. I do not recollect whether it was at a regular meeting of the Board, or not. Mr. Redpath, I know, was present, but I cannot speak for any others. The feeling was, at the time, that the losses sustained by the Bank were heavier than had been at first expected, and it was thought beneficial for the Bank, and I concurred in that opinion, to take those books out of the hands of a speculator, who would rank on the Bank for the full amount. The whole amount of the purchase, I think, was about £1,200; but I cannot speak accurately as to the amount.

Ques. Do you feel quite positive that deposit books were offered to the Bank by a broker; and not that the broker was authorized, on the part of the Bank, to buy the books?

Ans. I feel firmly convinced, in my own mind, that the books were offered by the broker, and that none of the Directors ever gave instructions to buy books.

Ques. Who was the broker who offered the books?

Ans. I am not aware; but I should think it was either Mr. Barnard or Mr. Taylor.

Ques. Are you aware whether the broker, who made the offer of these deposit books to the Bank, when he purchased the books, paid for them with funds of the Savings Bank, or not?

Ans. My impression certainly is, that the broker had, in the first place, bought the books and offered them to the Bank, and not that the Bank furnished him funds to buy books. I recollect having been present, as already stated, when it was mentioned that a broker offered some deposit books in his possession. I concurred in the propriety of purchasing them from him, for the reasons already stated, but I was not aware for some months after that it had actually been done. I can say nothing as to the particulars of the transaction.

Appendix
(Q. Q.)

15th July.

Appendix

(Q. Q.)

15th July,

Ques. Are you aware that any of the bonds or other securities held by the Bank, have, at any time, and if so, when, and under what circumstances, been sold, with the agreement to take deposit books in payment?

Ans. I was not aware at the time of any sales of the property of the Bank for deposit books; but I have heard, I think, about a year ago, that one or two sales of a Corporation bond were made at about 20 per cent. premium, taking deposit books in payment, while such bonds were at about 20 per cent. to 25 per cent. discount in the market for cash.

Ques. Are you aware of any recent regulation of the Directors of the Savings Bank authorising the payment to depositors, in special cases, of a dividend, on condition of giving a discharge in full to the Bank?

Ans. I observe in the minute book a resolution on the subject, which appears to have been passed on the 19th October, 1850; but I have no precise recollection of such a resolution having passed at that meeting. I remember at a meeting of the Directors, some few weeks ago, but certainly more recently than October last, the subject of paying depositors in special cases, such as to those who were under the necessity of leaving the country, a certain dividend. I remember that at the suggestion of Mr. Redpath a change of a few pence was made in that dividend.

Ques. When were you first aware of Mr. Eadie having made use of the funds of the Bank, either for his own individual purposes, or for loans to others?

Ans. I am positive that I was not aware of his making use of the funds of the Savings Bank, either for his own individual purposes, or for loans to others, until a very short time after the annual meeting of 1848. The first circumstance that led to the discovery was, Mr. Ferrier mentioned to me that Mr. Davidson, of the British North American Bank, had informed him of a note of about £1000, with Mr. Eadie's name on it, having been offered to some of the money brokers. Mr. Ferrier then suggested the propriety of calling up Mr. Eadie into my office, which was done. Mr. Ferrier spoke to Mr. Eadie on the subject, and asked him if there was any thing wrong with him as to money matters. Mr. Eadie appeared confused, and acknowledged that he had used the funds of the Bank. It was then determined that we should meet him in the evening, after the clerks had retired. That same evening, Mr. Ferrier and myself met Mr. Eadie in the Bank, when Mr. Eadie admitted that he had used the funds of the Bank to upwards of £1,200; the principal part of which he said had been lent to Mr. W. S. Macfarlane. He gave us to understand that that sum would set him right. I felt greatly distressed at this discovery, and so did Mr. Ferrier. We told Mr. Eadie immediately to make up a statement, which he stated he could not do exactly at the moment, and to get Mr. Macfarlane's note for the amount. At that time we expected Mr. Macfarlane was able to pay the amount. I think further disclosures were made the next day, which shewed that Mr. Eadie's position with the Bank was very much worse than we had supposed the previous evening. Mr. Ferrier and I therefore felt it our duty to communicate this defalcation to the Directors. Mr. Ferrier, I believe, told Mr. Redpath that very day, and it was formally communicated to a meeting of the Board of Directors in a very short time afterwards. It was deemed advisable by the Directors who were aware of the circumstances, to get all the securities they could from Mr. Eadie to save the Bank from loss. It had come out in the investigation that large amounts of money had been paid to Mr. Footner on account of some property that they had bought together, and for

other joint transactions. These payments had been made without any authority from the directors. Mr. Footner alleged that he had desired Mr. Eadie to apply for a loan from the Bank, and stated that he supposed that the moneys advanced to him by Mr. Eadie had been with the sanction of the Bank. He blamed Mr. Eadie for not having obtained the sanction of the Bank. Mr. Footner, I believe, gave the Bank certain securities for the loan which he had obtained through Mr. Eadie. I believe as much security was taken as could be got. The exact amount of the debt was not ascertained for some time after. Mr. Eadie's accounts were in such a state that it was impossible to understand them. They were all merely memoranda, not entered in the books. I understand also, that Mr. Eadie had some private books in which he kept these accounts. I have learned this since, through Mr. Sharrocks. I feel perfectly confident that the investigation into these transactions of Mr. Eadie, Mr. Macfarlane, and Mr. Footner, did not take place until after the annual meeting of 1848. I had no knowledge, I am certain, until after that time, of those transactions. There had certainly been a feeling of dissatisfaction on the greater part of the Directors with regard to Mr. Eadie's irregularity in conducting the business of the Bank, and in not getting the securities completed. The determination was to make a change in the direction of the Bank, and to substitute the Honourable Mr. Morris in place of Mr. Lunn, as President. There was great difficulty in getting the accounts all for the annual meeting. The books were discovered to be much in arrear. I believe they were not complete at the annual meeting; although he, may perhaps have made up the interest accounts separately.

Ques. Have you any recollection that, preparatory to the annual meeting of the 4th May, 1848, Mr. Lunn, the then President of the Bank, was instructed to examine the vouchers, &c., of the Savings Bank, and that on the 4th May, 1848, he reported that he had examined the vouchers, &c., and found them to agree with the statement?

Ans. I have no particular recollection of the report. I have no further recollection of the matter than what appears in the minute book of the Savings Bank, which states that he had examined the vouchers, &c., and found them to agree with the statement.

Ques. Have you any recollection of Mr. Lunn having informed the Directors at a preparatory meeting, held on the 4th May, 1848, that he had ascertained from Mr. Eadie that he had advanced a large amount, say £4,000, on the Goodenough property, with the funds of the Bank, and that he, Mr. Lunn, had proposed to take mortgages for such advances?

Ans. I have not the slightest recollection of any thing of the kind.

Q. Have you any recollection of two deeds of £2,000 each, or thereabouts, mortgaging certain property of Messrs. Eadie and Footner to the Savings Bank, for loans made by Mr. Eadie, having been drawn up and signed by Mr. Lunn, as President of the Bank, on or about the 6th May, 1848.

Ans. I recollect mortgages being ordered to be obtained for loans to Eadie and Footner, but I cannot say the precise sum. These mortgages, I know, were made in a very hurried manner, and if the time of their being presented for signature was so early as the 6th May, it must be, I consider, that the intelligence of the defalcation was received only a day or two previous. I am convinced that I know nothing of these loans, as already stated, until after the annual meeting; how soon after I cannot say.

Appendix

(Q. Q.)

15th July,

Appendix
(Q. Q.)

15th July.

Ques. Are you quite certain that Mr. Eadie did not, at some time prior to the annual meeting, held on the 4th May, 1848, inform you that he had made certain loans to Messrs. Bryson and Ferriers, or that you had not in any other way, prior to the said annual meeting, information of such loans having been made to Messrs. Bryson and Ferriers?

Ans. I had no knowledge prior to the annual meeting, held on the 4th May, 1848, of those loans to Messrs. Bryson and Ferriers except the two notes which I endorsed for Messrs. Bryson and Ferriers, and referred to in my evidence before this Commission, of the 23rd instant.

Ques. Are you aware of the Savings Bank having purchased any Railroad stock, and if so, what?

Ans. I recollect the Savings Bank took £1,000 of the Lachine Railroad stock, as soon as the books were open, and I am aware of a purchase of Portland Railroad stock having been made some considerable time after that of the Lachine rail road, but I was not aware of the latter purchase until after it was made.

The examination of the witness *William Murray, Esq.*, is here adjourned until to-morrow, and he hath signed.

WM. MURRAY.

Sworn and signed before me,
on this 31st January, 1851,

W. BRISTOW,
Commissioner.

On this first day of February, one thousand eight hundred and fifty-one, the examination of the witness, *William Murray, Esq.*, was continued as follows:

Ques. Have you any knowledge of the circumstances connected with a loan of £200 by the Savings Bank to Arthur Perry in 1844, and of £100 in 1845?

Ans. I am aware that on the 1st October, 1844, a loan of £200 was authorised at a meeting of the Board of Directors, upon the security of certain property. I also am aware that the property was insured in the Montreal Insurance Company, in the name of the Savings Bank, to the amount of £300. I also recollect Mr. Eadie, and I think Mr. Ferrier, asking my concurrence to a loan of £100 to Arthur Perry, on a mortgage, and on the personal security of Mr. John Tully. Considering the security ample, I concurred. I am not aware whether it was formally brought before the Board of Directors or not.

Ques. Have you any recollection of authorizing a loan to Mrs. Melinda Adams, in October, 1842, on the security of some silver plate; said loan amounting to about £120?

Ans. I recollect such an application having been made, and I agreed to it with others of the Directors. But previous to the money being advanced, Mr. Savage the silversmith was consulted as to its value, and the advance was kept considerably within the estimate.

Ques. Have you any recollection of three notes, viz., Watson, Black & Co., £150; Murray & Sanderson, £56 8s. 9d.; and Insurance Company (Montreal), favour Mathewson & Sinclair, £302 12s. 6d., being discounted by the Savings Bank for the Montreal Insurance Company, in May, 1843?

Ans. I have no recollection of any such circumstance. No such notes were discounted for the Montreal Insurance Company.

Appendix
(Q. Q.)

15th July.

Ques. Have you any recollection of Adam Ferrie's note for £100, favour of the Insurance Company, being discounted by the Savings Bank on the 25th July, 1843?

Ans. I have a slight recollection of a note of Mr. Ferrie, which I think I had endorsed and had the security of his stock for, having been discounted by the Savings Bank. I am under the impression, but I will not be certain, that Insurance Company stock to an equivalent amount was transferred in the Insurance Company's books, from Adam Ferrie's account, to the credit of the Savings Bank.

Ques. Have you any recollection of Mr. G. D. Watson's note, favour of the Montreal Insurance Company, having been discounted by the Savings Bank on the 30th September, 1843?

Ans. I have no recollection of a note having ever been given by Mr. G. D. Watson to the Montreal Insurance Company, for £150, or of any being discounted for him by the Savings Bank.

Ques. Have you any recollection of Ferguson's acceptance, favour Insurance Company for £50, being discounted in October, 1843, by the Savings Bank?

Ans. I have a recollection of Ferguson's, who had a large amount of stock in the Insurance Company, having got a note endorsed by me on the security of that stock, for £50. Whether they got it discounted or not, I do not recollect.

Ques. Have you any recollection of MacIntosh's note to Insurance Company for £100, being discounted by the Savings Bank on 5th December, 1843, without any further security than the said note?

Ans. I recollect endorsing a note for MacIntosh for £150, for which he transferred his stock. It appears that he discounted this note with the Savings Bank, and I have had to retire it.

Ques. Have you any recollection of a note of one Mr. King, being discounted in May, 1844, on some plate being deposited as security?

Ans. I recollect a loan being granted to him to the extent of £40, on the security of some plate which he deposited, and which was considered double the value. The amount with interest was duly repaid.

Ques. Have you any recollection of a loan to the Montreal Insurance Company, granted on their note for £500, on the 7th May, 1844?

Ans. I have replied to this in my evidence given before this Commission, on the 22nd of January last.

Ques. Have you any recollection of W. P. Smith's promissory note at twelve months, favour of yourself for £100, having been discounted at the Savings Bank on the 8th October, 1844, without any other security than the said note?

Ans. I do not think I ever had a note transaction with Dr. W. P. Smith, and of course have no knowledge of any such transaction as is referred to in the question.

Ques. Have you any recollection of Cameron's note in your favour, for £50, being discounted by the Savings Bank on the 28th April, 1845, without any other security than the said note?

Ans. I have no recollection of any such circumstance?

Ques. Have you any recollection of John Try's note for £25, due 4th August, being discounted on

Appendix
(Q. Q.)Appendix
(Q. Q.)

15th July.

9th May, 1845, without any other security than the said note?

Ans. I have no particular recollection of such a note.

Ques. Have you any recollection of James Cameron's note for £50 already referred to having been renewed on 29th July, 1845, without any other security than the said note?

Ans. I do not recollect the transaction. I do not even know what Cameron is referred to in this question.

Ques. Have you any recollection of Hutchison and Morrison's bill for £58 11s. 1d., due 4th December, 1845, being discounted 1st September, 1845, without any other security than the said bill?

Ans. I do not know anything of the transaction.

Ques. Have you any recollection of your own acceptance, favour of Macdonald, for £28, being discounted on 13th April, 1846, without any other security than the said note?

Ans. I do not recollect to have given a note for so small a sum to any man.

Ques. Have you any recollection of David Handyside's note, favour John Try, being discounted for £123 1s., on 15th July, 1846, without any other security than the said note?

Ans. I am aware that a note of such a character was discounted at the Savings Bank, but I do not think it was on my authority.

Ques. Have you any recollection of Bennett's note, favour of yourself, for £200, due 4th November, 1846, being discounted at the Savings Bank on the 1st August, 1846, without any other security than the said note?

Ans. I do not know any person of the name of Bennett in the country, and have no recollection of any transaction of the kind.

Ques. Have you any recollection of D. Stewart's note favour J. Shuter, for £254 13s. 8d., being discounted 24th January, 1848, without any other security than the said note?

Ans. I have a recollection of Colonel Joseph Shuter obtaining a loan on D. Stewart's note, which was to be, as I understood, secured by mortgage that the Colonel held.

Ques. Have you any recollection of A. Laberge's note for £145, discounted on 30th May, 1846, without any other security than the said note?

Ans. I have no knowledge of such a transaction, and am satisfied I did not sanction it.

Ques. Have you any recollection of M. J. Hayes' bill on Solomons for £100 being discounted in December, 1847, without any other security than the said note?

Ans. I have no knowledge of, and feel satisfied I never sanctioned such a transaction.

Ques. Have you any recollection of a loan having been made to the Honourable Judge Smith, on his promissory note, for £500, in July, 1847, without any other security than certain mining script?

Ans. I know nothing about the loan of £500, and was not consulted about the matter until after it was made.

Ques. Have you any recollection of a number of loans made to David Brown, builder, in the years 1846 and 1847, without any other than personal

security having been taken by the Savings Bank for the said loans?

Ans. The only transaction that I had a knowledge of at the time, in the way of loans by the Savings Bank to David Brown, was a loan of £100, on the 6th June, 1846, on his note at eight days in my favour. The first intimation that I received that this note was not paid at maturity was in April, 1847, when Mr. Eadie rendered the account of the Insurance Company to me, and included that sum in it. I found fault with Mr. Eadie for having allowed it to lie over, and having charged it to the Insurance Company. The sum was subsequently transferred to the debit of David Brown, in March, 1848, and by reference to the ledger of the Savings Bank, I observe it has been paid by him since. Brown handed me the note, which I now produce, previous to the suspension of the Savings Bank.

Ques. Had you any knowledge of various sums of money being advanced to Arthur Ross, in 1846, at the time they were made?

Ans. I had no knowledge at the time these loans were made, neither was I consulted about them.

Ques. Have you any recollection of a loan of £300, granted on 17th August, 1847, on the security of Mr. Hays' note to E. M. David?

Ans. I have no knowledge of such a loan.

Ques. Have you any recollection of a loan granted on 30th January, 1847, to Alexander Urquhart, of £500, and on 30th April, 1847, of £250, to same party, on the security of a number of bills, by one Pope to the said Urquhart, and for which loans no other security than the said bills was taken?

Ans. I was aware of the first loan of £500, for which Mr. Urquhart lodged endorsed paper to an amount exceeding £2000; but I was not aware of the second loan, I believe. The endorsers on the notes were considered very good. I think the notes were dated at twelve to eighteen months. I cannot say how long they had run at the time the loan was made.

Since giving my testimony with reference to the loan of £2000 made by the Savings Bank to the Montreal Insurance Company at the request of the former, I have examined the interest statement for the year 1846, and now produce the same, which shows that the Insurance Company was charged six per cent. interest on that loan from the time it was made. I also produce the account for 1847, which shows that six per cent continued to be charged on the whole balance due by the Insurance Company to the Savings Bank.

Before closing my testimony I wish to remark that I never sanctioned any loan that I thought would result in loss to the Bank, and that in all my actions I have been solely guided by a desire to promote the interest of that institution, and I never derived any pecuniary advantage whatever from the funds of the institution. A great deal of my time has been devoted to attending to the business of the Savings Bank, and on more occasions than one, with a view to protect the interests of such institutions, I have recommended that an application should be made to the Legislature to appoint an Inspector of Savings Banks.

And further the deponent saith not; and having had the whole of his deposition read over to him, as given since the 31st January last, he declares it to contain the truth, and hath signed.

WM. MURRAY.

Sworn and signed before me,
on this 1st February, 1851,

W. BRISTOW,
Commissioner.

Appendix
(Q. Q.)Province of Canada, }
District of Montreal. }

15th July.

On this fourth day of February, one thousand eight hundred and fifty-one,

Personally came and appeared, *John Mathewson*, Esquire, of the City of Montreal, District of Montreal, who, having been duly sworn, deposeth and saith:

I am, and have been since the opening of the Montreal Provident and Savings Bank, one of the Managing Directors, or Superintending Committee. I was not in the habit of attending very frequently meetings of the Board, but have done so occasionally.

Ques. Have you any knowledge of a resolution having been passed at a meeting of the Board of Managing Directors of the Savings Bank, held on 4th February, 1843, in these terms: "That the "Montreal Provident and Savings Bank discount no "bills or promissory notes without ample security, "in the shape of stocks or mortgage, being deposited "with the Bank"?"

Ans. I see by the minute book of the Savings Bank, that I was present at a meeting of the Managing Directors when such a resolution was passed.

Ques. Have you any knowledge whether that resolution has or has not been regularly observed?

Ans. I believe, as far as the Directors are concerned, as a body, that rule was observed.

Ques. Were you aware, and did you sanction various loans of money belonging to the Savings Bank, amounting together to £2,020, at various periods during the year 1847, to Messrs. Mathewson and Sinclair, merchants, of this city, without any other security than *bons* or promissory notes of the parties, with your promise to indemnify the Bank against all loss?

Ans. There were several sums, to the best of my knowledge, obtained by Messrs. Mathewson and Sinclair from Mr. Eadie, Actuary of the Savings Bank, in 1847; but I cannot, from recollection, state the precise amount. I recollect on one occasion having written a note to Mr. Eadie, that I would be responsible for one loan; what the amount was, I do not recollect. I also endorsed one or two of these notes that were so advanced upon by Mr. Eadie; that is, notes I understood to have been subsequently advanced on by Mr. Eadie. At the time these loans were made, I believe no other security was given than *bons* or promissory notes. One of the notes, which I observe by the ledger to have been advanced upon on the 28th October, 1847, for £1,000, was a note at ten days' date, drawn by Mathewson and Sinclair, and endorsed by me, which note was not protested when it fell due. The balance due on this note subsequent to the failure of Messrs. Mathewson and Sinclair, which occurred in May, 1848, I took up, and it has been paid. I made myself responsible for this money, in order that Mr. Eadie might be exonerated from blame, as these loans had been made without the knowledge of any of the other Directors, that I am aware of, besides myself. I did not know at the time whether the loans made by Mr. Eadie were with the funds of the Bank or with his own.

Ques. Have you any recollection of an advance having been made to yourself, by Mr. Eadie, on 3rd January, 1848, of £500, without any other security than your *bon*?

Ans. Yes. But this has also been paid. I am not aware that any of the other Directors knew of the loan, but myself.

Appendix
(Q. Q.)

15th July.

Ques. Have you any recollection of a loan of £200 having been made on 10th February, 1844, and a subsequent loan of a like sum on the 17th June, 1844, to William Freeland, for the Congregational Church of Brockville, without any other security at the time of the said loan, than promissory notes?

Ans. I remember such a loan. The application came through myself, and I was endorser on the notes. It was regularly sanctioned by the Board. A security on the church was offered in addition to the personal security; and I feel convinced that that security was actually given before the money being advanced, or ordered to be given. If there was any deficiency in exacting the security, it must have been the negligence of Mr. Eadie, and not that of the Board.

Ques. At the time of the suspension of the Savings Bank, were you indebted to that institution?

Ans. Yes.

Ques. To what amount?

Ans. Upwards of £1,200, as already stated, which has since all been paid.

Ques. When was this amount repaid to the Bank by you?

Ans. It has been paid, I believe at several times, by my son, Mr. James L. Mathewson.

Ques. In what manner has that balance due to the Bank been paid by your son, Mr. James L. Mathewson, for you?

Ans. I believe it has been paid in deposit books, but I cannot say whether the whole of it has been so paid by my son.

Ques. Have you yourself purchased any deposit books since the stoppage of the Bank?

Ans. I have no recollection of having purchased any.

Ques. Have you at any time authorized your son, Mr. James L. Mathewson, or any other individual, to purchase on your behalf any deposit books?

Ans. I have spoken with my son on the subject, and have sanctioned his buying deposit books for me, for the payment of the balance due to the Bank by me. The proposition, I believe, originally came from my son. I never authorized any other person to buy deposit books for me.

Ques. Were you aware at the time you sanctioned your son's buying deposit books for you, that the Savings Bank would receive such deposit books in payment of the debt due by you?

Ans. I must have been aware through him, that those deposit books would be received by the Bank, and I may have heard the same from other quarters; but I had no other actual knowledge that I am aware of; I made no arrangement on the subject, with the Bank.

Ques. Are you aware of any resolution having been adopted at any time by the Directors of the Savings Bank, authorizing the reception of deposit books in payment of debts due to the Bank?

Ans. I am not.

Ques. What was the total cost of the deposit books purchased by your son for you, for the payment of your debt to the Bank, at the time of its stoppage?

Ans. I cannot say, the whole being managed through my son.

Appendix
(Q. Q.)

15th July

Ques. Have you any idea of the probable average rate at which your son made the purchases for you?

Ans. I have not, as they were made by him as stated above.

Ques. Have you any knowledge whether these deposit books did or did not cost you over 10s. in the pound, on the amount transferred to your credit in the Savings Bank's books?

Ans. I believe they cost over 10s. in the pound.

Ques. Do you believe they cost you over 12s. in the pound?

Ans. I really cannot say.

Ques. At the time of the stoppage of the Savings Bank, were you collateral security for any debts, then outstanding, due to the Bank, on mortgages or other property?

Ans. I believe I was for several churches, but I cannot say which. I believe they are all paid up. I am accountable, also, for a loan on a Corporation Bond.

Ques. Are you aware whether any of those debts for which you were responsible as collateral security, were paid in transfers of deposit books, subsequent to the failure of the Savings Bank.

Ans. I am not aware how they have been paid.

And further deponent saith not; and, having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JOHN MATHEWSON.

Sworn and Signed before me,
on this 4th February, 1851.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this fourth day of February, one thousand eight hundred and fifty-one, personally came and appeared James L. Mathewson, Esquire, of the City of Montreal, District of Montreal, who, having been duly sworn, deposed and saith:

I am aware that about the time of the stoppage of the Montreal Provident and Savings Bank, my father, John Mathewson, Esquire, one of the Managing Directors of that institution, was indebted to the Savings Bank to about £1200. I am aware that that debt has since been paid. It has been paid by me, part of the debt having been contracted by the firm of Mathewson and Sinclair, of which I was a member. The payment has been made at different times, say, about £1,000 in the year 1849, and the remainder in 1850. The whole of the amount has been paid in deposit books. I made an arrangement with the Bank, I think with Mr. Freeland, the Actuary, that he should accept deposit books on account, and as I procured deposit books to anything like a considerable amount, I took them in, and they were accepted, and placed to the credit of my account. There was no sum at my debit in the Bank, at the time I lodged these deposit books; but there was a sum due for a debt contracted by me, for which my father had become responsible. It was understood by Mr. Freeland, at the time that I was lodging these books, that they were on account of my father's debt to the Bank. At certain periods I got them transferred to my father's account, and took a receipt for them in my father's name, for the amount of the transfer. At the time I purchased

Appendix
(Q. Q.)

15th July.

these books I was aware that they would be received by the Bank in payment of my father's debt, at the rate of 90 per cent. on the amount of such books. I cannot say whether I was so aware from an understanding with Mr. Freeland, or by public report. I cannot say that I ever had any conversation with any of the Directors of the Bank, which led me to suppose that they would be so received in payment. I am not aware that any public notification was ever given by the Bank that deposit books would be received in payment of debts due to the Bank. The total amount that I paid to the Bank in deposit books, is about £1350. I cannot say the average cost of them. I got them at various times, and at different amounts. I think the bulk of them was about 15s. in the pound, on the transferred amount.

Ques. Can you say whether the parties from whom you purchased those Bank books, were aware at the time you made such purchases that their deposit books would be received at the Bank, at the rate of 90 per cent. in payment of debts due to the Bank?

Ans. I cannot say, the majority of them, I think, were.

Ques. Are you aware whether the late firm of Messrs. Mathewson and Sinclair, received any discounts from the Montreal Provident and Savings Bank, during the year 1847, upon personal security of the said firm only, or with the additional personal guarantee of your father John Mathewson, Esquire, one of the Directors of the Savings Bank.

Ans. I do not recollect that the firm of Mathewson and Sinclair, ever obtained discounts on paper at the Savings Bank, but they did obtain loans.

Ques. To what amount were those loans?

Ans. That I could not say without seeing the books of Mathewson and Sinclair.

Ques. Can you say whether the loans amounted to £2000 during the year 1847?

Ans. I see by the books of the Savings Bank that £2000 were so advanced, and the statement may be correct.

Ques. What security was given for those loans?

Ans. The loans were all obtained for a short period. For one of them my father's letter of guarantee was given to Mr. Eadie personally. In another case my father endorsed Mathewson and Sinclair's note for £1,000, for ten days I think, on one occasion also, some promissory notes were lodged as collateral security. These constitute the whole amount of security lodged for these loans to my late firm, in 1847. The note for £1,000 at ten days, to which I have already referred, was not paid in full at maturity, and my father was not aware, at the time of the stoppage of Messrs. Mathewson and Sinclair, which occurred in May, 1848, that a portion of it remained unpaid. As all our transactions had been with Mr. Eadie, personally, we felt anxious that he should be relieved from all loss or blame with regard to our affairs, and my father was therefore induced at the instance of myself and partner, to assume the responsibility to the Savings Bank, and that is the reason that he became indebted to the Savings Bank to so large an amount.

And further deponent saith not, and having had the whole of his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JAMES L. MATHEWSON.

Sworn and signed before me,
this 4th February, 1851,

W. BRISTOW,
Commissioner.

Appendix
(Q. Q.)

12th July.

Province of Canada. }
District of Montreal. }

On this fifth day of February, one thousand eight hundred and fifty-one, personally came and appeared *Thomas M. Taylor*, Esquire, of the City of Montreal, District of Montreal, who, being duly sworn, deposed and saith:

I am a general broker; I am in the habit of dealing in that capacity in sales of produce, and in stocks of various descriptions. In my capacity as broker, I on several occasions purchased deposit books from Depositors of the Savings Bank subsequent to the failure of that institution. I did so, both as agent for parties who gave me the orders, and I also purchased books occasionally from parties offering them, to hold them ready to meet any demand; and, when I had any amount, I usually sought out a buyer. There was a demand for Savings Bank deposit books, soon after the failure of this institution. I should say it arose as soon as debtors of the Bank were urged to pay their debts. I remember that the Trustees of Zion Church settled their debt by transfers of deposit books to the amount of £2,000, at 90 per cent., being the full amount transferable.

Ques. Is it to your knowledge that the Trustees of Zion Church actually paid to the parties from whom they purchased these deposit books the full amount for which these deposit books were placed at their credit in the Savings Bank?

Ans. I was not the party making the transaction, but my impression is that the principal amount of £2,000, transferred in the Savings Bank, corresponded with the sums paid for the deposit books. To pay the amount of interest, however, due to the Bank by the Trustees of Zion Church, I rather think that books were bought at a lower rate.

Ques. Did the Trustees of Zion Church then derive no benefit whatever other than what you have mentioned, in paying their debt to the Savings Bank in deposit books, instead of in cash?

Ans. Their benefit was an extension of time, from the parties from whom they bought the deposit books.

Ques. Were you made aware at any time, and if so, when, and in what manner, that deposit books were received in the Savings Bank in payment of debts due to the Bank?

Ans. My impression is, that it was publicly announced that deposit books would be received in payment of debts due to the Savings Bank, at 90 per cent.

Ques. On what do you ground that impression?

Ans. I ground my impression upon the fact that when parties came to me, they seemed to know that deposit books were received in transfer at the Bank in payment of debts at the 90 per cent.; and it seemed to me to be notorious.

Ques. When were you first made aware that Savings Bank books would be received in payment of debts due to the Bank at the rate of 90 per cent. on the amount of such deposit books?

Ans. It was about one of the first facts connected with the Bank, that I know of; it must have been soon after the stoppage.

Ques. Were you ever employed by the Savings Bank to buy deposit books for that institution?

Ans. No, but I sold to Mr. Charles Freeland who, I believe, was Actuary of the Savings Bank at the time, some amount of books?

Ques. Had you purchased those books previous to making the sale of them to Mr. Freeland?

Ans. I went, I think, two or three times to him with an account of books which I collected, and on delivering them to him, received payment for them; but I do not think that I bought books for him as I did for other people.

Ques. Are you, or are you not, prepared to say positively that you did or did not purchase a number of deposit books in the months of September, October and November, 1849, with the full knowledge that Mr. Freeland, then Actuary of the Montreal Provident and Savings Bank, would take those books from you, either on his own behalf, or on behalf of the Savings Bank?

Ans. I cannot answer that certainly without looking over the sales.

Ques. Did Mr. Charles Freeland, late Actuary of the Savings Bank, ever instruct you to purchase any deposit books?

Ans. He did not, but he mentioned that he would take an amount of books from me, and I took them to him and received payment for them; but he did not instruct me to buy.

Ques. Did you buy any deposit books after Mr. Freeland informed you that he would take an amount of books, and did you take such books to him and receive payment from him for them?

Ans. My recollection does not enable me to answer that question.

Ques. Did you on many occasions take books to Mr. Freeland and receive payment for them from him?

Ans. My impression is that on several occasions I offered books to Mr. Freeland, which he took from me and paid me for them.

Ques. Did these several occasions to which you refer, occur within the space of a week or two, or were they at intervals, extending over a period of three months or more?

Ans. I do not recollect.

Ques. Were these bank books that you sold to Mr. Freeland on these several occasions, sold at specific rates for the whole number of bank books delivered on each occasion, or at a specific discount on each book?

Ans. I do not recollect.

Ques. Did you receive a brokerage from Mr. Freeland on the books that you sold to him, or on any portion of them?

Ans. I may have received a brokerage on some of them.

Ques. Can you say whether you did or did not charge and receive a brokerage on all the books you sold to Mr. Charles Freeland?

Ans. I do not think I could, for he paid the highest rate, or he would not have got them.

Ques. Did you, at any time, receive from Mr. Charles Freeland moneys for deposit books previous to the lodgment of such deposit books in the Savings Bank?

Ans. I do not think that I did.

Ques. Had you, at any time, any instructions from any of the Trustees of the Savings Bank to purchase any deposit books for that institution.

Ans. My transactions were entirely with the Actuary. I do not remember to have received any instructions from any of the Trustees.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Ques. Did any of the Trustees, at any time, inform you that the Savings Bank would receive or would purchase from you deposit books?

Ans. I do not recollect that they did, except that Mr. Freeland bought from me, as I before stated.

Ques. Did you ever make application to the Savings Bank, stating in effect that you had purchased certain deposit books, and offering the same for sale to the Bank?

Ans. I have already stated that I offered books to the Actuary.

Ques. Have you any recollection as to the total amount of deposit books that you sold to Mr. Freeland?

Ans. So far as I recollect, £1,000 to £1,400.

Ques. Did you, at any time subsequent to the failure of the Bank, purchase from the Savings Bank any bonds, debentures, or other securities held by them?

Ans. I have a bond which I bought from Mr. Freeland. It is a Water Work Debenture. I do not remember any other purchase.

Ques. Did you purchase said bond for cash?

Ans. My impression is, that I paid for the bond in books, and that I paid twenty per cent. premium for the bond, in consequence of the payment being to be made in books, as I could not do better otherwise with the books.

Ques. Was the negotiation for this Water Work Debenture entirely between you and Mr. Freeland, or had any of the Directors, Trustees of the Savings Bank, any part in it?

Ans. I may have asked some of the Directors whether they had any securities for sale, but I think the bargain must have been with Mr. Freeland solely.

Ques. Please refer to the list of Presidents, Vice-Presidents, Managing Directors, Finance Committee, and Trustees of the Savings Bank, now presented to you, and marked "Exhibit, No. 9," purporting to be a "Return of the names of Presidents, Vice-Presidents, Managing Directors, and other officers of the Bank, since its formation in 1841, until 15th November, 1850," and say whether, since the suspension of the Savings Bank, you have at any time purchased for any of the said Presidents, Vice-Presidents, Managing Directors, Finance Committee, or Trustees, and if so, for which of them, in your capacity of broker, any deposit books?

Ans. I have already stated that my sales to the Bank were made to the Actuary, and not to the officers named in the said return. I decline, at present, to answer whether I purchased for any of the parties, mentioned in the question, any deposit books, and wish to consider until to-morrow morning the propriety of answering this question.

The Court acceded to the request of the witness, *Thomas M. Taylor*, Esquire, and adjourned his examination until to-morrow; and he hath signed, after having read this his deposition.

THOMAS M. TAYLOR.

Sworn and signed before me,
on this 5th February, 1851,
W. BRISTOW,
Commissioner.

Appendix
(Q. Q.)

15th July.

On this sixth day of February, one thousand eight hundred and fifty-one, the examination of the witness, *Thomas M. Taylor*, Esquire, was continued as follows:

Ques. Please refer to the paper now presented to you and marked "Exhibit, No. 9, 9th November, 1850. Return of the names of Presidents, Vice-Presidents, Managing Directors, and other officers of the Bank, since its formation in 1841 until 15th November, 1850," and say whether since the suspension of the Savings Bank, you have at any time, in your capacity of broker, purchased for any of the Presidents, Vice-Presidents, Managing Directors, or Finance Committee, named in the said return, and if so, for which of them, any deposit books of the Savings Bank?

Ans. I was a depositor in the Bank at the time of its suspension, to the amount of about £60, which, very early after the suspension of the Savings Bank, I transferred to Mr. Redpath, at the rate of 90 per cent.; payment of which I received in cash at the time for the full amount of 90 per cent. He told me at the time that it was for the payment of something for which he was security to the Bank; and I do not remember to have transferred any other sum to him. I sold some amount of books to Mr. William Murray, probably £500, at about 15s. in the pound on the transferable amount. To any of the other parties named on the Exhibit, I do not recollect to have bought for, or sold to, any deposit books.

Ques. Have you, in your capacity of broker, and otherwise, since the stoppage of the Savings Bank, purchased largely of deposit books?

Ans. Yes, I have purchased to a considerable amount; I think about £5000; certainly not under that. In mentioning that sum I mean the amount transferable.

Ques. Can you state about the average rate per cent. on the amount transferable, at which your purchases were made?

Ans. I think, to the best of my recollection, that the average rate would be from 12s. 6d. to 15s. in the pound on the amount transferable.

Ques. Do you recollect to have made any sales of bank books early in 1849 to Mr. James Ferrier of the firm of Messrs. Bryson and Ferriers, and if yes, please say to what amount, so far as you recollect?

Ans. I do not recollect the time, but I did sell to Mr. Ferrier, junior, some £200 or £200, at what rate I do not recollect.

Ques. Have you any reason, and if so, what reason, to believe that depositors in the Savings Bank who sold their books were aware at the time of such sale that their books would be received in payment of debts due to the Bank to the extent of 90 per cent. on the amount due by the Bank to them at the time of its failure?

Ans. In almost all cases, parties coming to me to sell their books, told me that they had learned at the Bank that their books could not then be paid in cash by the Bank, but would be taken at 90 per cent. in transfer; and my purchases of books were always made at so much per pound on the transferable amount. Such parties usually said to me that they had been told at the Savings Bank, by all means to hold their books until the affairs of the Bank would be liquidated, and not suffer a loss by selling.

And further deponent saith not; and having had the whole of this his deposition read over to him, he

Appendix
(Q. Q.)

15th July.

declares it to contain the truth, persists therein and hath signed.

THOMAS M. TAYLOR.

Sworn and signed before me,
on this 6th February, 1851,
W. BUSROW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this seventh day of February, one thousand eight hundred and fifty-one,
Personally came and appeared, *Francis F. Blackader*, gentleman, of the City of Montreal, District of Montreal, who having been duly sworn, deposeth and saith:

I was employed in the Montreal Provident and Savings Bank in the capacity of Accountant from about the beginning of June, 1848, to about the end of July of the same year. I was employed in posting up the books of the Bank, principally, during that time. The general books of the Bank, at the commencement of my engagement, were in arrear. Not a single entry had been made in them for the year 1848. The entries for the year 1847 in the ledger and Journals had not been completed. The interest for the year, ending 31st December, 1847, had not been fully journalized. The calculations were made up on a rough slip: part of that slip was copied in the journal, in the hand-writing of Mr. Eadie, and I copied the remainder into the journal. So far as Mr. Eadie had copied in the journal the slip with the interest, the entries were posted in the ledger; but for the portion that I copied from the slip, no entries had of course been made in the ledger until I made them. The ledger did not appear to have been balanced on the 31st December, 1847: in fact, it could not up to the time I was employed, in June, 1848, as already mentioned, since I made a number of entries in the journal after that time, which entries so made by me purported to bear date December, 1847.

I entered up the cash-book and the journals, from the 1st January, 1848. The balance brought forward in the cash-book on the 1st January, 1848, had not been brought forward in ink, when I so entered up the cash-book in June. My guide in entering up the cash-book was a blotter cash-book, in the hand-writing of Mr. Eadie, in which memorandums were taken of the receipts and payments during each month, that is, the receipts up to the 19th June, and the payments up to 30th April, 1848; the entries subsequent to that date, in the blotter, are in my hand-writing. No balances of cash appear to have been attempted in that blotter. All the entries that I made in the journal in the year 1848, must have been taken from Mr. Eadie's, or from the Teller's books. Several entries in the journal for that year were made by Mr. Eadie himself: they were made subsequently to entries made by myself in the journal, and must consequently have been made either in June or early in July. They all had reference to his own account, with the exception of one relating to Samuel Tubby. I was not aware when I was first engaged at the Bank, that Mr. Eadie had applied the funds of the Bank to other purposes than the general business of the Bank. It was after writing up the cash-book, and seeing the large balance that appeared to be on hand, that I became aware of it. I then asked the Teller, Mr. Sharrocks, where the balance was: Mr. Sharrocks mentioned that he had a sum of money on hand, but that was by no means equal to the balance that there should have been in cash. Mr. Sharrocks said that he had often wished

Appendix
(Q. Q.)

15th July

Mr. Eadie to settle the matter, and I requested him to get Mr. Eadie to do so. This must have occurred about the end of June, 1848. The apparent deficit, to the best of my recollection, must have been over £4000. I mentioned the deficit, I think, to Mr. Morris and Mr. Redpath. I do not recollect whether any of the other Directors were present, and I was directed to ask Mr. Eadie for an explanation. I spoke to Mr. Eadie on the subject, who said he would give me entries to explain the balance; and he, early in July, made the following entry in the cash-book, in his hand-writing:—

By *John Eadie*, 89

July.—For this amount paid by him at sundry times to W. S. Macfarlane, as particularized by Mr. Eadie in statement of account,.....£2730 11 5

July.—For this amount to be accounted for by him, 1632 14 6

£4363 5 11

This entry balanced the cash-book as I made it, and therefore constituted the exact deficiency according to my account. I think I was not aware, previous to this entry being made by Mr. Eadie, that he had lent money to Mr. W. S. Macfarlane. I remember that after that entry in the cash-book was made by Mr. Eadie, I made up a statement of his account as it stood in the ledger. There were two or three accounts in his name there. I gave in the statement to the Directors. I think the whole balance at the debit of Mr. Eadie, by that statement, appeared to be nearly £10,000. Mr. Eadie signed that paper or a copy of it, certifying that it was correct.

During a portion of the time that I was employed in the Savings Bank, I copied the minutes of the proceedings of the meetings of the Board of Directors. I did so for the meetings of the 3d, 4th, 10th, and 14th July; I transcribed these from slips of paper which were given to me to copy them from. The minutes, as they appear in the Savings Bank's books, are correct copies of the rough draft which was handed to me to copy from. I never omitted to copy any portion of the drafts that were given to me to copy.

Ques. Have you any knowledge of any determination of the Board of Directors of the Savings Bank, during the time you were employed there, subsequent to the suspension of the Bank, to receive deposit books in payment of debts due to the Bank?

Ans. I have not. The only thing that I am aware of is a resolution that was passed on the 14th July, relative to transfers of mortgages on real estate held by the Bank as security on loans to depositors, which will be found in the minute book under that date.

Ques. From your knowledge of the state of the books of the Savings Bank at the time you were engaged to bring up the arrears, are you of opinion that it was possible to make a correct statement, from them, of the position of the Bank on the 31st December, 1847, at any time between that date and the time at which you were so engaged?

Ans. I should say, no.

Ques. From what transpired during the time you were in the Bank, and from Mr. Eadie's admissions as to his deficiencies in his cash, can you say whether any considerable portion of those deficiencies arose in the year 1847?

Ans. I cannot say.

And further deponent saith not; and having had the whole of this his deposition read over to him, he

Appendix
(Q. Q.)

declares it to contain the truth, persists therein, and hath signed.

F. F. BLACKADER.

Sworn and signed before me,
on this 7th February, 1851,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this eighth day of February, one thousand eight hundred and fifty-one,

Personally came and appeared, *James Barnard*, Esquire, Commission Agent, of the City of Montreal, District of Montreal, who, having been duly sworn, deposeth and saith:

I am aware that, subsequent to the suspension of the Savings Bank, a large number of deposit books of the Savings Bank were offering in the market at prices below their par value. I am aware that the Bank took such books at the rate of 90 per cent., in payment of debts due to the Bank. I think it was in the month of September, 1848, that I first became aware, as far as I can remember, that the Bank received Bank books in payment of debts. My knowledge was obtained from parties who had payments to make to the Bank, and were willing to take books to make their payments. The first person, that I recollect, who mentioned it to me, was Mr. Auldjo. I owed him a sum of money for a note due by me to his firm, (Messrs. Anderson, Auldjo, Evans & Co.) and I paid him by a cheque on the Savings Bank for 90 per cent. on the balance due by the Bank to me, at the time of its failure. Mr. Auldjo paid me the full par value for the cheque. I subsequently made some purchases of deposit books, which I sold to Mr. Auldjo at a small discount. I think the discount on those sales to Mr. Auldjo would be about $6\frac{1}{2}$ per cent. From the time of the suspension of the Savings Bank to the present time. I have been in the habit, at various times, of purchasing deposit books. I think my purchases must have amounted to about £5 000 or £6 000. The rate has varied from $2\frac{1}{2}$ per cent. to 50 per cent. discount on the amount transferable. I should say the average price I have paid is 12s. 6d. to 13s. on the amount transferable. Most of my purchases have been on my own account; that is, for parties who stated they wanted a sum to pay to the Savings Bank, and would pay a certain price for it. I purchased the books, and sold them to these parties, if I could do so at a profit.

Ques. Did you ever make an offer to the Savings Bank of a certain quantity of bank books which you had in your possession, for cash?

Ans. Not to my recollection.

Ques. Did you ever purchase from the Savings Bank any bonds or securities in its possession, with the stipulation that the payment should be in deposit books, or partly in cash and partly in deposit books?

Ans. I did purchase about £1,000 of Corporation bonds at different times in 1849 and 1850, for which I was to pay twenty per cent. premium, making the payment in deposit books. I paid the whole amount in deposit books. I made the purchase from Mr. Freeland, who was authorized, I think by the Directors, to make the sale.

Ques. What do you consider to have been the value of Corporation bonds for cash, at the times

you made the purchase from the Savings Bank for deposit books?

Ans. About 20 per cent. discount.

Ques. At the times you made these purchases from the Bank, did you state that you had the deposit books in your possession, and offer them for the Corporation bonds?

Ans. I did not state that I had such books in my possession. I offered to buy bonds for deposit books.

Ques. Did you buy any other securities from the Bank, besides the Corporation bonds to which you have alluded, and if so, on what terms?

Ans. Yes. I made two purchases of stock of the Bank of British North America, for which I paid part in cash, and part in deposit books. The purchases were made in 1849. The whole amount of stock that I took, I think, was sixteen shares. I think the purchase was made nominally at par value, with the stipulation that I should pay about half cash and half in deposit books.

Ques. Please refer to the paper marked "Exhibit, "No. 9," which contains a "Return of the names of Presidents, Vice Presidents, Managing Directors, and other officers of the Bank, since its formation in 1811 until 15th November, 1850," and say whether you at any time, since the suspension of the Savings Bank made sale of any deposit books to any of the parties named in the said return, and if yes, to which of them?

Ans. I sold a very small amount to Mr. Lunn, I think about £5. I sold to Mr. Thomas Kay about £150, at 13s. 4d. in the pound, I think. The sale I made to him was, I believe, in 1849, and he re-sold to me the same amount at the same price, in 1850, some time in the fall, but he had offered me the books some months before; in fact he had offered them to me very soon after he bought them. In the re-sale by Mr. Kay to me, I paid him interest between the time of my original sale and that of my re-purchase. I had a small transaction with Mr. Murray, a long time since; I do not remember the circumstances. The amount would be under £30. I sold something between £20 and £30, to Mr. James L. Mathewson, the Accountant at the Bank. These are the only parties, named in the return, to whom I made sale.

Ques. Can you say whether the parties from whom you purchased deposit books were generally aware that they would be received at the Savings Bank, to the extent of 90 per cent. in payment of debts from parties owing moneys to the Bank?

Ans. I believe they were. I invariably told them that I was buying for parties who owed moneys to the Bank, and that the Bank would take them at 90 per cent. in payment of debts. My answer refers only to those who asked the question; if they did not ask the question, I cannot say that I gave them the information.

Ques. Are you aware of the Savings Bank Directors, or of the Actuary, having at any time given public intimation that deposit books would be received in payment of debts due to the Bank?

Ans. I am not aware of any public intimation. I believe the fact was generally known.

And further deponent saith not; and having had the whole of this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JAMES BARNARD.

Sworn and signed before me, on
this 8th February, 1851,

W. BRISTOW.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July

Province of Canada, }
District of Montreal, }

On this tenth day of February, one thousand eight hundred and fifty-one,
Personally came and appeared *Robert Esdaile, Esq.*, Broker, of the City of Montreal, District of Montreal, who, having been duly sworn, deposeth and saith :

I am a partner in the firm of Messrs. John and Robert Esdaile, of this City. My firm bought a considerable amount, say about £5000 of deposit books of the Savings Bank, after the failure of that institution. The cash paid for those books was somewhere about £3500.

I am aware that subsequent to the failure of the Savings Bank, Mr. Wm. McDonald, of Lachine, took a transfer of a mortgage which the Honourable Judge Smith had given to the Savings Bank for a loan to him. I am aware that Mr. McDonald took up this mortgage to the Savings Bank in Savings Bank books, the bulk of which, I believe I purchased. I understood, from Mr. McDonald purchasing these books, that he must have been satisfied that the Bank would take them from him in payment. Although these books have been purchased by Mr. McDonald, they were received by the Bank as paid by Judge Smith.

Ques. Please refer to "Exhibit No. 9, being a "Return of the names of Presidents, Vice-Presidents, "Managing Directors, and other officers of the Bank, "since its formation in 1841, until 15th November, "1850," and say whether you at any time, and if so when, since the suspension of the Savings Bank, made any purchases of deposit books for, or any sales of deposit books to any, or if yes, to which of the persons named in the said Return ?

Ans. Amongst the Presidents and Directors of the Bank, there is only one for whom we transacted business, Mr. Lunn. I think it was not on his own account. I think he acted for Mr. Hutchison and Mr. McBean. The amount of our transactions in bank books for him did not exceed £500. The average amount paid on these bank books was about thirteen shillings and six pence on the transferable amount. Amongst the officers of the Bank there is one to whom we sold a small amount of deposit books, say from £20 to £50. I do not recollect the exact amount. This sale was made to Mr. James L. Mathewson.

Ques. Can you say whether the parties from whom you purchased deposit books were generally aware that they would be received at the Savings Bank to the extent of 90 per cent., in payment of debts from parties owing moneys to the Bank ?

Ans. I am of opinion that generally the sellers were well aware of the fact. In many cases we informed them of the fact that the Bank would take the books at 90 per cent, giving mortgages in payment.

Ques. Are you aware of the Savings Bank Directors, or of the Actuary, having at any time given public intimation that these books would be taken or received in payment of debts due to the Bank, at the rate of 90 per cent ?

Ans. There is a strong impression on my mind that the Bank made public that they would receive payment as above stated, and invited parties to whom they were indebted to come and take mortgages which the Bank held.

And further deponent saith not, and having had the whole of this his deposition read over to him ; he declares it to contain the truth, persists therein, and hath signed.

ROBERT ESDAILE.

Sworn and signed before me,
this 10th February, 1851,

W. BRISTOW, Chairman.

Appendix
(Q. Q.)

15th July.

Province of Canada,
District of Montreal.

On this tenth day of February, one thousand eight hundred and fifty-one,

Personally came and appeared *John Armour, Esq.*, of the City of Montreal, District of Montreal, who having been duly sworn, deposeth and saith :

I have purchased, as agent for various parties, since the stoppage of the Savings Bank, deposit books to about £700 or £800. I think I paid about 12s. 6d. in the pound on the transferable amount.

Ques. Please refer to "Exhibit No. 9," containing a "Return of the names of Presidents, Vice-Presidents, Managing Directors, and other officers of the "Bank since its formation in 1841, until 15th November, 1850," and say whether you at any time since the suspension of the Montreal Provident and Savings Bank, purchased for or sold to any of the persons named in the said return, any deposit books ?

Ans. I did not.

Ques. Do you remember at any time to have purchased a deposit book of one James Rigney, of this City, the said deposit book amounting to somewhere about £500 ?

Ans. I remember buying a book of something like that amount, but I do not recollect from whom. I think the price was something like 12s. 6d.

And further deponent saith not ; and, having had the whole of this, his deposition, read over to him, he declares it to contain the truth, persists therein, and hath signed.

JOHN ARMOUR.

Sworn and signed before me,
on this 10th February,
1851,W. BRISTOW,
Commissioner.Province of Canada, }
District of Montreal. }

On this eleventh day of February, one thousand eight hundred and fifty-one,

Personally came and appeared, *Arthur Ross, Esquire*, of the City of Montreal, District of Montreal, who, having been duly sworn, deposeth and saith :

I was formerly City Treasurer to the Corporation. I resigned that office, I think, in May, 1847. I obtained a loan from the Savings Bank in the years 1846 and 1847. I received it in various payments, ranging from the commencement of 1846 to June, 1847. The total amount of the loan was £1,000. I sent in a written application for the loan prior to my receiving any portion of it. The application for the loan must have been in 1845. My impression is that several months elapsed between that application and my receipt of the first instalment of the loan. I have not kept a copy of that application. My impression is, that in my letter of application I offered to the Bank to give them a mortgage on my seignior, whenever they required it. I have no knowledge whether my application was formally laid before the Board of Directors. I have no recollection of having had any conversation with any of the directors, on the subject of the loan, prior to the application being made. I do not know when I was first informed that the loan had been granted. I presume I must have derived my information from Mr. Eadie. Prior to receiving any instalments

Appendix
(Q. Q.)

15th July.

on my loan, I had not executed any security to the Bank. I continued to receive payments from the Bank, without giving any security whatever, except my own receipt; and up to the time of the receipt of the last instalment, I had not still executed any security whatever to the Bank, further than my own acknowledgement for the moneys. I never was called upon to give any security whatever until in the summer, towards the fall of 1847, when Mr. Eadie called upon me to give security. I then gave him two obligations of £500 each, in favour of the Bank, with, as sureties, my brother, Mr. John Ross, of the firm of Messrs. Ross, Shuter, & Co., of Quebec, and Mr. Edward Pooler, who was then my agent in carrying on the lumber business. This obligation conveyed a mortgage on my seigniority at St. Giles, in the District of Quebec. There were some prior mortgages on that seigniority; the *constituts*, and my wife's dower, and one fyled by the Crown in the summer of 1847, for the accruing rent on the mills at St. Nicholas; and one to Ross, Shuter, & Co., of Quebec, for £3,000. The amount of the capital of the *constituts* was about £4,800. My wife's dower on the seigniority, and on my other property, was £1,000. There is also a mortgage on the seigniority for the amount of £100 per year, jointure to Mrs. Walter Davidson during her life. These, I believe, are the principal incumbrances on the seigniority up to the time of my granting a mortgage on it to the Savings Bank. I consider the gross income of that seigniority, at the time of my granting the mortgage to the Savings Bank, to have been between £800 and £900 per annum; partly taken from tenants in work, from persons who were too poor to pay in money.

Ques. Did you receive at the time, or about the time, of the mortgage to the Savings Bank, any returns whatever from your seigniority, in money?

Ans. From the year 1844, the bulk of the moneys, and work representing moneys, were laid out, first, in the Parish of St. Giles, and afterwards on the Queen's Domain, at St. Nicholas, in the seigniority of Lauzon. The accounts were kept by my agent and by my brothers. I am not able to say what amount was paid in cash, and what in work, without reference to the books, which are in the hands of Mr. Webster, the accountant.

Ques. Have you any knowledge when the mortgage on your seigniority, in favour of the Savings Bank, was registered in the public Registry Office?

Ans. I have not.

Ques. Can you say what the annual income of your seigniority was, prior to 1844, estimating it in net cash?

Ans. I am not able to say.

Ques. Can you say whether the income in cash from that seigniority, prior to 1844, was more than sufficient to pay the expenses of collection, and the amounts payable on the *constituts*?

Ans. I only became possessed of Mr. Robert Mac-Kay's share in 1844. It was more than sufficient; we must have received something, but I am not able at this distant period to say how much.

Ques. When was the obligation, in favour of Messrs. Ross, Shuter, & Co., to which you have referred, given?

Ans. I do not remember the exact month.

Ques. Was it given prior to the loan being obtained from the Savings Bank?

Ans. It was long subsequent to that loan being obtained. I believe it was in the fall of 1847.

Ques. Was the mortgage in favour of Ross, Shuter, & Co., executed prior to that to the Savings Bank?

Ans. It was.

And further deponent saith not; and having had the whole of this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

ARTHUR ROSS.

Sworn and signed before me,
this 11th day of February,
1851,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this twelfth day of February, one thousand eight hundred and fifty-one, Personally came and appeared *Thomas John Pelton*, Esquire, of the City of Montreal, District of Montreal, who, having been duly sworn, deposeth and saith:

I am a notary by profession. I acted as Notary to the Savings Bank from 1842 or 1843, to 1848. A change was made, and another gentleman was substituted for me a short time before the suspension of the Savings Bank. I was in the habit of drawing up the obligations taken by the Bank from parties to whom they lent money. These obligations generally contained a mortgage on some fixed property, with the personal security of one or more individuals. Sometimes transfers were made of a *Baillleur de fonds*, or of another mortgage. Generally the personal security was given of two or more persons. That was the rule. I do not remember any exceptions. On further reflection, I would say there are some exceptions. Of course I merely speak of the securities mentioned in the deed. Generally, I may say in all cases, the securities were bound *solidairement* with the principal obligor, so that the securities could be sued jointly with the principal, I conceive. I never received any general instructions from the Bank to examine the nature of securities offered to the Bank; nor did I ever receive any instructions to make inquiries at the Registry Office, to ascertain if these properties offered as securities were mortgaged or not. In some particular cases I have been instructed by the Bank to register deeds which I had drawn out, but generally I was not instructed to do so.

Ques. Had you in your office as Notary, frequently a number of obligations or deeds, bearing mortgages in favour of the Bank, for a length of time, without having them registered at the public Registry Office?

Ans. I have had.

Ques. Why were these deeds so neglected or omitted to be registered?

Ans. In most cases, owing to the neglect or omission of the President of the Bank accepting them at the time of their being executed by the principal parties.

Ques. Was it frequently the case that the President of the Bank omitted to sign the deeds, so soon as the obligor had signed?

Ans. Very frequently. It was in fact generally the case. The practice commonly adopted was as follows: I generally received instructions from the Actuary to draw out an obligation from certain par-

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)
15th July.

ties in favour of the Bank. I did so, and when the document was completed, the parties, viz., the obligors and their securities, came and signed the deeds. I then notified the Actuary of their having done so, and the President would then some time afterwards, call at my office and sign the deeds. In many cases, a long time, even months would elapse, before his signature was obtained. I have repeatedly suggested to the President, and likewise to the Actuary of the Bank, the propriety of their having their deeds fully completed and registered, before their advancing to the parties the amount lent them.

Ques. Are you aware of the Savings Bank ever having sustained any loss, or having been prejudiced in any way, from omissions to register deeds or obligations immediately on their being executed?

Ans. I cannot speak from my own knowledge, but I have been informed that the Bank has sustained loss in that manner in one or two cases.

Ques. You mentioned that another gentleman was substituted for you in 1848, as Notary to the Savings Bank; do you know the reason of such change?

Ans. I had received instructions from the Actuary to serve notices upon a number of the debtors to the Bank, to pay up the amount of their respective debts; while I was preparing and serving these notices, and before I had completed the whole, I was called upon by the Actuary to furnish a list of the notices served. This list not having been furnished by me as quickly as the Bank seemed to require it, I was then informed by them that unless I was more prompt, they would employ another Notary.

Ques. Was any complaint against you made, that you are aware of, of having omitted to register deeds and obligations on behalf of the Bank, or of having omitted to examine into the validity of the securities offered for loans by the Bank, or of any other omission or neglect of duty to the Bank, further than the alleged one, which you have already stated?

Ans. Never, during the whole time I was notary to the Bank. In fact I had reason to suppose that I gave every satisfaction to the Bank.

I recollect—some time in 1845, I think, I received instructions from some one connected with the Bank—I think it was Mr. Lunn or Mr. Eadie, to draw out an obligation from the High School of Montreal, in favour of the Bank, to which Mr. Lunn, Mr. Meredith, Mr. Day, Mr. Torrance, and a number of others, were to become parties, as securities. I have examined in the minutes of the evidence book of this Commission, page 242, what purports to be a copy of the draft of this obligation, and I believe it to be correct. The obligation, after being drawn up, was at once submitted, I think, to Mr. Meredith, on behalf of the High School. I afterwards learned that it could not be executed in that form, owing to the securities declining to become personally responsible. After the difficulty had arisen, I went with Mr. Lunn to Mr. Davidson, on several occasions—I cannot say in what year—with whom we consulted as to the proper form in which an obligation should be given. The result of this conversation was, that Mr. Meredith must be consulted. I think this consultation with Mr. Davidson must have occurred some months after the date of the original deed, to which I have referred in my examination.

I wish to add to that part of my evidence which relates to the instructions I received from the Bank, relative to previous mortgages, that I was distinctly informed on one occasion, by Mr. Ferrier, that I had nothing to do with the Registry Office; that this was the business of the securities, that the Bank looked to the securities, and that it was for them to see that every thing was correct.

Appendix
(Q. Q.)
15th July.

And further deponent saith not; and, having had the whole of this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

THOMAS J. PELTON.

Sworn and signed before me,
on this 12th day of Feb.,
1851.

W. BUSTROW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this thirteenth day of February, one thousand eight hundred and fifty-one,

Personally came and appeared, *William Shepherd*, Sergeant in H. M. Royal Artillery, who, having been duly sworn, deposed and saith:

I was a depositor in the Montreal Provident and Savings Bank prior to its suspension, to the amount of about £100, partly in my own name, partly in that of my wife, Ann Shepherd. I received my dividend of 20 per cent. at the time it was advertised. I have received no further dividend since, until the 4th November last. A few weeks after I received the first dividend, which was in August, 1848, I received orders to proceed to England, and I made application to the Bank to know whether I could not receive a further sum on account. I saw Mr. Freeland, the Actuary, at the Bank, and he told me that the only way in which I could get my money, was to leave my book in the hands of a friend, and to empower him to act as my attorney. I asked Mr. Freeland if other persons had got their money. He said they had not. I called several times, but I got no further information.

Ques. Did Mr. Freeland inform you that debts due to the Bank were received at the Bank in deposit books, at the rate of 90 per cent. on the balance of such deposit books at the time the Bank stopped payment?

Ans. He did not.

Ques. Are you aware that the Bank Directors, after the failure of the Savings Bank, at any time issued any public notification that deposit books would be received, at the rate of 90 per cent., in payment of debts due to the Bank?

Ans. I am not.

My account at the Bank, from my bank book, which I now produce, stands thus:

	No. 555.
Balance due July, 1848.....	£65 12 11
Aug. 7th, 1848, 1st dividend..	£13 2 7
Nov. 4th, 1850, 2d do ..	22 19 6
	36 2 1
	£29 10 10

And further deponent saith not; and having had the whole of this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

W. SHEPHERD;
Sergeant Royal Artillery.

Sworn and signed before me,
on this 13th day of Feb.,
1851,

W. BUSTROW,
Commissioner.

Appendix
(Q. Q.)

Province of Canada, }
District of Montreal. }

15th July.

On this thirteenth day of February, one thousand eight hundred and fifty-one,

Personally came and appeared Mr. *William Robinson*, of Montreal, Office Keeper of the Ordnance Department, H. M. Service. who, having been duly sworn, deposed and saith :

I was a depositor in the Savings Bank at the time that institution suspended payment. It was indebted to me £31. It was also indebted to my father-in-law, who is since dead, and whose property in that debt has since devolved to me and to other heirs, in the sum of £100. On both these accounts the dividend of twenty per cent. was paid immediately after the failure of the Bank. No further dividends were received on either of those accounts until November last. The two accounts, as they stand in the book I now present, are as follow :

No. 7798.

Balance July, 1848	£31	0	0
July 20th, 1848, 1st divid. . .	£ 6	0	0
Nov. 5th, 1850, 2d do. . .	11	1	0
	17	1	0

Balance due..... £13 19 0

No. 7161.

Balance July, 1848.....	£100	0	0
July 25th, 1848, 1st divid. . .	£20	0	0
Nov. 7th, 1850, 2d do. . .	35	0	0
	55	0	0

Balance due..... £45 0 0

About one week after the suspension of the Bank, I made application to know when I should be paid, and what was intended to be done. I addressed a clerk at the counter. I am not sure, but I think his name is Sharrocks. I know he is a person who had been some time in the Bank as clerk. All the satisfaction I got from him was, that I must patiently wait the result of the settling of the affairs of the Bank. I went again to the Bank, I think about three months afterwards, and made a similar application, to which I received a similar answer. The clerk, on the second occasion, was not the same as the one I formerly alluded to. I do not know his name.

Ques. Were you informed, on either of the occasions on which you state you visited the Bank, or at any other time at the Bank, by any of the Directors or officers of the establishment, that deposit books would be received in payment of debts due to the Bank, at the rate of 90 per cent. on the balance due to such depositors at the time of the suspension of the Bank.

Ans. No. I never was.

Ques. Are you aware that the Directors of the Bank, or any person or persons in their name, at any time subsequent to the suspension of the Bank, gave any public intimation to depositors in the Bank, that deposit books would be received in payment of debts due to the Bank, at the rate of 90 per cent on the balance of such deposit books ?

Ans. I am not aware of any public intimation ever having been issued.

On application at the Bank, I received the following printed notice, of which this is a copy :

" MONTREAL PROVIDENT AND
" SAVINGS BANK,
" 15th July, 1848.

Appendix
(Q. Q.)

15th July.

" In consequence of the pressure on the Bank, " the Directors have been under the necessity of " coming to the conclusion of paying twenty per " cent. on the amount of deposits now in the Bank, " in the following manner :

" On sums of £50 and under, on and after this " day, the 15th July.

" On sums of £100 and under, on and after the " 25th July.

" On sums of £200 and under, on and after the " 4th August.

" On sums of £300 and under, on and after the " 14th August.

" On sums of £300 and all over, on and after the " 24th August.

" All deposits made since the commencement of " the run on the Bank, as well as such as hereafter " may be made, will be kept apart from the general " deposits, and be paid in full on demand."

The following note, in manuscript, was appended to the said notice :

" Due notice of further payments will be made."

I think I received this notice on the first occasion I went to the Bank after its suspension.

And further deponent saith not; and having had the whole of this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

WILL. ROBINSON.

Sworn and signed before me,
this 13th February, 1851,

W. BRISTOW.

Province of Canada, }
District of Montreal. }

On this fourteenth day of February, one thousand eight hundred and fifty-one,

Personally came and appeared, Mr. *William Robinson*, the witness named in the foregoing evidence, who voluntarily wishes to add the following statement to his evidence of yesterday, and who, after having been duly sworn, saith :

I recollect calling at the Bank a third time, I think in October, 1849, to learn what was doing in regard to the affairs of the institution, (so far as I was connected,) when I endeavoured, by pleading distress, to draw forth the sympathy of the clerk and attendants to my wants of some money, particularly at that time. I was told they could not, as yet, pay any one, but that there were parties in town, viz: Messrs. Barnard and Esdaile, who were buying deposit books of that institution, on whom I might call, if I thought fit to dispose of my book. I went to both these parties, and the largest offer they made was, I think, 11s. in the pound on the amount transferable, which offer I declined to accept.

And further deponent saith not; and, having had his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

WM. ROBINSON.

Sworn and signed before me,
on this 14th Feb., 1851,

W. BRISTOW.

Appendix (Q. Q.)

Province of Canada, }
District of Montreal. }

15th July.

On this fourteenth day of February, one thousand eight hundred and fifty-one,

Personally came and appeared Mr. *David Turbayn*, engineer, of this City, who, having been duly sworn, deposeth and saith :

I was a depositor in the Savings Bank. At the time the institution failed, the balance due to me was about £215. I received, soon after the stoppage of the Bank, a dividend of 20 per cent. ; and in Nov. last, I received a further dividend, amounting to about £74. This is all I have received from the Bank. I frequently made application to the Bank for payment, and was informed at such times that I would receive my money when the rest of the creditors of the Bank did. I was never informed in the Bank, nor by any officers or directors of the Bank, that deposit books would be received in payment from debtors to the Bank to the extent of 90 per cent. on the balance of such deposit books. I am not aware that the Bank at any time gave public notice in any way whatsoever, that deposit books would be received in payment of debts. I have not made sale of my deposit book.

And further deponent saith not ; and, having had the whole of his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

DAVID TURBAYN.

Sworn and signed before me,
on this 14th Feb., 1851,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this fourteenth day of February, one thousand eight hundred and fifty-one,

Personally came and appeared, Mr. *James Adams*, of the City of Montreal, cooper, who, having been duly sworn, deposeth and saith :

I was a depositor in the Savings Bank for about eight years before its suspension. I think the balance due me at the time of its suspension was about £226. I received, soon after the stoppage of the Bank, a dividend of 20 per cent. I frequently made application to the Bank for payment, and was informed that I was to conform with the rules of the Bank ; and I received only but insulting language from one of the officers of the Bank. The name of the officer is Mr. Cox. I have, since receiving the first dividend, sold my book to Mr. James Barnard, a broker of this city, for eleven shillings in the pound. I cannot say whether it was on the balance of my account or on the transferable amount. I was never informed at the Bank, nor by any officers or directors of the Bank, that deposit books would be received in payment from debtors to the Bank, to the extent of 90 per cent., on the balance of such deposit books. I am not aware that the Bank at any time gave public notice in any way whatsoever, that deposit books would be received in payment of debts due to the Bank. Had I been aware that I could get a transfer of a mortgage from the Bank, to the amount of 90 per cent., I would certainly not have sold my book for such a small sum.

Appendix (Q. Q.)

15th July.

And further deponent saith not ; and, having had the whole of this his deposition, read over to him, he declares it to contain the truth, persists therein, and hath signed.

JAMES ADAMS.

Sworn and signed before me,
on this 14th Feb., 1851.

W. M. SNAITH.

Province of Canada, }
District of Montreal. }

On this fifteenth day of February, one thousand eight hundred and fifty-one,

Personally came and appeared, *James A. B. McGill*, City Surveyor of the City of Montreal, District of Montreal, who, having been duly sworn, deposeth and saith :

I was a depositor in the Savings Bank. At the time of its suspension, the balance due to me was about £13. Soon after the failure of the Bank, I received a dividend of 20 per cent., which is all I have received. There was a second dividend declared payable about November last. I made application for that dividend, and which was offered to be paid to me, but I was required to sign a receipt in a printed form, which purported to be a receipt from the trustees of the Bank for so much money. In this receipt there were also certain blanks left to be filled up. I objected to sign this receipt, as I stated I knew nothing of the appointment of Trustees to administer the affairs of the Bank. I stated that I would sign for any amount that they chose in the name of the Directors of the Bank. Some time after the payment of the first dividend, I believe, I made application at the Bank, to Mr. Cox, one of the clerks, to know if I could have a Corporation bond. It was my intention thus to cover my own debt, and I intended to make up the full value of the bond by the purchase of other deposit books. The clerk informed me I could not have any Corporation bond on such conditions.

Ques. Were you informed at any time by any of the Officers or Directors of the Savings Bank that debtors of the Bank were allowed to pay their debts to the Bank in deposit books, at the rate of ninety per cent. on the balance due on such deposit books at the time of the stoppage of the Bank ?

Ans. I was never informed by any of the officers of the Bank, nor by any of the Directors, to the best of my opinion, in any official manner. I might have heard from some of the Directors that such a thing was being done.

Ques. Are you aware of the officers of the Bank, or any other person purporting to act for the Bank, having at any time given public intimation, in any manner whatever, that deposit books would be received in payment of debts due to the Bank at the time of its suspension ?

Ans. I am not aware, to the best of my knowledge, of ever having heard of such a thing.

And further deponent saith not ; and having had the whole of this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JAMES A. B. MCGILL.

Sworn and signed before me,
on this 15th February, 1851.

W. BRISTOW,
Commissioner.

Appendix
(Q. Q.)

15th July.

Province of Canada, }
District of Montreal. }

On this seventeenth day of February, one thousand eight hundred and fifty one,

Personally came and appeared Mr. *Peter Don*, storeman, of the City of Montreal, who, having been duly sworn, deposed and saith :

I was a depositor in the Savings Bank. The balance due me at the time of its suspension was about £30. I received a dividend of a few pounds a short time after the Bank suspended payment, and I received a further dividend a few months since. I several times made application at the Bank for payment, and was informed that they had no money. I was never informed by any officers or Directors of the Bank that I could make sale of my book to debtors to the Bank, who were allowed to pay their debts in deposit books, at the rate of 18s. in the pound. I am not aware that the Bank at any time publicly notified that they would receive deposit books in payment of debts due to the Bank, at the rate of 18s. in the pound.

And further deponent saith not, and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

PETER DON.

Sworn and signed before me,
this 17th February, 1851,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this eighteenth day of February, one thousand eight hundred and fifty-one,

Personally came and appeared *Charles Freeland*, Esquire, Commission Agent, of Hamilton, who, having been duly sworn, deposed and saith :

I was Actuary of the Montreal Provident and Savings Bank from the 25th July, 1848, until the 31st August, 1850, when I resigned that office, being desirous of leaving Montreal. During the time that I was Actuary, almost the entire management of the Bank devolved upon me. There were frequent meetings of the Board of Directors. Mr. Redpath took the most active part in the management, and with him my intercourse was more frequent than with the other Directors. Mr. Redpath, when in Montreal, visited the Bank almost daily. I kept the minute book of the proceedings of the Board of Directors during the time I was employed in the Bank. I also superintended the keeping of the general account books of the Bank, checking and examining the entries, and generally verifying the book-keeper's work. When I first entered the institution, I thought of keeping the general accounts myself, but after writing up a few days in the cash book, I found that it would be inconvenient, and therefore delegated that labour to Mr. James Cox, then Receiving Teller or Assistant Actuary of the Bank. I afterwards resumed the keeping of the general accounts upon Mr. Cox's leaving the Bank, in May, 1850. Mr. Eadie, formerly Actuary of the Bank, had left the Bank a week or ten days before my connection with the Bank began. When I assumed my office, the work of the month of July was not posted up. The books generally were not in arrear, with the exception of the summation of the cash account, and some other matters not absolutely necessary to be closely written up.

Appendix
(Q. Q.)

15th July.

Ques. What arrear existed at the time of your assumption of office in the Savings Bank, in the summation of the cash book ?

Ans. The cash had not been finally summed up and verified subsequent to January, 1847, but the figures of a summation were in the cash book, in pencil, brought up to the close of June, 1848.

Ques. Can you say whether the apparent balance of cash, as it now stands in the books before you, in each month during the year 1847, and up to July, 1848, was made up prior to your assumption of office in the Savings Bank, or whether it has since, in any way, been altered ?

Ans. Shortly after Mr. Cox commenced keeping the General accounts, I requested him to verify the summation of cash, and he did so, making corrections where required, writing up the summation in ink, and bringing forward the corrected balance from month to month. On reference to the cash books, I perceive that the close of cash book No. 1, being the accounts from 1st January to 30th June, 1847, though summed up in pencil, are not written in ink. At this distance of time, I cannot account for the omission, but presume it to have arisen from the circumstance that the pencil figures bear evidence of correction, and that I requested Mr. Cox to begin where such evidence of correction ceased.

Ques. Are you aware whether the balance of cash actually on hand was compared with the balance of cash as it appears in the cash book in July, 1848, in any part of that month ?

Ans. I have no knowledge personally of the fact. I have always understood that the balance was verified to about the 5th July, and that the deficiency then found to exist forms part of an amount then charged to Mr. Eadie; but Mr. F. F. Blackader, who was then an accountant in the employ of the Bank, will be able to give full information upon that point.

Ques. Did you, at the time you became Actuary of the Bank, or shortly after, compare the balance actually on hand with the balance as it appears in the cash book ?

Ans. For some time after my assumption of office, my other duties prevented me from verifying the cash balance as it appears in the cash book. I confined myself to accounting for the cash and other assets of the Bank which had been placed into my hands. Perhaps it was three months before the verification of the cash accounts was begun. The whole, however, was completed, and brought up to December, 1848, as appears by a memorandum of corrections in the cash book on that day. The following is a copy of the memorandum, which is in the handwriting of Mr. Cox, and was dictated by myself :

" Balance 31st July.....	£1,160	2	0
" To which add, short charged deposits in July, and credited in September.....	125	16	8
" Omission to credit J. Holmes in April, corrected in September..	100	0	0
	£1,385	19	5
" Deduct error in cheque in Bank of Montreal in July, corrected in August	14	10	
	£1,385	4	7
" Actual cash on hand 31st July....	127	5	2
" Discrepancy.....	£1,257	19	5

Appendix
(Q. Q.)

15th July.

" Balance 31st December.....	£1,458	15	2
" Deduct Discrepancy	1,257	19	5
	£200	15	9
" Cash on hand.....	£155	11	3
" Cash deficiency, J. C.....	45	4	6
	£200	15	9

Ques. Did that discrepancy of £1,257 19s. 5d. arise during Mr. Eadie's incumbency, or during yours?

Ans. It arose during the incumbency of Mr. Eadie. I was anxious to bring the books to a point from which I could start fair, and I caused this discrepancy to be clearly exhibited, in order that the actual cash balance might be at any time verified during my connection with the Bank.

Ques. Was it then on the 31st December, 1848, that you were first aware that there was a deficiency of £1,257 19s. 5d. in cash?

Ans. I was aware of a deficiency very soon after I entered the Bank. I cannot now say how soon; I believe within a few days. But as I have already said, the precise amount was not established until about that time, owing to the necessity of previously verifying the summations of the cash book, to which I have already alluded.

Ques. Can you say positively that when Mr. Eadie left the Savings Bank, it was known that there was a balance of cash unaccounted for, beyond the sum with which he debited himself in July, 1848, and which appears in an entry in his handwriting in the cash book under that month, to amount to £4,363 5s. 11d.?

Ans. I have always understood that that sum of £4,363 5s. 11d. included the total amount of the cash deficiency then known to exist, or which had not been previously charged to him; but Mr. Blackader, being the Accountant at that time, is more conversant with the matter than I am.

Ques. You have stated that the discrepancy of £1,257 19s. 5d. arose during Mr. Eadie's incumbency; can you say in what manner it occurred?

Ans. I cannot say precisely in what manner it occurred. It appeared to me to represent an actual deficiency in the cash, and which, if proved to be such, would of course be chargeable to the account of Mr. Eadie. But as the Bank had at the time a claim against Mr. Eadie for a much larger amount than there was a probability of ever recovering from him, which claim he was contesting in the Courts of law, I did not think it necessary to establish absolutely that this deficiency was chargeable to him, but left it for further adjustment. My principal object was to exhibit clear accounts during my management. I have reason to believe that the nature of the discrepancy has recently been discovered by Mr. Court, the present Actuary; but I myself am not, at present, precisely aware of the circumstance. I was under the impression that the balance on which the charge of £4,363 5s. 11d. to Mr. Eadie was based, had been struck hurriedly, and in the middle of the month, before the books were formally posted up; and that, in consequence, the balance might be erroneous. The entries in the cash book during the month of July, 1848, are in the hand-writings of four individuals, viz: Mr. Eadie, Mr. Blackader, Mr. Cox, and myself. The circumstances attending the run upon the Bank, the dismissal of the Actuary, &c., necessarily caused considerable confusion, and it appeared to me very

likely that certain sums received before the fore-mentioned balance was struck, were not entered until afterwards, and hence, as I supposed, the discrepancy. I never found any paper showing the detail of that balance. I supposed it was struck roughly, and then cast aside.

Before I became Actuary of the Bank, payments of the first dividend of 20 per cent. to the depositors had commenced, and such dividends continued to be paid in accordance with the minute of the Board of Directors adopted at a meeting on the 14th July, 1848, and made public.

Ques. Was any other payment made to depositors in the Savings Bank, at or about the time of your becoming Actuary, than the dividend of twenty per cent. to which you have alluded?

Ans. Some depositors received transfers of mortgages, held by the Bank in security for moneys loaned, to an extent not exceeding 90 per cent. on the amount of the balances of their deposit accounts, at the time of the suspension of the Bank, in cases where the dividend of 20 per cent. was not drawn; or to an extent not exceeding 70 per cent. of the balance in cases where the dividend had been drawn.

Ques. Could all depositors receive transfers of mortgages to the extent of 90 per cent. on the amount of the debt due to them by the Bank, at the time of its suspension?

Ans. Yes, provided among the mortgages held by the Bank, they found any that they would take.

Ques. Under what authority were transfers of mortgages made to creditors of the Bank?

Ans. Under the authority of the Directors. A minute to that effect appears in the minute book, under date of 14th July, 1848.

Ques. Please refer to that minute in the minute book now before you, and say whether it authorizes the transfer of mortgages to all the depositors in the Savings Bank or not?

Ans. In the minute the words used are, "that it would be satisfactory to some of the large depositors to receive transfers of mortgages." I would consider that, under that minute, transfers might have been made to any depositor, although large depositors only are mentioned. At that time, it could not be known to what an extent transfers would be accepted by depositors; and it might fairly be presumed, that depositors of large amounts would be the only parties who would avail themselves of the privilege.

Ques. Are you aware whether, under the law relating to Savings Banks, any restriction exists as to the amount which may be deposited by any single depositor in a Savings Bank?

Ans. I have always been aware that there some restrictions on the amount that might be received from a depositor, and now being shown the Act 4 and 5 Vict., cap. XXXII, I perceive that the twelfth section does impose a restriction.

Ques. Were there, at the time of the suspension of the Savings Bank, any depositors who had balances at their credit respectively, of sums over £500?

Ans. Yes, there were a number of such depositors.

Ques. Have you any knowledge of the aggregate amount of deposits of sums over £500 at the time of the suspension of the Savings Bank?

Ans. I cannot speak from memory, but the amount may be found in the books of the Bank.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)
15th July.

Ques. Were depositors of sums over £500 paid, with the rest of the creditors of the Bank, dividends of 20 per cent., or allowed to receive transfers of mortgages to the amount of 90 per cent. on the amount due to them?

Ans. Yes. All depositors were placed upon precisely the same footing, and no favours shown to either large or small.

Ques. Are you aware whether the Rules and Regulations of the Montreal Provident and Savings Bank, deposited with the Clerk of the Peace, imposed any limitation on the amount of deposit to be received from any single depositor?

Ans. The Rules and Regulations deposited with the Clerk of the Peace limit the amount to be received from any one depositor to £500.

Ques. Are you aware whether, to parties depositing moneys in the Savings Bank, a deposit book was given, in which an abstract of the Rules and Regulations of the Bank was furnished?

Ans. A pass book, with an abstract of the Rules and Regulations was almost always given to depositors; the only exception being, where the depositors resided at a distance, in which case a simple certificate of deposit was given.

Ques. In the abstract of the Rules and Regulations to be found in the deposit books, was any limitation of the sum to be received from any individual depositor specified?

Ans. The words used are not sufficiently explicit and distinct, and would seem rather to refer to deposits, to be received at one time, than to total amounts at the credit of any individual depositors.

Ques. How were creditors of the Bank made aware that they could receive transfers of mortgages to the extent of 90 per cent. on the amount due to them by the Bank?

Ans. By all depositors who came to inquire about the affairs of the Bank, being invited to avail themselves of this mode of reducing their claims.

Ques. Was any public notification given, and if so, when, and in what manner, that creditors of the Bank could receive transfers of mortgages, on account of the amount due to them?

Ans. I am not aware that there was any announcement by advertisement, prior to the 31st October, 1848; but it was made as public as it could be, at the counter; and I am confident that no depositor, resident in the city, could be ignorant of it. There was no intention whatever to conceal it, or to show favouritism; and all depositors, without exception, were invited to avail themselves of the opportunity. At the time the Directors adopted the course of permitting transfers of mortgages, they could not tell to what extent it might be desirable to pursue it. It was evidently the best course to be adopted at the time, but much dissatisfaction would have been caused, had the Bank been bound by public advertisement to a course from which it might afterwards be found necessary to recede.

Ques. When you speak of the time that the Directors adopted the course of permitting transfers, to what time do you allude?

Ans. I allude to the time when the resolution to adopt such a course was passed, but more particularly to the time of the carrying out of that resolution. Very few transfers were made before my connection with the Bank; but soon after very many were effected.

Appendix
(Q. Q.)
15th July.

Ques. Were transfers of mortgages allowed, or were they not, in pursuance of the resolution adopted at the meeting of the Board of Directors of the 14th July, 1848?

Ans. No doubt they were. I was never specially referred to this minute, for authority; my authority was direct from the Directors themselves, in frequent conversations.

Q. You were not an officer of the Bank at the time the resolution of the 14th July, 1848, was passed; is this not the case?

Ans. It is the case, as I have already stated; my connection with the Bank commenced on the 25th of July, 1848?

Ques. How then can you undertake to state the reasons which induced the Bank to adopt the course of permitting transfers of mortgages to depositors, creditors of the Bank?

Ans. I have not given the reasons which actuated the Directors; I have merely stated that, in my opinion, with the knowledge possessed by them, it was the best course to be adopted.

Ques. On what grounds, since you were not an officer of the Bank at the time of the resolution being passed, authorising the transfers of deposits, do you state that the Directors could not tell to what extent it might be desirable to pursue such resolution?

The answer to this question was deferred until to-morrow.

The examination of the witness *Charles Freeland*, Esquire, is here adjourned until to-morrow, and he hath signed.

CHARLES FREELAND.

Sworn and signed before me,
on this 18th February, 1851,

W. BRISTOW,
Commissioner.

On this nineteenth day of February, one thousand eight hundred and fifty-one, the examination of the witness, *Charles Freeland*, Esquire, was continued as follows:—

Answer to the last question put yesterday.—On the general grounds of the circumstances of the Bank, and the position of its affairs, at the time. The course adopted was an experiment. Difficulties not then known of, might arise to interrupt its free working. The intention might be misunderstood, and dissatisfaction thereby be raised among the generality of depositors; with many other uncertainties which time alone could remove. The Directors could not bind themselves to transfer every mortgage; there were some which, from a certainty that they could be rapidly realized, it was not the interest of the Bank to transfer.

Ques. Then were not all the mortgages held by the Bank offered to be transferred to creditors of the Bank?

Ans. No; those which, it appeared probable might soon be realized in cash, were not offered.

Ques. Have you any recollection of any particular mortgages that were not offered to creditors of the Bank?

Ans. At this moment I cannot specify all the mortgages that were so withheld, but I particularly remember that of *N. G. Reynolds of Belleville*, for

Appendix
(Q. Q.)

15th July.

£1250; Knox's Church, Hamilton, £750; J. P. Wells, £500.

Ques. Were a number of mortgages, to which Directors of the Savings Bank were parties, either as principals or as securities, transferred to creditors of the Bank?

Ans. Yes; there were a number.

Ques. Were any Directors of the Bank securities to the mortgages given by the Wesleyan Church, Montreal; and were such mortgages transferred, and if so, to what amount?

Ans. The Honourable James Ferrier, one of the Directors of the Bank, was a security on that mortgage; I believe the amount was about £3,500, the whole of which, I think, was transferred.

Ques. Were any Directors of the Savings Bank security on any or on all of the following loans made by the Savings Bank, at the time of its suspension; and were any, or the whole of these mortgages transferred to creditors of the Bank, viz:

J. Dyde	£1000
P. Reynolds	200
Arch'd. Connolly	130
Congregational Church, Brockville,	180
Dr. G. W. Campbell	1000
J. Hutchison, about	1000

Ans. I believe some one of the Directors was security upon each of those loans. The loans were all transferred, with the exception of that of Dr. Campbell.

Ques. You have stated that the transfer of mortgages was evidently the best course to be adopted at the time, on what do you ground your opinion?

Ans. On several grounds. 1st, The unavoidable difficulties and delays in the realization of mortgages and claims connected with real estate. It is well known that in our Courts of Law a suit to recover on even a simple mortgage may with ease be resisted for two years or longer, and after judgment obtained, a sale of the property may be resisted for a further considerable period, perhaps another year. 2nd, Grave doubts existed as to the immediate success of any legal proceedings instituted to enforce payment of loans on mortgage. From the uncertain wording of the "Savings Bank Act," it was feared that debtors, particularly sureties, might, if no more, at least protract to an indefinite period the obtaining of judgments against them. All these doubts have since been removed by the results of those suits which were instituted; but at the time of the suspension, the Bank was advised by Counsel to settle all claims by amicable arrangement, if possible, and this was the course pursued during the period of my holding office. 3rd, The extraordinary commercial and monetary depression that existed at the time of the suspension, rendering the realization of any large amount, from even the best securities, next to an impossibility, and making it certain that the bringing of so large an amount as £70,000 or £80,000 of real estate into the market, would cause a ruinous depreciation, and produce great loss to the Bank. I am convinced that all parties were benefited by the arrangement to transfer; for if it had been attempted to realize all the assets in cash prior to division, depositors would not get so much as they are now certain of receiving. No doubt some of the transferees have already recovered the amount of their transfers, but many, to my knowledge, will not be paid for some years to come, and some may perhaps sustain loss. I think the result has fully proved the correctness of the principle of the arrangement.

Appendix
(Q. Q.)

15th July.

Ques. Are you aware of any resolution having been adopted by the Directors of the Savings Bank, subsequent to its suspension of payment, authorizing the reception of deposit books in payment to the Bank by debtors to the Bank?

Ans. I know of no formal resolution to that effect passed at a meeting other than that of the 14th of July, 1848.

Ques. Does that resolution of the 14th July, 1848, and which is now before you in the minute book of the proceedings of the Board of Directors, authorise the reception of deposit books in payment of debts due to the Bank?

Ans. Unquestionably it does.

Ques. Please recite that resolution, and state the reasons on which you swear that unquestionably that resolution does authorise the reception of deposit books in payment of debts to the Bank?

Ans. The resolution is as follows: "The Board were of opinion that it would be satisfactory to some of the large depositors to receive transfers of mortgages on real estate, held by the Bank as security on loans, and it was therefore ordered that facilities for that purpose be made by the Board to an extent not exceeding 90 per cent. on the amount of any such deposits; leaving the remaining 10 per cent. to be accounted for when the affairs of the Bank were finally closed." The object being to afford facilities for the settlement of loans on mortgage, by offsets of the claims of depositors, of course, any party whether a debtor to the Bank or otherwise, who proposed to discharge the amount of any loan in the terms of the resolution, would be allowed to do so. The party so paying the loan, would be entitled to a transfer; but a transfer to himself of his own debt would be a simple absurdity.

Ques. Do you state positively that under the resolution, recited in your last answer, every debtor to the Savings Bank was entitled to pay his debts to such Bank in deposit books?

Ans. Every debtor to the Bank, becoming possessed of the claims of depositors, was of course entitled by the resolution to all the privileges which by it were intended to be given to depositors. A depositor had an undoubted right to dispose absolutely of his claim to whom he pleased, and I could only treat with the actual owner and possessor of that claim.

Ques. From your experience of the management of the Savings Bank, can you say positively that debtors to the Bank were allowed, in all cases, to pay their debts in deposit books?

Ans. No; many were not. In a number of instances it was positively refused, specially where the debt was otherwise likely to be soon realized in cash; it was only where doubt existed or long delay seemed probable, that debtors were so allowed.

Ques. Then is it to be understood that this resolution was general in its character, conveying a right to the debtors, as well as to the creditors of the Bank; or was it merely giving a right to the Directors of the Bank of decision, whether debts should be received in deposit books or not?

Ans. It evidently authorised and permitted, but did not enjoin, the reception of deposit books from debtors in payment, leaving it with the Directors to decide in what case they should be received. The resolutions of the Directors, during my management of the affairs of the Bank, were, in matters relating to the management, to be construed as recommendatory and permissive, rather than final and decisive.

Appendix
(Q. Q.)

15th July.

These resolutions were recorded, rather to show their views and intentions than to bind themselves absolutely to a course. They might be, and frequently were, acted upon in a modified form, without this modification being recorded.

Ques. Was the reception of deposit books in payment of debts due to the Bank, allowed in obedience to the resolution of 14th July, 1848, or was it on any other authority?

Ans. As I have already said, I was never directly referred to this resolution for authority. My authority was received from the Directors themselves in frequent conversations. When I read the minute, I never doubted that the course pursued came within its intent and meaning.

The examination of the witness is here adjourned until to-morrow, and he hath signed.

CHARLES FREELAND.

Sworn and signed before me,
on this 19th February, 1851,

W. BRISTOW,
Commissioner.

On this twentieth day of February, one thousand eight hundred and fifty-one, the examination of the witness *Charles Freeland*, Esquire, was continued as follows:

Ques. Did you receive verbal instructions from any of the Directors of the Savings Bank to take deposit books in payment of debts due to the Bank, and if so, from which of the said Directors?

Ans. I was constantly receiving instructions more or less, from all the Directors who attended at the Bank, but as I have already said, my more frequent communications were with Mr. Redpath. I cannot speak as to any precise instructions I may have received in the matter referred to in the question. My positive instructions were, to carry out, as far as possible the object and intention of the Directors, as explained to me. This object, as I have already said, was to facilitate and encourage, as much, and as speedily as possible, the offsetting of debts due to the Bank by the claims of depositors, wherever it should appear to be the interest of the Bank to make such offset. All my transactions were constantly laid before the Directors, and as constantly approved by them. I never could make any distinction, nor do I see how such distinction could have been made between any parties whatever, holding legitimate claims as depositors, whether they might happen to be at the same time, debtors to the Bank or not.

Ques. Please to state positively, whether in your reception or rejection of deposit books in payment of debts due to the Bank, you were guided by precise regulations, adopted at a meeting of the Board of Directors, or by positive instructions from any, and if so, which of the Directors; or whether you were guided in each particular case by your own views, as to the expediency or in expediency of receiving such deposit books in payment?

Ans. I was generally guided by my own views of the expediency or in expediency in each particular case, always, however, under, and with special reference to the general instructions I had received, as already stated. Where doubt existed in my mind, I sought special instructions, and always, as opportunity presented, sought and received approval and confirmation of my acts.

Ques. In an answer to one of the questions put to you yesterday, you stated that it was only where

doubt existed, or long delay seemed probable that debtors to the Bank were allowed to pay their debts in deposit books; are you aware of no exceptions to this rule?

Ans. I am not at this moment aware of any exceptions to the rule, although, perhaps, there may be exceptions. I will be able to speak precisely when particular instances are mentioned.

Ques. Have you any knowledge, that at the time of the suspension of the Savings Bank, the Hon. Dominick Daly appeared as a debtor to that institution?

Ans. He did, for a loan of £1,200.

Ques. What security did he give?

Ans. A mortgage on certain real estate, and the personal security of the Hon. Judge Meredith.

Ques. Was payment of that debt to the Bank taken in deposit books?

Ans. It was. It was transferred to a party who, I believe accepted the transfer on behalf of a number of depositors, and held it for their benefit.

Ques. Who is the party who accepted the transfer?

Ans. One of the Messrs. Hamilton of Hawksbury.

Ques. On what do you ground your belief, that that acceptor of the transfer, namely, Mr. Hamilton, did so, on behalf of a number of depositors?

Ans. Because all the conversations with him in the matter, previous to the transfer being signed, and these were many, had special reference to this fact. He distinctly avowed that his only object was to secure those depositors whose claims he then held. It may be that he held powers of attorney from these depositors, or that he held absolute transfers of their claims. During my management, the latter was altogether the most frequent mode adopted by depositors, to delegate their rights when desirous of receiving a transfer of a loan, or otherwise disposing of their deposit books.

Ques. Was this transfer to Mr. Hamilton made in his own name, or as attorney for others?

Ans. I cannot say positively, but I believe it was in his own name, for convenience.

Ques. Were you ever informed that Mr. Hamilton had purchased any deposit books of the Savings Bank, either by himself or by any of his agents?

Ans. I never was so informed, and I do not think he did.

Ques. Were all the depositors, whose books were transferred to Mr. Hamilton, residents of the neighbourhood of Hawksbury, to the best of your belief?

Ans. To the best of my belief they were. Mr. Hamilton represented that the firm to which he belonged, had encouraged their employees to deposit money in the Savings Bank, and on this account he was anxious to do his best to protect them from loss.

Ques. Was it by a special arrangement between Mr. Hamilton and the Bank, represented either by yourself, or by any of the Directors, that these deposit books were allowed to be received in payment of a debt due by the Hon. Mr. Daly, for which the guarantee of Mr. Meredith was held by the Bank, at the time of its suspension?

Ans. It was by a special arrangement. I consider all such transfers as special arrangements. I do not

Appendix
(Q. Q.)

15th July

Appendix
(Q. Q.)

15th July.

know whether Mr. Hamilton conferred with any of the Directors. He may have done so, and as he was frequently at the Bank before deciding upon taking this transfer, it is likely that he did. Nevertheless, I was the principal agent in the matter.

Ques. Is it or is it not within your knowledge that Mr. Hamilton did make an arrangement with one or more of the Directors of the Savings Bank, for the transfer of the mortgage on the Hon. Mr. Daly's property?

Ans. I have no actual knowledge whatever, in reference to this question.

Ques. Have you any recollection whether you ever received any instructions from any of the Directors of the Savings Bank, to make the transfer of this mortgage to Mr. Hamilton?

Ans. I am not aware that I ever received any special instructions relating to this mortgage. I believe that, during the negotiation, I conversed with Mr. Redpath respecting it, but I do not consider that special instructions in the case were required. I would freely have made the transfer under my general instructions.

Ques. Was the mortgage, given by Mr. Daly on his property, secured by Mr. Meredith, one of those debts to the Bank, which you consider to have been of a doubtful character, or one in which a long delay in the settlement appeared probable?

Ans. No one can doubt the sufficiency of the security of Mr. Meredith. But in respect to this loan, there were special difficulties. Independent of the doubts to which, in my examination of yesterday, I alluded, as surrounding the attempt to enforce the payment of loans by legal proceedings, an additional doubt existed in this particular case in consequence of the removal from the Province of the principal debtor. The obligation, as was usual with obligations granted to the Bank, required six months notice to be served on the principal debtor, and thus a difficulty was raised which, at the time, the Bank did not know how to obviate. There was no doubt as to the safety of the debt; the only doubt was as to the period of its realization.

Ques. Then we are to understand that a considerable delay would have occurred before the Bank could have had recourse against Mr. Meredith as security for the amount of this loan?

Ans. It was evident that some delay must occur, how much could not be known. I am not aware that the Directors, at the time, knew how the difficulty might be easily obviated, certainly I did not.

Ques. Have you any knowledge that, at the time of the suspension of the Savings Bank, the Honourable James Smith, one of the Judges of Her Majesty's Court of Queen's Bench, appeared in the books as a debtor to that institution?

Ans. He did: a portion of the amount, I believe £1000, being represented by a mortgage on certain real estate.

Ques. Was any personal security held by the Bank, in addition to the said mortgage?

Ans. I am not aware. I do not think I ever saw the obligation.

Ques. Was payment of that debt received by the Bank in deposit books?

Ans. It was, and I believe the mortgage was transferred to some party. I am not perfectly certain, but I think to Mr. William Macdonald of Lachine.

Appendix
(Q. Q.)

15th July.

Ques. Was the transfer of the mortgage to Mr. Macdonald effected prior to the payment to the Bank in deposit books?

Ans. Of course it was not. I cannot speak from memory in this particular transaction, but I am certain the transfer was not completed until the full amount of the deposits was handed in.

Ques. Was it by an arrangement between the Bank, represented by yourself, or by any of the Directors, that it was determined to receive payment of the debt due by Mr. Smith, at the time of the suspension of the Savings Bank, in deposit books?

Ans. I have no positive recollection of any other than myself being aware of the negotiations, although I have little doubt that I communicated it to Mr. Redpath.

Ques. With whom had you this negotiation?

Ans. With Mr. F. MacCulloch, then a commission merchant in this city. I am not certain of being aware, although I might have been, that Mr. Macdonald was the transferee until I was called upon to examine the deed of transfer.

Ques. Is it to your knowledge that deposit books for the payment of this debt of the Honourable James Smith to the Bank were purchased in the market below par value?

Ans. I have no knowledge in the matter. I never considered it my duty to inquire. I may have been told and may not; certain it is that I do not now know whether they were so bought.

Ques. Was the mortgage granted by the Honourable James Smith to the Savings Bank for the loan to him, to which you have referred, one which you consider to have been of a doubtful character, or one in which a long delay in the settlement appeared probable?

Ans. I never thoroughly examined the nature of the security. I did not become aware, immediately on my first entering the Bank, that a mortgage had been granted by Judge Smith. My duties were very heavy, and I had a great many loans and other matters to inquire into and examine. From the difficulties in the way of collecting loans on mortgage made by the Bank, to which I alluded in my evidence yesterday, and especially those of a legal nature, I considered that the probability of delay attended them all, sufficiently so to warrant the permission to offset them by the claims of depositors.

Ques. When you stated, as you did yesterday, that it was only where doubt existed, or long delay seemed probable, that debtors were allowed to pay in deposit books, do you mean it to be inferred that all the mortgages held by the Bank at the time of its suspension were of a doubtful character, or only to be collected, in all probability, after a long delay?

Ans. However secure these investments on mortgage might have been when first taken, and however easy of realization they might have been when called up separately and at intervals, in times of commercial prosperity, when money was easy, and the parties could readily make other arrangements, certain it is that the great and almost unprecedented commercial depression which existed at the time of the Bank's suspension, and the necessity of realizing all the loans as rapidly as possible, rendered the immediate collection of almost every one a very difficult matter, and it was to be expected that coercion would only have the effect of inducing the parties to raise every obstacle, and contest the proceedings at every step. Thus explained, I considered most of the loans on mortgage as involving delay in their collection sufficient to warrant ar-

Appendix
(Q. Q.)

15th July.

arrangements for their transference to depositors, and this independent of any doubt of the security in the particular instance.

Ques. Was the Hon. Mr. Justice Rolland a debtor in the books of the Bank at the time of its suspension?

Ans. He was, on an obligation for £1,000.

Ques. How was that loan secured?

Ans. By real estate, with the personal security of the Hon. F. A. Quesnel.

Ques. How was that loan repaid to the Bank?

Ans. By transfers to depositors.

Ques. Was the whole mortgage transferred to depositors?

Ans. I believe it was, although I am not absolutely certain.

Ques. Was not a portion of that debt paid to the Bank in deposit books of depositors who were not parties to the mortgage?

Ans. It might be that the transfers were made to others than the parties whose names appeared at the head of the respective accounts of the deposit ledger, but the transfers were made to the legal claimants under those accounts.

Ques. Can you say to whom the mortgage held by the Bank on account of its loan to the Hon. Mr. Justice Rolland was transferred?

Ans. I have a distinct recollection of that loan being transferred, but I do not recollect the names of the parties to whom it was transferred.

Ques. Can you recollect whether that mortgage was transferred to several persons, and if so, to how many persons?

Ans. I do not recollect precisely, but I believe to three or four.

Ques. Was any arrangement entered into by the Savings Bank, represented either by yourself or any of the Directors, by which it was agreed to receive deposit books, either in part or for the whole of the debt due by the Hon. Mr. Justice Rolland to the Savings Bank at the time of its suspension?

Ans. I do not know when the arrangements were effected. No doubt they took place some time after the suspension. I believe they were all made by myself.

Ques. What was the nature of the arrangement you made, and was it to receive deposit books for the whole or any portion of the debt?

Ans. I have stated that I believe the whole mortgage was transferred. When the parties representing themselves as depositors, stated their willingness to accept a transfer, the arrangements were, that they should receive transfers to the amount of the claims of depositors, which they discharged, under deduction, as usual, of ten per cent. on those claims.

Ques. Please inform the Court definitively, whether you did or did not arrange to receive deposit books in payment, either in part or for the whole of the debt due by the Hon. Mr. Justice Rolland to the Savings Bank at the time of its suspension?

Ans. Certainly I did. I have said so already.

Ques. Is it within your knowledge that any Savings Bank books were purchased below par value for the purpose of being paid into the Bank in pay-

ment or part payment of the debt due by the Hon. Justice Rolland to the Savings Bank at the time of its suspension?

Ans. I have no such knowledge.

The examination of the witness is here adjourned until to-morrow, and he hath signed.

CHARLES FREELAND.

Sworn and signed before me,
on this 20th Feb., 1851,

W. BRISTOW,
Commissioner.

On this twenty-first day of February, one thousand eight hundred and fifty-one, the examination of the witness *Charles Freeland*, Esquire, was continued as follows:

Ques. Was Mr. W. S. Macfarlane a debtor to the Savings Bank at the time of its suspension, for a loan granted to him on certain fixed property?

Ans. He was.

Ques. Was there any security, besides the said fixed property, granted for the loan?

Ans. Yes; the personal security of the Honble. James Ferrier, and Mr. William Footner.

Ques. Was that loan repaid in deposit books?

Ans. It was.

Ques. With whom was the arrangement made to receive such payment in deposit books?

Ans. With myself; perhaps not altogether. Some of the Directors might have been parties to the arrangement, but of this I am not now certain.

Ques. Was the loan to Mr. W. S. Macfarlane of such a character that doubt existed as to its recovery, or that a long delay, in recovering it, appeared probable?

Ans. The solvency of Mr. Ferrier could not be questioned, but there were special difficulties with regard to this loan. The principal debtor was a bankrupt. The real estate mortgaged had depreciated in value so much that the amount of the mortgage could not be realized from it, and the personal security of Mr. Footner was valueless. The money transactions between the principal debtor and Mr. John Eadie, the former Actuary, the nature and extent of which were unknown, were such as to lead to the fear that perhaps he might show payments to Mr. Eadie which he might claim to be imputed to this loan, and any such imputation would be so much to be added to the account of Mr. Eadie, and a proportionate loss to the Bank. He did thus impute the sum of £126, which the Bank will lose.

Ques. Is that sum of £126 to which you allude, set off as a payment in part of the loan for £1000, on fixed property, to Mr. W. S. Macfarlane?

Ans. It stands in abeyance, being claimed also by Mr. Colin Russel, who contests this amount in the action brought by the Bank against him.

Ques. What has the action against Colin Russel to do with the loan of £1000 on the fixed property of W. S. Macfarlane?

Ans. Nothing, except that a payment made to the Bank by W. S. Macfarlane is claimed by Colin Russel as that it should be imputed to a loan for which he was security, and for which the Bank has an action brought against him.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Ques. Was Colin Russel security for the loan of £1000 to W. S. Macfarlane?

Ans. He was not.

Ques. Was that sum of £126 paid, on account of the loan of £1000, to the Savings Bank, or not?

Ans. I believe it was. The question is now before the Superior Court.

Ques. When was that payment of £126 made to the Savings Bank, and by whom, on account of the loan of £1000?

Ans. It was never actually paid across the counter. It was a balance remaining at the credit of George Bourne, after the sale of certain stock on which he had obtained a loan. George Bourne gave an order for this amount to W. S. Macfarlane. I have no personal knowledge of when this order was given. I believe, however, it was given and handed to Mr. Eadie on or about the middle of March, 1848.

Ques. Have you any personal knowledge that that payment was given in to Mr. Eadie with instructions to set it off against the loan of £1000 to W. S. Macfarlane.

Ans. I have no other knowledge than the reiterated assertions of Mr. Macfarlane himself.

Ques. Have you any knowledge from the reiterated assertions of Mr. Macfarlane himself that he was in March, 1848, personally indebted to a very large amount to Mr. John Eadie, the then Actuary of the Bank?

Ans. I cannot say from reiterated assertions. He certainly admitted it to me in some conversations, but I never sought his assertions on a matter so notorious.

Ques. Was that £126, at the time of its payment, placed to the credit of that loan in the books of the Savings Bank?

Ans. It does not appear that there was any imputation made of it. It formed part of a sum placed to the credit of George Bourne, on the 14th March, 1848.

Ques. Is the Court then to understand that, at the time it was agreed by you to receive payment for the loan of £1000 to W. S. Macfarlane in deposit books, any doubt existed as to the liability of the Hon. James Ferrier for the full amount of £1000?

Ans. Yes, certainly; there was such a doubt.

Ques. Did the Hon. James Ferrier deny his obligation to the Bank for that amount, say £1000?

Ans. I am not aware that he ever did. From the conversations I had with him, I do not think he was aware of any right that he had in the above £126 until the loan was nearly all discharged. I never informed him of it, nor do I think any one connected with the Bank was aware of it but myself until he told me that Mr. Macfarlane had informed him. There being no imputation of the amount, in the books of the Bank, I had supposed the imputation was to be made on account of the debt of Mr. Macfarlane for moneys advanced to him by Mr. Eadie. It was on consulting with Mr. Macfarlane as to what evidence he could give in an action against Colin Russel, that I first learned the truth. I cannot say when this consultation took place. It very probably was about the close of 1848, or the beginning of 1849.

Ques. Was it then on account of the doubt in your mind as to the liability of the Honourable James Ferrier for the whole £1000, that you allowed him to pay that sum in deposit books?

Appendix
(Q. Q.)

15th July.

Ans. Not only on that account, but I considered that sufficient. I considered the general difficulties of which I have already spoken, connected with the collection of these loans on mortgage, as sufficient justification, particularly where I supposed the parties acquainted with those difficulties.

Ques. Are you aware of the nature of the obligations which were taken for loans granted by the Bank?

Ans. Yes, perfectly.

Ques. Were the securities made principals under that obligation, and liable as such to payment at the expiration of the notice of six months, given to the party to whom the loan was made?

Ans. They were securities *in solido*, that is, jointly and severally bound with the principal; this was the rule, there might have been exceptions, but they were very few.

Ques. Are you aware, whether at or about the time of the suspension of the Savings Bank, notice was given to all the principals to whom loans had been granted?

Ans. Notice was given to nearly all the principals; there might have been some exceptions in some special instances.

Ques. How long after the suspension of the Savings Bank was it that the Honourable James Ferrier repaid this loan to W. S. Macfarlane?

Ans. I do not personally remember, but the books show payments to have been made as follows:

February 6, 1849	.....	£638	1	3	
March 13,	"	.....	10	10	0
May 14,	"	.....	341	8	6

These payments I believe to have been made in deposit books. The balance, including interest, upon the loan, amounting to £126 0s. 1d., has been charged to the account of the Honourable James Ferrier, where it still remains to his debit, it being unpaid.

Ques. Is not that balance of £126 0s. 1d. the exact sum which you have stated there was some doubt whether Mr. Ferrier was liable to pay to the Bank?

Ans. It is.

Ques. Was William Lunn, Esquire, one of the Directors of the Savings Bank, a debtor in the books of the Bank at the time of its suspension, either as principal or as surety?

Ans. He might have appeared as principal in the ledger. I do not think, however, he was actually so; he was surety on several loans.

Ques. Were any of these loans paid in deposit books?

Ans. Two notes, on which his name appeared, amounting to about £270, were paid in deposit books. Also a loan to Donald McVean on which he was surety, amounting to about £400, was paid in deposit books. A loan of about £2000, on which he was surety, was paid by deposits; the parties receiving transfer of a mortgage.

Ques. With whom, as representing the Bank, was the arrangement made to receive a portion of the debt, for which Mr. Lunn was surety to the Bank, in deposit books?

Ans. With myself, but I had special instructions in this case. The loan of £2000 was transferred before my connection with the Bank began. The

Appendix
(Q. Q.)

15th July.

others were frequently brought before the Directors and were made a matter of discussion. The notes for £270 did not exist at the time of the Bank's suspension, but were obtained from Mr. Lunn in payment of an amount which appeared at his debit. These notes were renewed once if not twice, and payment in deposit books was refused for a length of time. It appeared evident at length that great delay, if no more, must attend the collection of these notes; and shortly after payment was accepted, Mr. Lunn went into bankruptcy.

Ques. Was John Redpath, Esquire, at the time of the suspension of the Bank, a debtor to the Bank as principal, or was he surety for any debtors to the Bank?

Ans. His name appears in the ledger over the accounts of two loans; one for the Côté street Church, and one for the Canadian Mission. But I cannot say whether he was actually principal or only surety. That for the Côté street Church was £500, and that for the Canadian Mission was about £1500.

Ques. How were those loans respectively repaid?

Ans. They were both paid by transfers of deposits. The transactions took place before my connection with the Bank, but I found the entries of the transfers in the journal.

Ques. Please refer to cash book now before you, and say if the entry contained therein, crediting, on the 20th July, 1848, John Redpath for £565 5s. 3d. received on account for Côté street Church, is in your hand writing?

Ans. It is. All the entries in the cash book at that time, in my hand writing, were merely transcribed by me from a rough cash book, which I believe had been kept by Mr. Blackader. The sum was erroneously credited to cash, instead of deposits being made debtor to Mr. Redpath for that amount, in the journal. There are several entries of the same character, made about the same time, which form about the aggregate of the discrepancy in cash, to which I referred in my evidence given before this Commission, on the 18th instant. That the discrepancy is thus to be explained, has only recently been discovered. I found the books and accounts in much confusion, and the entries which I transcribed having been previously posted into the ledger, from the rough cash book, I, not understanding precisely at the time, all the transactions which had occurred, had no clue to detect the errors therein.

Ques. Was George Auldjo, Esquire, a debtor to the Bank at the time of its suspension?

Ans. He was, on a loan, with the personal security of the Hon. Peter McGill. I have forgotten the precise nature of the real estate security, but I believe there was such.

Ques. Was that loan repaid in deposit books?

Ans. Yes, by Mr. Auldjo.

Ques. By whom on behalf of the Bank was it agreed to receive payment of that loan in deposit books?

Ans. By myself, but I think I conferred with Mr. Redpath.

Ques. Was that loan of a doubtful character, or was it likely to involve delay in the collection?

Ans. There was no doubt as to the security of the loan. I was at first unwilling to permit that loan to be paid in deposit books, but being led to believe that Mr. Auldjo would tender the amount in books, under protest, and thus lead to endless litigation, I

thought it more for the interest of the Bank to accede payment in that form. If I conferred with Mr. Redpath it was on that point. I may mention that the threat to tender books in payment of debts was frequently made, and was actually carried out in some instances. This of course operated as an additional motive to permit the settlement of debts in deposit books.

Ques. Was Zion Chapel a debtor to the Bank at the time of its suspension?

Ans. It was, for a loan of £2,000, on a mortgage of the chapel, with the personal security of several individuals whose names I do not recollect.

Ques. Were any of these securities Directors of the Savings Bank, at the time of its suspension?

Ans. To the best of my recollection they were not.

Ques. Was that loan, or any portion of it, repaid in deposit books?

Ans. I believe it was all so repaid, and transfers granted of the most, if not all of the mortgages.

Ques. Were those transfers of the mortgages held by the Bank made to the identical parties whose deposit books were handed in to the Bank, as payment of the debt due by Zion Chapel; that is, those parties whose names appeared in the ledger, at the head of the respective deposit accounts.

Ans. I do not know. They might, and they might not, but certainly they were made to those parties, or their assigns.

Ques. Did the transfer deeds state that any of the parties to whom they were made were assignees of other parties?

Ans. I do not know. They might, and they might not. But no transfer was ever made, in discharge of any deposit account, to any other than the legal owner or possessor of that account, at the time the transfer was effected.

Ques. Was any agreement entered into on behalf of the Bank to receive payment of the debt due by Zion Chapel, in deposit books?

Ans. There was. It could not have been so paid without an agreement.

Ques. To whom was the mortgage held by the Bank, for the loan on Zion Chapel, transferred?

Ans. I have no recollection of the names of the parties.

Ques. Have you any recollection of about the number of individuals to whom the mortgage was transferred?

Ans. I have no recollection upon this point.

Ques. Please refer to the journal of the Savings Bank, and say how many deposit books were paid in liquidation of this debt?

Ans. There appear to be thirty-nine.

Ques. Have you any knowledge of Savings Bank books having been purchased under par, and applied to the liquidation of this loan?

Ans. I have no such knowledge. They might have been, and they might not. I did not consider it my duty to inquire.

Ques. Be good enough to state, as far as you recollect, the names of the parties who were sureties to the Savings Bank for the loans to Zion Church?

Ans. I do not particularly recollect. I believe Mr. Henry Vennor was one.

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Ques. Were the loans to Zion Church of a doubtful character, or such from which delay in the collection was to be apprehended?

Ans. I do not consider that it was doubtful, ultimately, but delay in the collection was inevitable?

Ques. With whom, on behalf of the Savings Bank, was the arrangement made to receive re-payment of the loans to Zion Church in deposit books?

Ans. I do not recollect. No doubt I was principal in the transaction.

Ques. Was Mr. William Freeland of Brockville a debtor to the Bank at the time of its suspension?

Ans. He was, for a loan of £1000, on a mortgage of certain real estate in Upper Canada, with the personal security of Messrs. Robert Shepherd and John Weatherhead of Brockville.

Ques. Was that loan repaid in deposit books?

Ans. It was.

Ques. By whom on behalf of the Bank was it arranged to receive payment of that loan in deposit books?

Ans. By myself.

Ques. Had you the authority of any of the Directors for that arrangement, and, if so, of which of them?

Ans. I am not aware of having had special authority, and do not suppose I had. I considered my general authority sufficient in that case. As I have stated, I constantly made the Directors, and particularly Mr. Redpath, aware of the transactions under my management.

Ques. Have you any knowledge of deposit books having been purchased under their par value for the repayment of this loan to the Bank?

Ans. I have no personal knowledge in the matter. I think I have been told by the person who paid the Bank the amount of this loan that he did purchase deposit books at a discount.

Ques. Did you ever instruct any broker or other person to purchase any deposit books of the Savings Bank, with the view of applying such books to the repayment of this loan to the Savings Bank?

Ans. I did not. The loan was neither repaid by me, nor by the principal debtor, my late father, nor by any person for his account.

Ques. Did you ever instruct any broker to purchase any deposit books for the party who paid the Bank the amount of this loan?

Ans. I did not.

Ques. Did you purchase any of the deposit books which appear by the ledger to have been applied to the repayment of this loan?

Ans. I did not.

Ques. Was this loan of a doubtful character, or likely to be attended with delay in the collection?

Ans. I do not consider that it was ultimately doubtful, but there was a great probability of delay in the collection of it.

The examination of the witness is here adjourned until to-morrow, and he hath signed.

CHAS. FREELAND.

Sworn and signed before me,
this 21st February, 1851.

Appendix
(Q. Q.)

15th July.

On this twenty-second day of February, one thousand eight hundred and fifty one, the examination of the witness, *Charles Freeland*, Esquire, was continued as follows:

Ques. Was John Mathewson, Esquire, one of the Directors of the Bank, a debtor to the Bank at the time of its suspension, either in his own name or as surety for others?

Ans. He was. I cannot remember precisely on what loans he was surety, but these have all been long ago discharged. He was a debtor on his own account to an amount of about £1200.

Ques. Are you aware what security the Bank held for this debt?

Ans. The facts are briefly these: The books show that, in the month of January, 1848, Mr. Mathewson obtained a sum of £500. I do not know what security was given, or whether any. I believe, however, that Mr. Mathewson gave his note to Mr. Eadie for the amount. In the end of December, 1847, Mr. Mathewson appears charged with £729 9s. 8d., being for an amount paid to Mathewson and Sinclair. This was for a note of Mathewson and Sinclair, endorsed by John Mathewson, at short date, I believe ten days. Through the neglect of the Actuary, the note was never protested, and Mr. Mathewson's security had consequently lapsed. Subsequently, I believe in the month of May, 1848, Mr. Mathewson being called upon to give security, granted his obligation to the Bank for the whole amount, mortgaging therefor certain real estate.

Ques. Was the whole or any part of the debt of Mr. Mathewson paid to the Savings Bank in deposit books?

Ans. It was all paid by transfers of deposits. Any arrangement for this purpose was of course made by me.

Ques. Did you consider this debt as one doubtful in character, or that was likely to be attended with delay in the collection?

Ans. I considered it as both. Mr. Mathewson was at the time in known pecuniary difficulties, and the special security under the obligation was not sufficient to cover the debt. I think I brought the matter several times under the notice of the Directors at their meetings. I certainly made Mr. Redpath conversant with it.

Ques. Did you purchase any deposit books for the repayment of this debt?

Ans. I did not.

Ques. Did you refer any applicants at the Bank to Mr. Mathewson as a purchaser of deposit books?

Ans. I did. I only specially remember one. I might have referred two or three. These parties called at the Bank and inquired into the state of the Bank and when they might expect any payment on account of their deposits. I stated, as I did to all depositors so inquiring, that if they waited they were certain of eighteen shillings in the pound, and recommended them to wait if they could. As I never, unasked, informed any depositor how he might dispose of his book out of the Bank, or who was buying books, I am sure these parties inquired to whom they could sell. In the one instance to which I have alluded, this was certainly the case, and my chief motive in sending them to Mr. Mathewson was that he would give more than any other person that I knew of.

Appendix
(Q. Q.)

15th July.

Ques. Was John Sinclair, Esquire, one of the debtors of the Savings Bank at the time of its suspension?

Ans. He was, for a loan of £600.

Ques. Was Mr. Sinclair a partner of Mr. James L. Mathewson, son of John Mathewson, Esq., one of the Directors of the Savings Bank?

Ans. Mr. Sinclair was a partner of Mr. J. L. Mathewson, the son of Mr. Director Mathewson.

Ques. What security did the Bank hold for the loan to Mr. Sinclair.

Ans. I have forgotten the names of the personal security. Very likely Mr. John Mathewson was one of them; but the real estate mortgaged was ample, as has been proved by the amount being realized under a sale in bankruptcy.

Ques. Was the debt due by Mr. Sinclair to the Savings Bank paid in deposit books?

Ans. It was. The mortgage was transferred either to Mr. T. C. Panton or to some person represented by him.

Ques. Did Mr. T. C. Panton or his representative pay these deposit books into the Bank?

Ans. Certainly. He could not otherwise have obtained a transfer.

Ques. Who on behalf of the Bank made the arrangement by which deposit books were agreed to be taken in payment of the debt of Mr. John Sinclair to the Bank?

Ans. It was made with several Directors in my presence. I do not recollect which of the Directors. No doubt Mr. Redpath was one.

Ques. Was this debt of Mr. John Sinclair to the Bank, one of a doubtful character or in the collection of which, considerable delay was to be apprehended?

Ans. As I have stated, the security was ample and the property was soon to be sold in bankruptcy; nevertheless it was uncertain when the Bank would actually realize the amount, as the claim had to be filed in bankruptcy, and many depositors were threatening to file oppositions *en sous-ordre* to the payment of any moneys awarded to the Bank in that Court, thus opening a door to endless litigation, particularly as these opposants would claim the full amount of their deposit accounts without deduction of 10 per cent.

Ques. Was the Hon. C. S. DeBleury one of the debtors of the Bank at the time of its suspension?

Ans. He was, for about £700, the security being the transfer of a certain *Baillieur du fonds* created by a sale to one Antoine Demers dit Dumais and wife.

Ques. Was this debt paid in deposit books?

Ans. It was: the whole *Baillieur du fonds* was transferred in discharge of the claims of depositors.

Ques. To whom was the *Baillieur du fonds* transferred?

Ans. To several parties: I cannot remember all, but I particularly remember Mr. D. R. Wood, then Clerk of the Bankrupt Court, and Mr. William Berczy. I think the transferees were four in number.

Ques. Between whom was the arrangement made to pay deposit books to the Bank in liquidation of this loan to the Hon. C. S. DeBleury?

Ans. Between myself on the one hand and the transferees on the other. I think I had communication with all the transferees, but certainly with those I have mentioned. I do not recollect whether I had any direct communication with any of the Directors of the Bank or not.

Ques. Was this loan to the Hon. C. S. DeBleury either doubtful in character or likely to be attended with considerable delay in the collection?

Ans. I knew nothing to the prejudice of the security of Mr. DeBleury, but there was a special difficulty in this case. The payments under the *Baillieur du fonds* were spread over a period of years, the last being exigible I think in 1854. The transfer to the Bank did not contain any obligation by Mr. DeBleury to repay the amount at the expiration of the usual six months' notice, but this was provided for in another document in the form of a promissory note. This note was given to a notary to make demand on Mr. DeBleury, and when afterwards sought for was not forthcoming, having no doubt been mislaid. The absence of this note precluded the possibility of calling upon Mr. DeBleury for payment until the property was discussed.

Ques. Was the Hon. Peter McGill a debtor to the Bank at the time of its suspension?

Ans. His name appears at the head of an account, but I do not know whether he was principal debtor. This account represented two loans, one of which, showing a balance of about £1000, appears by the cash book to have been paid in cash six days subsequent to the suspension of the Bank, and was, I believe, so repaid. The other was about £500, for which Mr. J. P. Wells, of Vankleek Hill, was principal debtor and for which he had granted a mortgage with the personal security of the Hon. Peter McGill.

Ques. How and when was this loan of £500 repaid, and under what circumstances?

Ans. The books shew this loan and interest to have been repaid in the following manner:

Oct. 7, 1848, Cash	£100	0	0
Nov. 7, " "	100	0	0
Jan. 6, 1849, " "	37	12	10
Feb. 12, " "	125	9	7
" " " Deposits	163	9	4

Mr. Wells several times expressed a desire to repay this loan in deposit books, which I continually resisted. I do not recollect the precise reasons which induced the acceptance of £163 9s. 4d. in deposits; but I believe that Mr. Wells represented that these were deposits of parties residing in his vicinity, with whom he had made arrangements as to time, and that if the Bank would accept transfer of them, he would at once settle his loan, paying the balance in cash.

Ques. Was C. H. Castle, Esquire, a debtor to the Savings Bank at the time of its suspension?

Ans. He was, for a loan of £600, secured by real estate, with the personal security of one or more persons. I do not remember whom.

Ques. Was that loan repaid in deposit books?

Ans. It was, and a transfer granted by the Bank to Mr. C. A. Low, formerly of the firm of Hamilton & Low, of Hawkesbury, who represented himself as acting on behalf of a number of depositors in that vicinity. Before, however, the transfer was notari-ally signified upon Mr. Castle, he—that is, Mr. Castle—made tender to the Bank of the amount in claims of depositors, and subsequently Mr. Low was induced to relinquish his rights in the transfer. The

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

whole loan was thus repaid by Mr. Castle in deposit books.

Ques. By whom, on the part of the Bank, was the reception of deposit books in payment of this debt, due by Mr. C. H. Castle, authorized?

Ans. Such payment from Mr. Castle was never authorized until he himself made tender of the amount. The question then became, was it desirable for the Bank to litigate Mr. Castle's right to make payments in this form?

Ques. Was this loan to Mr. C. H. Castle of a doubtful character, or one in which considerable delay was to be apprehended in the collection?

Ans. My belief was, that this loan was abundantly secured. But independent of the new question raised by Mr. Castle's tender, the desirableness of settling all the loans made on mortgage by transfer, was becoming every day more apparent.

Ques. Be good enough to refer to journal of the Savings Bank, under date November, 1848, viz:

C. H. Castle Dr. to A. Kierzkouski,

For this amount, being transfers made

by C. A. Low to C. H. Castle's loan,

and since substituted for A. Kierz-

kouski's £662 3 9

and say whether this entry has a reference to the repayment of the loan to C. H. Castle in deposit books?

Ans. It has. The entry was not made by myself, and is neither so full nor so well worded as it would have been had I made it. But it contains enough of the transaction for reference, and I did not think it necessary to alter it.

Ques. Does not the debt due by Mr. C. H. Castle at the time of the suspension of the Bank, appear in the journal to have been paid in deposit books on the 23rd September, 1848?

Ans. It does. These were the payments made by Mr. Low, to which I have already referred.

Ques. Then were those deposit books, paid by Mr. Low to the Savings Bank in September, 1848, repaid to Mr. Low in November, 1848?

Ans. The terms paid and repaid, in reference to these transfers of deposits and mortgages, appear to me liable to objection, as likely to cause much confusion. I have, however, used the terms because they were so constantly used in the questions, and I did not think they could be so misconstrued as to affect the meaning of the answers. In this case Mr. Low had accepted the transfer of Mr. Castle's mortgage in discharge of a like amount of claims of depositors, represented by deposit books; and when this transfer was annulled, and he agreed to accept in lieu thereof a transfer of a mortgage to the Bank granted by Mr. A. Keirzkouski, the whole transaction was one of substitution, the entries in these deposit accounts never being, to my knowledge, erased or cancelled.

Ques. Was Alexander Keirzkouski, Esquire, a debtor to the Savings Bank at the time of its suspension?

Ans. He was, for a loan of £1,000, secured by a mortgage on real estate, with the personal security of Pierre Lamothe, Esquire, a notary.

Ques. Was this loan repaid in deposit books?

Ans. It was, and the mortgage transferred.

Appendix
(Q. Q.)

15th July.

Ques. By what authority was it repaid in deposit books?

Ans. The deposit books were received by me, or with my consent. I am not aware whether I specially consulted any of the Directors in the matter.

Ques. Was the transfer of the mortgage made to the parties whose deposit books were received in payment of this loan to A. Kierzkouski by the Bank?

Ans. I cannot tell whose names appeared on these deposit books, or in whose names the accounts might have been in the ledger. All I know or sought to know is, that the transfer or transfers were made only to the legal possessors of these deposit books, or claimants under the respective deposit accounts, at the time of the transfer.

Ques. Do you know to whom this mortgage or these mortgages for £1000, by A. Kierzkouski, were transferred?

Ans. I do not know precisely. I only know that Mr. Low was the transferee of a portion, to the amount of about £650.

Ques. Was the transfer of about £650 made to Mr. Low in his individual capacity, or as representing the parties whose deposit books were received by the Bank in payment?

Ans. I do not recollect, but I have no doubt it was made to Mr. Low individually.

Ques. Have you any knowledge, and, if so, whence is it derived, that Mr. Low, in this transaction, represented the depositors whose books were received by the Bank in payment of the mortgage of about £650 transferred to him?

Ans. I have no knowledge but his own assertion. I have only a strong impression that he told me so. I cannot say positively.

Ques. Does your recollection enable you to state whether the party or parties to whom the mortgage for the residue of the loan to A. Kierzkouski, which amounts to about £350, was transferred, were the identical parties whose books were received in the Bank as payment for that transfer of the mortgage?

Ans. Understanding that by the term "identical parties," is meant those parties whose names appeared at the head of their respective accounts in the deposit ledger, I answer that I do not know, but I do not think they were.

Ques. Was the loan to A. Kierzkouski either of a doubtful character, or one in which considerable delay in the collection was to be apprehended?

Ans. I have already stated that I considered all the loans secured by obligation with mortgage as attended with a probability of delay in their collection sufficient to warrant their transfer to depositors; and in this case particularly the supposition that Mr. Lamothe was professionally acquainted with the legal difficulties in the way of enforcing speedy payment, rendered the transference of this loan additionally desirable.

Ques. Have you any knowledge of any deposit books having been purchased under their par value, and having been applied to the liquidation of the debts due to the Bank at the time of its suspension, by Mr. C. H. Castle or Mr. A. Kierzkouski?

Ans. I have no knowledge. They might have been, and they might not.

The examination of the witness is here adjourned

Appendix
(Q. Q.)

15th July.

until Monday, the 24th February, 1851, and he hath signed.

CHAS. FREELAND.

Sworn and signed before me,
on this 22d February, 1851,

W. BRISTOW,
Commissioner.

On this twenty-fourth day of February, one thousand eight hundred and fifty-one, the examination of the witness *Charles Freeland*, Esquire, was continued as follows:

Ques. Was W. Murray, Esquire, one of the Directors of the Savings Bank, a debtor to that institution at the time of its suspension, either as principal or as security for others?

Ans. He was as security for some others. I particularly remember a debt due by the Honourable Justice Smith, £200; another by Mr. William Macintosh, £150; another by William Cormick, for about £1000.

Ques. Have you any knowledge whether any or all of those debts were paid in deposit books?

Ans. Those I specify were also repaid.

Ques. By whom on the part of the Savings Bank was it arranged to receive payment of those debts in deposit books?

Ans. I am not aware of any particular arrangement. Mr. Murray offered them, and I took them, considering it decidedly the interest of the Bank to receive them. Mr. Murray's liability, through the neglect of the late Actuary, had been allowed to lapse.

Ques. Did you, prior to agreeing to receive payment of these debts in deposit books, consult with any of the Directors?

Ans. I do not remember exactly. There is no doubt whatever that I made Mr. Redpath aware of it.

Ques. Was the Baptist College a debtor to the Savings Bank at the time of its suspension, and was that debt paid in deposit books?

Ans. It was, for a loan of £1250, secured by a mortgage on the building, with certain personal security whose names I have forgotten. It was all repaid in deposit books, and I believe a transfer was granted of the mortgage, but I am not certain, not recollecting. I have no actual knowledge whether the transferee purchased these deposit books. In regard to this loan, I had private knowledge other than that the Directors had, until informed by me, which made it, in my opinion, specially desirable to accept payment of this by transfer of deposits.

Ques. Were depositors of the Bank ever informed, in any public manner, that deposit books were received, in certain cases, in payment of debts due to the Bank, at the rate of 90 per cent. on the balance due to such depositors at the time of the suspension of the Bank?

Ans. The only public intimation was the permission and invitation to depositors to discharge their claims by a transfer of mortgages. Sometimes when asked who were buying deposits, I stated that there were some parties, debtors to the Bank, who were

doing so, but I gave this information only in explanation of the fact that books were being bought. I never encouraged the sale of books, and never volunteered any information on the subject. The rate at which books were received, that is, under deduction of 10 per cent., was notorious, and no transactions for either a transfer or discharge of a loan, by deposits, took place on any other basis. This retention of 10 per cent. was a chief cause of dispute between depositors and the Bank; depositors generally being unable to see the grounds on which this detention was made, and denying the right of the Bank to make it.

Ques. Did you ever purchase, or cause to be purchased, on behalf of the Bank, any deposit books, or depositors' claims on the Bank?

Ans. Yes, to an amount of about £1,200. I purchased them on behalf of the Bank, from a broker, Mr. T. M. Taylor.

Ques. Did you purchase the whole amount at one time?

Ans. No. I think the purchase was spread over a period of about two months.

Ques. Did Mr. T. M. Taylor purchase any of those books under instructions from you, or at your desire?

Ans.—I gave him no such instructions, nor did I desire him.

Ques. Were the books bought by you at a certain average rate per cent. on such occasion?

Ans. I believe they were. The rate was either 12s. or 12s. 6d. in the pound; perhaps some portion might have been at one of those rates, and another portion at another.

Ques. Was Mr. T. M. Taylor paid a brokerage for the purchase of these books?

Ans. I do not recollect whether brokerage was taken into the account in these transactions with Mr. Taylor; perhaps it was.

Ques. Please refer to cash book, under date Jan., 1850, and say whether the sum there charged, under the head of "charges," viz., £19 14s. 8d., paid to T. M. Taylor for brokerage, is either on the whole or in part, on account of the purchases of the deposit books to which you have referred, as having been made by the Bank from Mr. T. M. Taylor?

Ans. I do not know. Very likely it was. I have distinct recollection of paying Mr. T. M. Taylor some account for brokerage, on the transactions referred to.

Ques. Was Mr. T. M. Taylor, or was he not, the agent of the Bank in the purchase of some, or the whole of those deposit books which you state the Bank took from him?

Ans. He was not. Although the Bank bought the books from Mr. Taylor, I was careful in informing him that the Bank did not bind itself to do so.

Ques. Were you authorised by any of the Directors to make the purchase of these deposit books from Mr. Taylor?

Ans. I was authorised to make purchases of deposits, by the Directors, at one of their meetings, when I was present. I do not know that the name of Mr. Taylor was mentioned; perhaps it was.

Ques. Were you authorized to buy any particular amount of deposit books?

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July

Ans. I do not think that I was. The propriety of continuing to buy was left to be afterwards determined.

Ques. Did you, under the authority which you state you had from the Directors to make purchases of some deposit books, buy from any other person besides Mr. T. M. Taylor?

Ans. No. It was decidedly, with reference to the object of the Directors in purchasing, the most advisable course to deal with only one party.

Ques. Do you know what the object of the Directors was in purchasing those deposit books?

Ans. Previous to the decision to purchase, I had some conversations with Mr. Redpath on the subject, and at the meeting to which I allude, the matter was brought up by him. At that time a large portion of the loans on mortgage had been transferred. Those mortgages which remained were difficult of negotiation. It was known that many depositors, tired of waiting, were selling their claims to brokers and others, at ruinously low prices. It was feared that the value of these claims might continue to decrease, and specially with a view to prevent this, it was decided to take some of these claims out of the market.

Ques. Was any record made in the minute book of the Savings Bank of this authorization to you to purchase some deposit books?

Ans. There was not.

Ques. What Directors were present at that meeting?

Ans. I may be in error in stating that it was a regular meeting. At that time it was not easy to collect together any number of the Directors by calling a formal meeting, and much of the business was conducted by those Directors who took a chief part in the management, at meetings not formally convened.

Ques. Was public notification given to the creditors of the Bank, or information to any person besides T. M. Taylor, that the Bank was willing to purchase some amount of deposit books?

Ans. No. The object in purchasing being only to counteract the downward tendency of these deposit claims, it was evidently not desirable to make such a course public, as it could not fail to have been thoroughly misunderstood. This fear of misconception, should the thing become known, was that which induced the cessation of these purchases, and not any question of its advantage to the Bank, although it began to be doubtful whether the downward tendency of depositors' claims could be arrested unless the Bank was prepared to purchase to a much greater amount than was at first anticipated; as the cash in hand with which to purchase was of a limited amount, to have informed several parties that the Bank would purchase from them any deposits of which they might have become possessed, would only have had the effect of exhausting the Bank's funds, without at all meeting the views of the Directors.

Ques. Have you any knowledge of the Bank at any time having made sale of any property or security, held by it on account of loans, having been sold under the agreement to receive deposit books: in whole or in part payment?

Ans. I have made sale of a few bonds of the Corporation of the City of Montreal, under an arrangement to receive deposit books in payment. I do not recollect to what amount, but I think £700 or £800 to Mr. J. Barnard. I also sold to the same gentle-

man a "Road Debenture" for £100, and to Mr. T. M. Taylor a "Water Works Bond," under the same arrangement. Also to Mr. James Barnard some "Bank of British North America Stock," payable part in cash and part in deposit books.

Certain fixed property mortgaged to the Bank by Robert Cook was disposed of under an agreement to receive deposits in part. I believe the amount of the sale was about £665, and was sold to E. Prentice, a depositor, at public auction.

The parties who assumed these securities in discharge of the claims of depositors which they held, took them at a price considerably above the market value in cash, making it decidedly the interest of the Bank thus to dispose of them.

Ques. Did you yourself, at any time, for account of the Bank or for account of any other parties, make any purchase of deposit books other than those which you have mentioned?

Ans. I did not. I made purchase of no deposits other than those already mentioned as having been bought from Mr. Taylor, nor did I ever act as agent for any other party in buying deposits. Those purchases from Mr. Taylor are all entered in detail in the books of the Bank.

The examination of the witness is here adjourned until to-morrow and he hath signed.

CHAS. FREELAND.

Sworn and signed before me,
on this 24th February,
1851,

W. BRISTOW,
Commissioner.

On this twenty-sixth day of February, one thousand eight hundred and fifty one, the examination of the witness *Charles Freeland*, Esquire, was continued as follows:

No securities held by the Bank, except in the case of the property of Robert Cooke, were ever offered for sale payable in deposits. For the few that were sold to Messrs. Barnard and Taylor direct offers were made by these gentlemen, which were accepted as being very advantageous to the Bank. These securities could not at the time be sold for cash, except at a great discount, and in every instance the usual ten per cent. was retained on the deposits. Deposits were offered to be accepted in part payment of the houses of Robert Cooke, at the request of several depositors, who said they would thereby be induced to bid for them; and this was the only instance of such payment for any purchase of real estate from the Bank. The names of transferees are not entered in the books of the Bank, as I did not consider it necessary to record them, but they are to be found in the transfer deeds in the Notary's office. This explains why I have so seldom been able to state the names of those transferees. Discharges of the deposit claims were always given independent of that contained in the transfers.

With reference to the loan for £1000 to my late father, Mr. William Freeland, I have to state that he derived no benefit, beyond an extension of time, from the payment made to the Bank. The party paying received a new mortgage for the whole amount, no part of which has yet been repaid.

With reference to my evidence given before this Commission on the 19th instant, where I speak of the resolution of the Directors as being permissive, I mean as regards their own proceedings. As an

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

officer of the Bank I would not have contravened any recorded resolution unless such resolution had been modified or rescinded by the Directors themselves, subsequent to its having been passed. The resolution of the 14th July was one in which considerable modification might fairly be expected.

At the time I first became connected with the Savings Bank, there had been few transfers of mortgages effected. A book containing particulars of the loans, with their securities, was exhibited on the counter, which all who visited the Bank were invited to examine, and see if there were any which they would accept in discharge of their claims. This was made as public as possible, but very little advantage, in a direct manner, was taken of it by depositors. Many, however, becoming thus acquainted with the parties who had obtained loans, made arrangements with these parties, and thus indirectly the settlement of the depositors' claims, by transfer of mortgages, was facilitated. At the time the resolution authorising transfers was passed, the books shewed the assets of the Bank as ample to pay all depositors 90 per cent. on their claims, and the only object, during my management, in encouraging transfers of the loans on mortgage, was to expedite a settlement of the affairs of the Bank, and to save the delay and expense, to say nothing of the risk, of collecting these loans. At first many of the loans were withheld, under the expectation that when due they would be paid in cash. But when depositors' claims began to be offered freely in the market, and debtors to the Bank becoming possessed of these claims, tendered them in payment of their debts and threatened to enforce their reception, it was evident, even independent of the other reasons I have assigned, that this expectation was not likely to be realized: and therefore all the loans that could only be made available by legal process, were thrown open to transfer. Many depositors of large amounts, after examining the loans, declined to accept transfers, and many would not even examine; preferring to wait the issue of the winding up of the Bank. No favour whatever was shewn, and as much as possible the fullest information was given to all who inquired. The result of effecting so many settlements by transfer, fully bears out, in my opinion, the advantage expected from the experiment; and I am convinced that if transfers had been refused, and the attempt made to enforce payment of all the loans in cash, the winding up of the Bank would have been much protracted; much greater loss would have been incurred, and the effect among depositors would have been to have caused many to sell their claims to speculators for a mere trifle.

One William Shepherd has testified before this Commission that I informed him that he could not obtain the transfer of a mortgage. I particularly recollect this individual, and I could not recommend him to take a mortgage, as he was about leaving for England. Under the circumstances, especially as he did not understand these matters, had he sought a transfer of a mortgage, I would have dissuaded him. I recommended him to leave his claim with some friend, fearing he might be induced to sell it at a great discount. I always discouraged depositors from selling, and recommended them to wait if they could. I have not unfrequently been told by parties who were seeking to purchase, that I was preventing them. It is very probable that many depositors, understanding little of business affairs, did not, or could not, rightly comprehend the information they received at the Bank; but I was always careful to make matters as intelligible as I could.

All the transactions, during my management are recorded in the books of the Bank, and I am convinced that a full examination will exhibit but one guiding motive—the general interests of all depositors without favour

And further deponent saith not; and having had the whole of this his deposition read over to him, as given since the 18th instant, he declares it to contain the truth, persists therein, and hath signed.

CHALES FREELAND.

Sworn and signed before me,
on this 26th February, 1851,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this twenty-sixth day of February, one thousand eight hundred and fifty-one, personally came and appeared *James Cox*, gentleman, of Bytown, Upper Canada, who, having been duly sworn, deposed and saith:

I was employed in the Savings Bank as Receiving Teller, from 7th April, 1845, to 1st May, 1850. My duty was to receive all deposits, and all other moneys on account of loans and other payments to the Bank. There was a code of Regulations drawn up in May, 1845, for the guidance of the officers of the Bank. They will be found recorded in the minute book of the Savings Bank, under that date. These instructions were not always acted upon in every particular. At first I did on all occasions direct the depositors to the Paying Teller for the purpose of having his deposit entered, but shortly the business of the Bank became so heavy that that practice was discontinued, and instead, I entered all receipts in my deposit book; and the Paying Teller entered all payments in his draft book. Generally, I deposited in the Bank with which the Savings Bank kept its account, the exact amount I received each day, but there were a few exceptions, on which occasions I was instructed otherwise by the Actuary. When asked, I did assist the Actuary to compare his general cash book with the accounts of drafts kept by the Paying Teller, but it was very seldom that I was asked; not probably above a dozen times during the time of my being in the Bank. I did not make out the general cash book until after the suspension: the Actuary himself kept it until that time. I never assisted the Actuary in comparing the cash book with the vouchers. These vouchers were kept by the Actuary, and I had nothing more to do with them.

Ques. Are you aware that the Rules to which you have referred as having been passed on the 6th May 1845, for the guidance of the officers of the Bank, were ever rescinded?

Ans. No. But I consider the duty of carrying them out was left with the Actuary.

After these Regulations passed in May 1845 were put in operation, I considered them as my guide. Prior to that, the Rules and Regulations, deposited by the Bank with the Clerk of the Peace, were the guides for the officers of the Bank. The Paying Teller's Cash Book and Draft Book were regularly kept on the counter of the Bank, and I had them frequently under my observation and I am aware that he, the paying Teller, had generally, towards the close of 1847 a considerable balance on hand, as will appear by reference to his books. I am aware that Mr. Eadie did occasionally receive sums of money from Mr. Sharrocks: my first recollection of his having done so, is from about October 1847. I did not know at the time for what purpose Mr. Eadie received sums of money from Mr. Sharrocks. I cannot charge my memory as to the amount of these

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

payments of Mr. Sharrocks to Mr. Eadie. I had no reason whatever at that time to believe that Mr. Eadie was using the funds of the Bank for loans or for any other private purposes. The first suspicion I ever had of Mr. Eadie having used the funds of the Bank for private purposes was, I think, in May, 1848, a few days after the annual meeting. About that time Mr. Sharrocks and myself were called upon by Messrs. Redpath and Ferrier, Vice Presidents of the Bank, to say whether we knew of any moneys being given to Mr. Eadie, the Actuary, for private purposes. We were questioned separately, and therefore I cannot say what Mr. Sharrocks might have replied. I stated that Mr. Eadie had received from me, at different periods, to the amount of about £605, I think, but for what purpose I could not say. He was then indebted to my cash for that sum. The whole of that £605 was borrowed between the months of March and May, 1848. I made out a statement at or about that time, and shewed it to Messrs. Ferrier and Redpath, and there the matter rested until early in July, I think, when it was laid before the Directors. Mr. Eadie acknowledged the correctness of my statement, and signed it, I believe on the same day on which it was laid before the Directors. The day after my conversation with Messrs. Redpath and Ferrier, in May, 1848, I spoke with Mr. Sharrocks on the subject. I think he stated that he had communicated all he knew. I think he said that he acknowledged that Mr. Eadie was indebted to him £1,000 or thereabouts. I was aware from October, 1847, that Mr. Sharrocks kept a private book, in which he kept an account, explaining of what the daily balances in his public book consisted. This private memorandum book was not kept amongst the public books of the Bank, but in Mr. Sharrocks' own possession, in his desk, which he was in the habit of locking up every evening. I frequently, however, saw that book after October, 1847. That book was in the Bank when I left in May, 1850. It was in a drawer of which I kept the key after Mr. Sharrocks left the Bank, in March, 1849. This book was examined by the Directors at the time they investigated the affairs of the Bank. It contained memoranda of the day and date of the different loans to Mr. Eadie.

The examination of the witness is here adjourned until to-morrow, and he hath signed.

JAMES COX.

Sworn and signed before me, on
this 26th February, 1851,

W. BRISTOW,
Commissioner.

On this twenty seventh day of February, one thousand eight hundred and fifty one, the examination of the witness *James Cox*, was continued as follows:

The Actuary, Mr. Eadie, kept the general books of the institution: namely, the minute book, cash book, journal, and ledger. He had rough books in which he jotted down the daily transactions, and from those, and other documents in his possession, I believe he regularly entered up those books. I am aware that the accounts for the year 1847 were not all regularly entered up until a short time prior to the annual meeting of 1848. Mr. Eadie was very busily engaged some time prior to the annual meeting in May, 1848, in bringing up the books to the 31st December previously.

Ques. Please refer to the journal now before you, and say whether any of the entries therein, dated in

1847, had been made in that book at the time of the general meeting in May, 1848?

Ans. The entries are made up to the 31st December, 1847, in the journal, with the exception of the debiting of the respective parties for interest due to the Bank, which is partly in the hand-writing of Mr. Eadie, and the rest in the hand-writing of Mr. Blackader, who was employed by the Bank in the month of July, 1848, to bring up the books. These latter entries were taken from rough books kept by Mr. Eadie, and must have been made prior to the meeting of the 4th May, 1848; but I cannot say precisely how long before.

Ques. Were all the entries that appear in the journal dated subsequent to the 31st December, 1847, made after the employment of Mr. Blackader, which, you say, took place in July, 1848?

Ans. They were. They are principally in the hand-writing of Mr. Blackader. I mean the entries between the 31st December, 1847, and the 30th June, 1848. A few of the entries interspersed are either in Mr. Eadie's hand-writing or in mine; but the entries subsequent to 31st December, 1847, in the journal, were all made there after the suspension of the Savings Bank.

Ques. Please refer to the cash book, and say how it was kept up to 31st December, 1847?

Ans. The entries to that time are in the hand-writing of Mr. Eadie. The additions, from the 1st January, 1847, to 30th June, 1847, are made and carried forward in black lead, the figures being Mr. Eadie's. Subsequent to the 30th June, 1847, and up to 31st December, 1847, they are made up in ink by myself, and in my hand-writing. These additions—that is, those of the cash book, from 1st July, 1847, to the 31st December, 1847,—were all made up by me, subsequent to the suspension of the Savings Bank. The entries in the cash book from 1st January to 30th June, 1848, are all in the hand-writing of Mr. Blackader, with the exception of three by Mr. Sharrocks. None of these entries in the cash book subsequent to 1848, were made until after the suspension of the Savings Bank.

Mr. Eadie occasionally, but not frequently, applied to me for sums of money from my cash. He did several times in the latter part of 1847, and up to the time of the interview between myself and Messrs. Redpath and Ferrier, in 1848. He did not give a receipt in any form. I think he now and then gave me a *bon*. He did sometimes, when he got money from me, give me cheques of other parties, dated subsequently, which were held over until they matured. I know several of these cheques were Mr. W. S. Macfarlane's. I cannot charge my memory with the names of any other persons whose cheques Mr. Eadie gave me. I think on one occasion he gave me a cheque of Messrs. Bryson & Ferriers. I do not remember that he ever did so more than once. All the moneys that Mr. Eadie got from me at various times were repaid to me, with the exception of that £605 to which I referred in my evidence of yesterday. I remember Mr. Eadie making an entry in the cash book, some few days after the suspension of the Bank, debiting himself with £4,363 5s. 11d. £2,730 11s. 5d. is therein stated to be the amount of loans by him to W. S. Macfarlane at sundry times; and £1,632 14s. 6d., I believe, was the balance due to me and Mr. Sharrocks.

I have a recollection of a meeting of the Directors of the Savings Bank, held on the evening of 14th July, 1848, at which it was determined to suspend payment. The form of a circular to be addressed to the depositors was then agreed upon, and will be found recorded in the minute book. It was printed

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

in single sheets, and given to each of the depositors as they came in. It was ready for delivery on the morning of 15th July.

Ques. At that meeting of the Directors held on the 14th July, 1848, was any resolution passed authorizing the transfers of mortgages to some of the larger depositors to the extent of 90 per cent. on the amount of their claims on the Bank?

Ans. There was.

Ques. Was that resolution published in any, and if so, in what manner, and when?

Ans. It was made public by myself and Mr. Sharrocks, at the counter, to all who came in. A list of the mortgages was made out and placed on the counter for general information. This list must have been made up and exhibited within a day or two after the suspension of the Bank.

Ques. Was any official notification stuck up in the Bank, that such transfers of mortgages were sanctioned by the Trustees of the Bank?

Ans. No, I think not, but I was specially instructed to communicate the fact to all depositors.

Ques. Was any public notification given through the newspapers, or by any printed documents, that such transfers were sanctioned by the Directors?

Ans. I believe it was notified by the Herald in an Editorial, shortly after the stoppage of the Bank, but I cannot distinctly charge my memory as to the time, or the precise character of the Editorial remarks. I believe this editorial was published at the suggestion of a committee of depositors, who had waited upon the Directors. The first official notification that I am aware of, made by the Directors themselves, of such transfers being allowed, is in their report of 31st October, 1848.

Ques. Were transfers of mortgages made shortly after the suspension of the Savings Bank?

Ans. Yes, the first transfer took place, I believe, on 19th July, 1848.

Ques. Were all depositors, without exception, allowed to receive transfers of mortgages, and were the whole of the mortgages submitted to them for selection?

Ans. Yes, no distinction was made.

Ques. Are you aware of any resolution having been adopted at any meeting of the Directors of the Savings Bank, and if so, when, and in what form, and under what conditions, authorizing the reception of deposit books in payment of debts due to the Bank, at the time of its suspension?

Ans. There was a resolution to that effect, but I cannot remember the date at which it was agreed upon, in order to facilitate the settlement of mortgages due to the Bank, to receive deposit books at the rate of 90 per cent. of the amounts due on the face of the books of deposit.

Ques. Can you say whether that resolution was passed at the meeting of 14th July, 1848, or whether it was subsequently to that date?

Ans. The Board sat daily, and I think it was a day or two afterwards, and was understood to be carrying out the spirit of the resolution of the 14th July.

Ques. When did the Bank commence to receive deposit books at the rate of 90 per cent., in payment of debts due to the Bank?

Appendix
(Q. Q.)

15th July.

Ans. I believe on the 19th July, the date that I have already mentioned, the first transfers of mortgages were made.

Ques. Were all debtors to the Bank at liberty to pay their debts in deposit books, at the rate of 90 per cent.?

Ans. I believe they were.

Ques. Is any resolution recorded in the minute book of the Savings Bank, authorizing the reception of deposit books in payment from debtors, of other than that resolution to which you have already referred, sanctioning the payment to some of the large depositors of transfers of mortgages?

Ans. I am not aware of any.

Ques. On what do you ground your remark, that this reception of deposit books, in payment, was understood to be carrying out the spirit of the resolution of 14th July, 1848?

Ans. From the daily instructions I received from the Actuary and Directors, and the casual conversations that took place on the subject.

Ques. Was publicity given, and if so, in what manner, to the fact that deposit books were received in payment by the Bank from all debtors to the Bank, in deposit books, at the rate of 90 per cent. on the transferable amount of such books?

Ans. I communicated the fact to all who inquired of me, and as a general rule, referred them to the Actuary for farther information. I do not think that publicity was given to the fact in any other way. I may, however, observe, that circulars were forwarded to every debtor, calling upon them to pay up the amounts due by them. To all depositors, creditors of the Bank, who applied to me for information, I invariably advised them not to sell their books, assuring them that I had every reason to believe they would ultimately receive 90 per cent.

Ques. Are you aware of the creditors of the Bank ever having employed, or authorized to be employed, any person or persons, to purchase deposit books on account of the Bank?

Ans. I am not.

Ques. Are you aware of the Directors of the Bank ever having purchased, on behalf of the Bank, any deposit books?

Ans. Books were purchased by T. M. Taylor, but by what authority I cannot say. The Bank assumed those books to the amount of about £1,600, I believe, paying in cash for them about 12s. 6d. in the pound. The particulars will be found in the books, in my hand writing.

Ques. Was this assumption by the Bank of Deposit books on one occasion only, or was it on a number of occasions, running through several months?

Ans. On several occasions, principally in the months of September, October, and November, 1849.

Ques. Are you aware whether Mr. Taylor was paid a brokerage on account of the purchase of those books?

Ans. I cannot say. I paid him brokerage in Jan., 1850, amounting to £19 14s. 8d., as appears by the cash book, but I cannot say whether this, or any portion of it, was for the purchase of deposit books or not.

Ques. Are you aware of any deposit books having been purchased by or for any of the Directors of the Savings Bank?

Appendix
(Q. Q.)

15th July.

Ans. Yes. Books were purchased on behalf of Mr. Ferrier, Mr. Murray, and Mr. Kay, in liquidation of claims against them; also in behalf of Mr. Lunn and Mr. John Mathewson in settlement of claims against them. My only knowledge is derived from books having been brought in and applied to their credit, but in all cases at 90 per cent. The full particulars will be found under the several heads in the ledger.

Ques. Have you any knowledge of any deposit books having been purchased in the Bank from applicants, either by Directors or officers of the Bank?

Ans. I have not.

Ques. Are you aware of the rules of the Savings Bank relative to the limitations on the sum to be received at the Bank from any single individual?

Ans. I am. The sum to be received from any single individual was not to exceed £500, according to the original rules as deposited with the Clerk of the Peace, with the exception of sums to be received on behalf of charitable institutions. I am aware also that there was a still more stringent restriction imposed in 1843, limiting the amount to £200, but that was virtually abrogated. It was only acted on for a very short time.

Ques. Did you occasionally receive sums over £500 in deposit from individuals?

Ans. I did. But on every occasion was instructed so to do by the Actuary, as I always referred the matter to him.

Ques. Did you, occasionally when a larger sum of money than £500 was offered to you by a single individual, receive such deposit, crediting it to two or more parties?

Ans. Yes. One or two individuals had six or seven accounts, opening an account for each member of his family, because the total amount far exceeded £500. The Actuary has instructed me on one or more occasions to make this division.

Ques. Did you ever receive from any of the Directors of the Bank a larger sum than £500 in deposit?

Ans. Yes. George Elder, Jr., Esq., who was a Director for a short time, had a much larger sum than that at his credit, but the amount was only left in the Bank for a very short time. With this exception I do not remember any other Director having done so.

Ques. Was this receiving of deposits over £500 so frequent as to be in your opinion a practice, or was it only an occasional deviation from an established rule?

Ans. It was not the general rule, but the exception to it, because it was generally discountenanced.

Ques. Did you frequently refuse to receive sums of money over £500 after the first January, 1847.

Ans. I cannot charge my memory as to dates, but I have refused on many occasions. I have not any particular party in my memory, but the Bank did on one or more occasions refuse to do so.

Ques. At the time of the suspension of the Bank, was a considerable amount due to depositors of sums over £500?

Ans. I think there was a large sum due to depositors of over £500, but I cannot say as to the precise amount.

Ques. Were those depositors of over £500 allowed to receive transfers of mortgages or dividends along with the smaller depositors?

Ans. I cannot remember at present more than one individual who received a mortgage, but they might all have done so; but they received their dividends when applied for, in common with small depositors.

Ques. Have you any recollection of Mr. Samuel Mathewson having proposed to the Bank to pay in deposit books a debt due by him and having been refused the privilege?

Ans. I remember the circumstance, but Mr. Mathewson declined to give the Books at 90 per cent. until after judgment had been rendered against him, which occasioned a departure from the general rule. I also remember the case of Mr. McGinn, which is something similar.

Ques. Have you any knowledge of the state in which the books, papers, and securities of the Bank were left by Mr. Eadie, when he was removed from his office of Actuary?

Ans. Yes. I know the books were in arrear as I have already stated: and I also know the papers and securities were left in a very incomplete and unsatisfactory state. I know that several mortgages were left incomplete, and others had not been registered. There was a book in which the register of mortgages and other securities of the Bank were noted, but it was so incomplete as to be of little or no use.

All cheques by the Savings Bank on the Bank in which it kept its moneys were signed by one of the Directors, generally the President, by the Actuary, and by the Paying Teller. It was customary to have a page of cheques in the cheque book, consisting of four cheques, signed in blank by the President or Director, but these blank cheques were never signed by the other officers until they were required. When the President or Director signed the blank cheques, it was neither customary to fill in date, amount nor payee. When I say that it was customary to sign a few cheques, it was not an invariable rule to sign a page, but an occasional practice.

I wish to add to my evidence of yesterday, that when examined by Messrs. Redpath and Ferrier, on the subject of moneys having been paid to Mr. Eadie by myself, and then unaccounted for and due by him, they expressed great astonishment and surprise, and admonished me for having done so.

And further deponent saith not; and having had the whole of this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JAMES COX.

Sworn and signed before me, on
this 27th February, 1851,

W. BRISTOW,
Commissioner.

Province of Canada,
District of Montreal.

On this first day of March, one thousand eight hundred and fifty one, Personally came and appeared *Charles Freeland*, Esquire, of Hamilton, U. C., who after having been duly sworn, was further examined as follows.

I found many and great irregularities in the books of the Bank. Although a balance had been struck every year, as shown in the annual statements, it appeared evident that it had always been forced. After the arrangements for liquidation were fairly in train, and I had some leisure, I contemplated examining the books from the beginning, and bringing forward the errors, but I soon gave up the task as

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July

hopeless, and thereafter I confined myself to accounting for the assets that had been put into my hands, and verifying, as far as possible, each individual account, as circumstances brought it before me. Yet the books were so far regular in appearance, that an ordinary examination would not have shown anything wrong in the accounts.

Of the amounts charged, during my connection with the Bank, to Mr. Eadie, the late Actuary, for defalcations, a sum of £730 13s. 5d. is made up of amounts for which parties held receipts in their deposit books, or other receipts granted by Mr. Eadie on behalf of the Bank, of which there was no trace in the books of the Bank, nor could they have been discovered until those parties presented their receipts. One of these credits in deposit books bears date as early as 1845. Some parties also presented receipts granted by Mr. Eadie, for considerable amounts for moneys which they supposed were at their credit in the Bank, but as these receipts were not such as to legally bind the Bank, it was evident that justice to other depositors forbade admitting the claims, and they were consequently rejected.

I had much difficulty in ascertaining many facts connected with the loans and investments. No memoranda existed, that I could find, of many details necessary to a perfect comprehension of the position of those loans. At first I sought information from Mr. Eadie, both in regard to these details and to the receipts already spoken of as given for moneys not entered in the books of the Bank, but I found him so oblivious of all the matters respecting which I inquired, that I very soon ceased to inquire of him, as being mere waste of time. I was thus compelled to depend entirely upon what information I could obtain by my own exertions in the search.

Ques. Are you aware of the Bank having sustained any loss, from having omitted to register, immediately on granting any loan, their claim on the property granted as security for such loan?

Ans. The loan to Arthur Ross for £1,000 may be a total loss to the Bank, partly through delay in completing the deeds, and partly through default in registration. The obligations granted by Mac Dougall and Morrison for a loan of £500 were not duly registered, and it is possible that a loss of a portion of that amount may be sustained. In some other cases the security of the loans may have been diminished by delay in registration, but I do not think that in any other than the two loans mentioned, loss will be sustained by the Bank, through default in this respect.

Ques. Are you aware of any other loans in which there was considerable delay in the registration?

Ans. Yes, there were several. At this moment I cannot remember all, but I particularly remember the following:—to T. J. Pelton, Notary, £175; to John Mc Nider, £100; to George Harrison, £100; to Peter Mc Nie, £750. but they are all either paid or in process of settlement.

And further deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

CHARLES FREELAND.

Sworn and signed before me,
on this 1st day of March,
1851.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this seventh day of March, one thousand eight hundred and fifty one,

Personally came and appeared *William S. Macfarlane*, Gentleman, of St. Maurice Forge, District of Three Rivers, who, having been duly sworn, deposed and saith:

I was a grocer in this City from about 1837 to about the middle of June, 1848. I was personally acquainted with Mr. Eadie, the Actuary of the Savings Bank, during most of the time that he filled that office. I never kept any account with the Savings Bank, but I had a great number of loans at different times from Mr. Eadie. To the best of my belief, I got money from Mr. Eadie as early as 1846, but I may not have received any before 1847. These loans were partly in money, partly in cheques, and partly in promissory notes. The cheques were those of different merchants in town. I may have received, amongst those cheques, some Savings Bank cheques, but I cannot say positively whether I did or not. I never received, to the best of my knowledge, any cheques drawn in Mr. Eadie's individual name. The promissory notes lent me by Mr. Eadie, were those of various parties, of whom, from memoranda I have in my possession, I can mention the following names:

Keller's note, favour Douglas . . .	£	78	14	9
Hood & Thorn, favour Robinson . . .		26	2	0
Pellant & Barnabé to Lionais . . .		40	0	0
Darwin's note to Crawford		37	2	0
McBean's note to D. and W. M. . . .		106	5	0
		<hr/>		
	£288	3	9	

These were lent to me in March, 1847. I also got other notes to a large amount from Mr. Eadie, got them discounted, and gave to him the proceeds. I recollect, to the best of my knowledge, of Mr. Eadie sending me over a note of Mr. Thornton, by himself, for about £50, with an accompanying letter to shave it for him, as he did not wish Thornton to know that he was in the habit of discounting, and he would refund the amount, less the share. I recollect receiving a note from Mr. Eadie for about £600 some time in 1846 or 1847. One of the Messrs. Lymans' names was on the note, Mr. Mills' name, and, I think, Mr. Gibb's, the notary. I do not recollect whether this was a loan for myself, but think it was. At this present moment, I do not recollect positively any other notes.

Ques. Please charge your memory with the names of any parties to notes that you have at any time received from Mr. Eadie, besides those you have already enumerated?

Ans. I see, by a list from Mr. Eadie, some particulars. It is an account current, in his handwriting, in the name of James Robertson, which he substituted for his own, the reason for the substitution being, that if it fell in any person's hands, it might not be known that he had any transactions with me, as he did not wish it to be known. This account current does not specify the year in which it was made, but to the best of my recollection, it was in 1847. I decline to part with the possession of the original, but the following is a copy:

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

Dr.

W. S. MACFARLANE, Esq., in account with JAMES ROBERTSON.

Appendix
(Q. Q.)

15th July.

15th July.

DATE.		DR.	CR.	BAL.	Days.	Interest.
		£ s. d.	£ s. d.	£ s. d.		
January 2	To Cash.....	102 5 8				
	Do. { £150 0 0 } { £ 75 0 0 }	225 0 0		327 5 8	24	1.075
" 26	By Cash.....		130 0 0	197 5 8	4	108
" 30	By "		27 10 8	169 15 0	1	23
" 31	By "		169 15 0			
Feb. 10	To "	150 0 0				
" 12	By "		150 0 0			
" 9	To "	75 0 0		75 0 0	19	195
" 28	By "		75 0 0			
March 3	To "	70 0 0				
" 3	To "	295 0 0		365 0 0	13	650
" 16	To "	150 0 0		515 0 0	7	494
" 23	By "		25 0 0	490 0 0	4	268
" 27	By "		50 0 0	440 0 0	3	181
" 30	To "	140 0 0		580 0 0	1	79
" 31	By "		190 0 0	390 0 0	2	107
April 2	To "	75 0 0		465 0 0	11	701
" 13	By "		104 1 8	360 18 4	17	838
" 30	By "		75 0 0	285 18 4	4	156
May 4	To "	120 0 0		405 18 4	14	779
" 18	To "	150 0 0		555 18 4	23	1.749
June 10	To "	50 0 0		605 18 4	3	249
" 13	By "		33 15 0	572 3 4		
	To p. f. Quib.....	0 15 3		572 18 7	18	1.410
July 1	By M'Gillivray		86 6 7	486 12 0	2	183
" 3	By Kuller		33 19 6	452 12 6	3	
" 6	By White		33 0 0	419 12 6		
	By Douglass		152 10 0	267 2 6	16	586
" 22	To interest—5 per cent.	9 15 7				9.781
	Balance.....			276 18 1		

I am aware, from another memorandum in my possession, that I received, on the 2nd August, 1847, also the following notes: Watson, Ewing, & Co., £47 8s. 4d.; J. Stowe, endorsed Dr. Smith, £50.

Ques. Had you these transactions with Mr. Eadie in his individual capacity or as Actuary of the Savings Bank?

Ans. With Mr. Eadie individually.

Ques. Were any of the Directors of the Savings Bank ever made aware by you, and if so, when for the first time, that you had had money transactions with Mr. Eadie?

Ans. I was asked whether I had had any money transactions with Mr. Eadie by Mr. Director Ferrier, to the best of my knowledge, about the end of April, 1848, or the beginning of May. This was the first communication, to the best of my knowledge, I ever had with any of the Directors on the subject.

Ques. Do you state positively that you did not in or about the end of 1847, communicate to Mr. Ferrier that you had received loans from Mr. Eadie.

Ans. I am positive I did not.

Ques. Can you recollect the circumstances which led to the communication which you state you made to Mr. Ferrier in the month of April or May, 1848, relative to your having received loans from Mr. Eadie?

Ans. I do not recollect the circumstance; only Mr. Ferrier asking me the question whether I had received any money from Mr. Eadie, and to what amount.

Ques. Did Mr. Ferrier mention any reason for

the question he put to you relative to your having received loans from Mr. Eadie?

Ans. I do not recollect his having done so.

Ques. Do you recollect whether Mr. Ferrier asked you on that occasion whether it were true that a note for £1000, bearing your signature, with that of Mr. Eadie and Mr. Footner, had been offered for discount in St. François-Xavier Street.

Ans. I do recollect of his asking me so, but I am not sure whether on that occasion or not, and to which I replied, that my name was upon no such note, nor had I heard of any such note bearing Mr. Eadie and Mr. Footner's names having been offered for discount.

Ques. What amount were you then indebted to Mr. Eadie for loans?

Ans. I cannot say the amount.

Ques. Have you, since the interview which you mentioned as having occurred in April or May, 1848, between yourself and Mr. Ferrier, received any further loans from Mr. Eadie?

Ans. To the best of my knowledge, I have not.

Ques. Was any statement made up, and, if so, when, showing the balance due by you to the Savings Bank at the time you made this communication to Mr. Ferrier?

Ans. No statement was made up at that time, nor have I ever received a statement.

Ques. Have you at any time, and, if so, in what manner, acknowledged the amount of the balance

Appendix
(Q. Q.)

15th July.

d
que by you to Mr. Eadie at the time you made this communication to Mr. Ferrier?

Ans. To Mr. Ferrier's question I refused to tell him what amount I owed the Bank. He told me that I must, as it must be paid immediately, and that I must meet Mr. Eadie and himself at the Bank, or Mr. Murray at once, and have the matter known and settled. I attended at the Bank in the evening, I think on the same day. I met there Mr. Murray, Mr. Ferrier, Mr. Footner and Mr. Eadie. Mr. Eadie took a sheet of paper, and figured down the amount he supposed of the loans I had received from him. Messrs. Murray and Ferrier were in a great rage about it. I did not agree with Mr. Eadie's statement, as I did not believe that I owed so much as he said, something over £2000. Mr. Eadie said he was positive that such was the case, and that he would furnish me with a correct statement. I then signed notes to the amount of the alleged balance, which was, I think, about (£2,100) two thousand one hundred pounds.

Ques. In whose favour were those notes drawn?

Ans. I do not recollect whether they were to my own order or to Mr. Eadie's. They were dated back some time, but I cannot say how long predated; but they were arranged so that the first payments would fall due in about, I think, a month, and the others at subsequent periods.

Ques. Have the notes granted at that time been since cancelled?

Ans. They have. Shortly after granting these notes, Mr. Eadie came over with new notes, drawn up in a different form, but I cannot recollect the precise change.

Ques. Did you suspend payment in 1848, and, if so, at what time?

Ans. My first note was protested, I think, on the 18th June, 1848, and I was served in bankruptcy two or three days after.

Ques. Was it prior to the 18th June, 1848, that this change in your notes, given for your debt to Mr. Eadie, was made?

Ans. I am almost sure it was, and I am certain it was before my being made a bankrupt.

Ques. Did Mr. Ferrier say to you, when informed of your having received money from Mr. Eadie, that he would refund that money to the Savings Bank?

Ans. He said that he would rather almost pay it himself than be disgraced, or see me disgraced. I told him that I was able to pay my own debts.

Ques. Was any person present besides yourself and Mr. Ferrier during that interview, at which you acknowledged to have received loans from Mr. Eadie?

Ans. I am almost certain there was not, as it was either in my own room or in the street, as far as I can recollect.

Ques. Were all the loans you received in the Savings Bank made to you by Mr. Eadie himself?

Ans. It was very seldom that I got money in the Bank. Mr. Eadie generally brought money, notes, or cheques, over to my office, as he did not wish any of the Directors to see me much about the Bank. I may have, in one or two instances, received a small amount of money on my own cheques, from some of the clerks, but do not recollect any particular instance, and if so, it was at Mr. Eadie's request that they did so.

Appendix
(Q. Q.)

15th July.

Ques. Did Mr. Eadie, at any time previous to your communication with Mr. Ferrier on the subject of your loan, express uneasiness as to the amount to which you were indebted to him?

Ans. He did occasionally ask me for money, saying that I owed him too much, or some words to that effect.

Ques. Please refer to Exhibit No. 10 of the papers filed before this Commission, and say whether it is in your hand writing or not?

Ans. It is in my hand writing, and signed by me.

Ques. Can you state the date at which that letter was written?

Ans. To the best of my recollection, I wrote this letter shortly after my conversation with Mr. Ferrier, as I was desired by Mr. Ferrier to get Mr. Eadie back to the Bank, as from the confused state of the affairs of the Bank, they required his presence to give them information.

On referring to memoranda which I have in my possession, I find that I did receive considerable loans in 1846. In March and April of that year, I received at different times upwards of £700. During the years 1846 and 1847, I was constantly in the habit of receiving loans from Mr. Eadie. Any accounts current, or statements given to me by Mr. Eadie, were given in the name of James Robertson, as though it had been from him that I had received the money. The reason for the substitution of the name of James Robertson for John Eadie was, that should these papers come into the hands of the Directors, or should they in any way become aware that he lent me money, it would do him an injury. I think altogether that I must have had lent me by Mr. Eadie some £8,000, or upwards. I paid him interest occasionally. I was charged five per cent. on some accounts.

Ques. Have you any recollection of ever calling at Mr. Footner's house to desire him to attend a meeting at the Bank, for the purpose of adjusting your account, or his account, with Mr. Eadie?

Ans. I recollect going up there one day early in the spring of 1848, to desire him and Mr. Eadie to attend at the Bank. I think it was on that same evening that I granted the notes for the alleged balance due by me. I am certain it was in the spring of the year, from my recollection that I went out on horse back and rode part of the way on the foot-walk in St. Antoine street to avoid the newly Macadamised centre of the road. To the best of my recollection, there was no snow on the ground at the time.

Ques. Will you state, to the best of your recollection, the largest amount that you were indebted to Mr. Eadie at any one time?

Ans. Not having received the promised statement from Mr. Eadie, I cannot say, but I do not think that I ever owed £2000 at any one time; and I believe there is a larger sum charged to me by Mr. Eadie than I ever got.

And further deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

W. S. MACFARLANE.

Sworn and signed before me,
on this 7th March, 1851,

W. BRISROW,
Commissioner.

Appendix
(Q. Q.)

15th July.

Province of Canada, }
District of Montreal. }

On this eighth day of March, one thousand eight hundred and fifty-one,

Personally came and appeared, *Joseph Levy*, of the City and District of Montreal, trader, who, after having been duly sworn, deposed and saith:

I was a depositor in the Savings Bank; the balance at my credit there was, at the time of its suspension, about £20. Shortly after its suspension I received a dividend; I do not recollect what amount. I applied twice or three times at the Bank for the balance due to me, and was refused. I was never informed on such occasions that deposit books would be received in payment of debts due to the Bank; nor am I aware of any public notification having been made that deposit books would be received in payment of debts due to the Bank. I am aware that shortly after the stoppage of the Bank, purchases of deposit books were made by brokers and others. I made sale of my book, about ten months after the stoppage of the bank, to Mr. Barnard, at the rate of ten shillings in the pound, on the balance then due to me by the Bank; he did not allow me any thing for the interest due to me. When I made sale of that deposit book to Mr. Barnard, I was not aware that deposit books were received in payment of debts due to the Bank.

And further deponent saith not; and having had the whole of this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JOSEPH LEVY.

Sworn and signed before me,
on this 8th March, 1851,

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this eleventh day of the month of March, one thousand eight hundred and fifty-one,

personally came and appeared *Oliver Carey*, labourer, of the City and District of Montreal, who after havin gbeen duly sworn, deposed and saith:

I was a depositor in the Savings Bank; the balance at my credit there was, at the time of its suspension, about £36, and for another book, which my wife holds, something under £50. I received a dividend, shortly after the Bank stopped, on my book, and a dividend was also received on the other book by my late brother-in-law. No further dividends were paid on these books, until last November. I often made it my business to apply at the Bank to see if I could get more money, but I could not. I was never told in the Bank that there were persons who would buy my books. I never was told in the Bank that persons who owed money to the Bank were allowed to pay their debts in bank books. I was informed at the Bank that they had no money, but as soon as they had, they would pay the debt.

And further deponent saith not; and having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

OLIVER CAREY.

Sworn and signed before me,
on this 11th March, 1851,

W. BRISTOW,
Commissioner.

Appendix
(Q. Q.)

15th July.

Province of Canada, }
District of Montreal. }

On this twenty-eighth day of March, one thousand eight hundred and fifty-one,

Personally came and appeared, Mr. *John Clark*, farmer, of the Parish of Longue Pointe, District of Montreal, who, after having been duly sworn, deposed and saith:

Ques. At the time of the stoppage of the Savings Bank, were you a debtor to that institution?

Ans. I was; but my note did not become due until March, 1849, which was subsequent to the stoppage of that institution?

Ques. Was your debt on a note only to that institution, or had you given any other security?

Ans. No other security but the note. The other names on the note were Thomas Hough and William Evans. I now produce the note. The note was at twelve months after date, and became due on the 23rd March, 1849, for £100 currency.

Ques. With whom, on behalf of the Bank, did you arrange originally for the discount of that note?

Ans. With Mr. Eadie.

Ques. Have you paid the amount of this note, and if yes, when, and in what manner?

Ans. I have paid the full amount of the note, with all costs of a suit which was instituted against me, except a small balance of £2 4s. 8d., which I still owe Mr. Cross, the advocate of the Bank, for costs. I have paid in all about £140. The first payment I made was in November, 1849; it was about £70. I wanted to pay the amount in deposit books, but they refused to take it in that way, and I paid it in cash. For a further payment, I made application to pay in deposit books, and received in reply a letter, which I now produce. It was given to me by Mr. Cox, the Receiving Teller of the Bank. The following is an exact copy:

" MONTREAL, 22nd Jan., 1850.

" MR. J. CLARK:

" SIR,—In reply to your communication of the 21st, I beg leave to inform you that the Trustees of the Montreal Provident and Savings Bank do not feel warranted in taking payment in other than the same kind of currency with which they paid you, or deposits, at their present market value, whatever that may be.

" I am, Sir,

" Your most obedient servant,
" J. REDPATH."

I then went to the Bank with the deposit book of Joseph White, " Money Deposit, No. 6,116," folio 4.050², the balance of which, namely, £94 15s. 5d., was made over to me by the said Joseph White. The Bank received that deposit book from me, crediting me with the sum of £62 4s. 2d. for it, and I paid the balance in cash, £9 13s. 9d. Mr. Cox, the Receiving Teller, gave me a note to Mr. Cross, the advocate of the Bank, of which the following is an exact copy. I now produce the original.

" MY DEAR SIR,—Mr. Clark has settled his account by transfer of deposits, to the amount of £62 4s. 2d., and the balance in cash amounting to £9 13s. 9d.; total, £71 17s. 11d.

" Yours truly,

" J. COX,

" Feb. 2nd, 1850.

" (Addressed to A. Cross, Esq.)"

Appendix
(Q. Q.)

15th July.

And further deponent saith not; and, having had this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JOHN CLARKE.

Sworn and signed before me,
on this 28th March, 1851,

W. BRISROW,
Commissioner.

Province of Canada, }
District of Montreal }

On this first day of April, one thousand eight hundred and fifty-one,

Personally came and appeared *William Footner*, Esquire, of the city and district of Montreal, who, having been duly sworn, deposed and saith:

I had pecuniary transactions, to a considerable amount, with Mr. Eadie, late Actuary of the Montreal Provident and Savings Bank. I believe these transactions commenced in 1846, when I, in conjunction with Mr. Eadie, purchased the Goodenough property, on joint account. The whole of the funds for that purchase were found by Mr. Eadie. I believe £5,000 was the total amount of the purchase. £1,000 was paid down: the rest was to be in annual payments, I think, of £500. About the time of the purchase, or a little after, I addressed a letter to Mr. Lunn, then President of the Bank, explaining the nature of the purchase, and requesting a loan. I asked him to go and look at the property, which he did, and he concurred in my statement as to its value. He stated that he would arrange the matter with Mr. Eadie as to the loan; and all the moneys which Mr. Eadie paid on account of the property, I considered that he did so with the sanction of Mr. Lunn. The money was obtained in good faith by me from the Bank, and I never expected the Bank should lose one penny by the transaction, but that I should be fully able to pay the Bank when called upon to do so. But I did not expect to be called upon suddenly for the amount. Mr. Eadie and I also made a joint purchase of a property in St. Mary Street. The original cost currency was about £700. The purchase was made in my name only, but Mr. Eadie paid the money with the funds of the Bank. I had no knowledge whether the payment of that money had been sanctioned by the Directors or not. The intention was to make an immediate re-sale of it. Some time in March, 1848, I think, Mr. Eadie requested me to give a mortgage on the last property for £1,500, in order to cover the former loans that he had made on our joint account, including the £700 advanced for the purchase of that property, which was all that was advanced on that property. The property was then worth £1,500. I granted a mortgage to the Bank on this property, for £1,500. I think a short time after this mortgage of £1,500 on the St. Mary property, I was called upon by Mr. Eadie to grant a mortgage on the Goodenough property for £2,000, being on my half of the property. Mr. Eadie had granted a similar mortgage on the same property, for a similar amount. The object of the mortgage was to cover the amount of loans for building purposes. There was some informality in this mortgage of mine for £2,000, and it was cancelled, and another one granted for a similar amount, in a different form. I think the second mortgage was granted some time in May, 1848.

Exhibit No. 12 of the records of this commission being exhibited to me, I say that it is in my hand writing. It is the letter I have a short time since alluded to, as being addressed to Mr. Lunn. I should

have said it was addressed to Mr. Eadie, and was written for the purpose of being shown to Mr. Lunn. Mr. Lunn, I am aware, had possession of this letter; and it was after perusal of it, that he stated that the valuation put on the property, in that letter, was not an over-estimate. The following words on the third page of this exhibit No. 12, viz: "Sold on the 4th September to J. Young, for £4,000, the sum here stated," are not in my hand-writing, but are in the hand-writing of Mr. John Eadie. I considered it to be on this statement, and the personal inspection of the property by Mr. Lunn, that the loans on the Goodenough property were advanced. I am certain that no mortgage was given on the Goodenough property until 1848, as I have already mentioned.

I, with Messrs. Bagg, had a wood contract with the Government, either in 1847 or 1848. Mr. Eadie advanced me sums of money on more than one occasion. I could not say the exact amount, but I think about £400 or £500. For these advances I believe he held a note signed by me, I think, as Bagg & Co., which whole amount was paid back by me to Mr. Eadie previous to his leaving the Bank. As regards those loans, there is not one penny owing to the Montreal Provident and Savings Bank, as the amount was paid back to Mr. Eadie. I was much grieved when I heard there was a document lodged by Mr. Eadie laying in the hands of the Bank, in which it was stated that Messrs. Bagg & Co., were debtors to the Bank, as I considered that Mr. Eadie was acting unjustly towards me in that matter, his object being to make his own liabilities appear less, by presenting such a statement.

I made a sale to Mr. Eadie, sometime in 1846, I think, of a property in Beaver Hall. He paid me, I think, about £50 or £60 as a bonus, and I transferred the property to him. The Savings Bank had nothing to do, to the best of my knowledge, with this transaction.

Ques. Were you ever informed by any of the Directors of the Bank that Mr. Eadie, in any of his transactions with you, had used the funds of the Bank without obtaining previously the sanction of the President, or other of the Directors of the Bank?

Ans. I cannot say that I was, further than when I gave the mortgage on the Goodenough property, Mr. Lunn remarked that he was not aware that our loans were so large.

Ques. Were you ever informed, prior to the suspension of the Savings Bank, by any party connected with the Savings Bank, or by any other person, that Mr. Eadie had used the funds of the Bank for his private purposes, or for loans to or transactions with other parties, such transactions or loans being made without the sanction of the President or other Directors of the Bank?

Ans. Yes, I was so informed.

Ques. By whom and when were you so informed.

Ans. In the month of November or December, 1847. I met Mr. Ferrier, by request, at the Savings Bank, at which time Mr. Eadie, the Actuary, was making a statement of his deficits. Mr. Ferrier, in conversation with me then said that he was afraid that the statement of Mr. Eadie was incorrect; that he had used a greater amount of the funds of the Bank than at that time, appeared in his statement; which statement, to the best of my recollection, showed a deficit of somewhere about £1,000, that is, exclusive of W. S. Macfarlane's loan and our joint loan, by which I mean the loan to Mr. Eadie and myself. This interview with Mr. Ferrier occurred at the Bank about 8 o'clock, P. M. Mr. Wm. S. Macfarlane and Mr. Murray were present,

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

as well as Mr. Eadie. These were the only persons present, I believe, but possibly Mr. Sharrocks, the book-keeper, might have been there, but I do not think he was. I lived at Rosemount at the time. Mr. W. S. Macfarlane came out in the evening to my place to request me, at the desire of Mr. Ferrier, to come into town to meet him at the Savings Bank. I remember that the weather was stormy, and the roads were very bad. I came into town in a carriage, but whether on runners or on wheels, I could not positively say.

Ques. Can you say positively that this interview at the Saving Bank occurred so early as 1847?

Ans. I firmly believe it did. I am almost positive of it.

Ques. You have mentioned that in the statement made by Mr. Eadie at that interview, reference was made to certain loans on your joint account with him; were any steps taken, in consequence of that meeting, to secure the Bank for the amount of those loans?

Ans. No; there were not at that time.

Ques. Are you certain that the meeting to which you have referred took place prior to the first mortgage which was granted to the Savings Bank, namely, that on the St. Mary street property?

Ans. I firmly believe it was prior to that mortgage.

Ques. Can you say positively that this interview at the Savings Bank, to which you refer, occurred prior to the 4th May, 1848, the day on which the annual meeting of the Bank was held?

Ans. Yes; I am quite certain it did, several months before that time.

Ques. Have you any knowledge of any parties connected with the Bank besides those you have already enumerated, having been aware, prior to the time of the suspension of the Bank, that Mr. Eadie was in default with the Bank?

Ans. I am aware that in addition to Mr. Ferrier and Mr. Murray, Mr. Lunn was cognizant that Mr. Eadie was a defaulter. Mr. Lunn conversed with me on the subject, on the day of the annual meeting. We discussed together Mr. Eadie's transactions in the way of loans to myself and Mr. Eadie; the loans to Mr. Wm. Macfarlane were also mentioned at that time by Mr. Lunn. It was at that time Mr. Lunn stated that he was not aware that the loans to myself and Mr. Eadie had been so large.

At the interview to which I have referred, I believe notes were granted by Mr. W. S. Macfarlane for the amount of Mr. Eadie's loans to him. I think they amounted to from £2,000 to £3,000. These notes were subsequently changed. They were originally drawn, if I remember right, in favour of John Eadie, Actuary of the Savings Bank, and they were subsequently made in favour of John Eadie alone, at the request of the Directors, as Mr. Eadie and Mr. Macfarlane informed me. I think the alteration was made prior to the suspension of the Savings Bank, and I believe prior to that of Mr. Macfarlane.

And further deponent saith not; and having had the whole of this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

WILLIAM FOOTNER.

Sworn and signed before me,
on this 1st April, 1851,

W. BAISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this tenth day of May, one thousand eight hundred and fifty-one, personally came and appeared *William Lunn*, Esquire, of Montraal, who, after having been duly sworn, deposed and saith:

Ques. Have you any recollection of having in the year 1847, in your capacity of President of the Savings Bank, purchased a number of shares in the St. Lawrence and Atlantic Railroad stock from the Honourable James Ferrier, one of the Directors of the Savings Bank?

Ans. I have a recollection of having done so.

Ques. Was this purchase, previous to its having been made, sanctioned by the Board of Directors of the Savings Bank?

Ans. It was not; because the President was authorised to purchase stocks from time to time.

Ques. Can you show any authority of the Directors to purchase Railroad stocks, without consultation with the Board?

Ans. I cannot show any special authority, but the general authority to purchase stocks.

Ques. Have you any recollection of the precise time at which the purchase was made from Mr. Ferrier?

Ans. I have no recollection of the precise date; I recollect Mr. Ferrier having stated that he was dissatisfied with some of the arrangements of the Portland Railroad; and that he would sell out his shares. He held twenty. About a week after, I had some further conversation with Mr. Ferrier in the Bank on the subject of this stock. Mr. Eadie the Actuary, was present; and strongly recommended the purchase, as the Bank held none of that stock. Mr. Ferrier offered me the stock, but I did not then agree to purchase it. At a subsequent conversation, Mr. Ferrier offered to sell the stock, and said he would sacrifice the instalment which he had paid; which, I think, was forty-six pounds. I think I then agreed to buy the stock on the terms proposed by Mr. Ferrier. I made no memorandum of the purchase in the books at the time, nor can I say whether I immediately mentioned it to any of the Directors. Some time after this, I remember Mr. Eadie bringing me the scrip in the Savings Bank, and I accepted the transfer.

Ques. Had you any misunderstanding with Mr. Ferrier respecting the terms of the transfer of this stock?

Ans. There was something unpleasant passed between us, but I cannot now recollect what it was.

Ques. Did you express any unwillingness to complete the purchase by accepting the transfer of the stock?

Ans. I do not recollect that I did, after the purchase was made.

Ques. Was the sum paid by the Savings Bank precisely in accordance with the original agreement for the purchase made by you in its behalf?

Ans. I believe it was.

Ques. Can you positively state that Mr. Ferrier did not make a deduction from the price originally agreed upon with you for the purchase of the stock?

Ans. He made no deduction that I am aware of from the price originally agreed on.

Ques. What was the cause of the unpleasantness between you and Mr. Ferrier, on the subject of the purchase of this stock?

Appendix
(Q. Q.)

15th July.

Appendix
(Q. Q.)

15th July.

Ans. It is so long since, that I cannot speak positively whether it was relative to the completion of the purchase, or the purchase itself.

Ques. Was the purchase of this Railroad stock ever communicated to the Board of Directors; if so, when?

Ans. I believe it was, but I do not recollect when.

Ques. Was the purchase objected to by any of the Directors, to your knowledge?

Ans. I have no recollection of any objections having been made.

Ques. Did you ever inform Mr. Eadie, the Actuary of the Savings Bank, that you had been obliged to purchase this stock to avoid a serious misunderstanding with Mr. Ferrier, or did you give Mr. Eadie any information to that effect?

Ans. I never did.

Ques. Did you, on the first occasion at which Mr. Ferrier offered this Railroad stock, refuse to buy it?

Ans. I did decline the purchase.

Ques. Are you aware what was the value of the Portland Railroad stock in the market at the time you made the purchase?

Ans. I was not aware.

Ques. Did you consult any of the brokers or any other persons, as to the value of the stock in the market at the time you made the purchase?

Ans. I did not.

Ques. Has the purchase of this Railroad stock entailed a heavy loss on the Bank?

Ans. It has resulted in a loss, but I do not know the amount.

And further deponent saith not; and having had the whole of this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

WM. LUNN.

Sworn and signed before me,
this tenth day of May, A. D.
1851.

W. BRISTOW,
Commissioner.

Province of Canada, }
District of Montreal. }

On this twenty-first day of May, one thousand eight hundred and fifty-one,

Personally came and appeared, *James Court*, Esquire, who, after having being duly sworn, deposed and saith:

I am at present, and have been since 12th August, 1850, Actuary of the Montreal Provident and Savings Bank. Exhibit No. 13, before this Commission, being a statement of the affairs of the Savings Bank on 30th September, 1850. is in my handwriting.

The balance, folio 97, at the debit of the Honourable James Ferrier, viz: £180 19s. 3d. has since been liquidated, with the exception of the sum of £126 0s. 1d., which remains subject to the decision of the Superior Court, in a case in which Colin Russell is defendant.

Page 122 of statement, account Moses J. Hayes, has, since that statement was made, been in part paid in cash and bonds taken to account by the Savings Bank. The balance still due is £721 1s. 3d., for which the Bank has granted him time to pay. I am not aware whether any further sum will be received or not.

Appendix
(Q. Q.)

15th July.

Page 137, account H. O. Wait, the balance now due is about £1,400, including interest. Messrs. Delisle and Dumas owe about £300 of this sum. The remainder is owing by Messrs. Donegana and Watson, as well as Mr. Wait. The whole is expected to be paid immediately; that portion by Mr. Watson in cash, that by Messrs Delisle and Dumas in cash or deposits at their option, I believe.

Ques. In what manner did Messrs. Dumas and Delisle become debtors to the Bank on account of this loan, originally charged to H. O. Wait?

Ans. They bought a portion of the farm mortgaged to the Bank for that loan. They agreed to pay the Bank £1700 for the portion bought by them.

Ques. Was it a part of the original agreement of sale to Messrs. Dumas and Delisle, by the Bank that it should be paid for in deposit books?

Ans. The sale was not made by the Bank, but by Mr. Wait.

Page 159: account James Knapp. This balance remains unpaid. I understand an obligation was given by Mr. Knapp, secured on certain property, and the promissory note of Wm. Bradbury and Augustus Scriven. I do not know whether any judgment has been obtained against the principal or not. Proceedings have been taken, and an opposition has been filed by the Bank, against moneys realized from property belonging to Mr. Knapp. The Bank may or may not participate in the distribution of the moneys arising from the sale of this property. A dividend is also likely to be received from Mr. W. Bradbury's estate.

Page 163, account H. Guy. Judgment has been obtained for the amount some time last year. I believe an execution has been taken out, but not yet enforced.

Page 183, account N. G. Reynolds. This amount has been paid with the exception of a sum of £15, which is disputed.

Page 209, McDougall and Morrison. This balance is composed of two items; a sum of £300 paid 11th February, 1845, and of £200 paid 18th October, 1845. This loan is recorded in the minutes of the Savings Bank under date 16th January, 1845. The securities were Messrs. Munro, Dougall, Kershaw and Rodd. There was also certain property mortgaged. I understand the then Actuary neglected to register the mortgage and another mortgage was subsequently granted, by which means I understand the Bank lost its recourse on the property mortgaged. Proceedings were instituted against the sureties and principals, and owing to a special clause in the obligation, Mr. Cross gave it as his written opinion that the claim of the Bank on the securities was of a doubtful character, and recommended a compromise. Messrs. Munro and Dougall have paid each £75 cash, for which the Bank has released them from further liability. This compromise was pending the suit. Judgment has since been obtained, but no further sum received. For the second sum of £200, the same property, I understand, was mortgaged as for the £300, and became valueless from the same cause. The sureties were Messrs. Ferrier and Murray.

Ques. Are the Messrs. Ferrier and Murray whom you mentioned, the Directors of the Savings Bank of that name?

Ans. Yes.

Ques. Have Messrs. Ferrier and Murray yet paid the amount for which they became sureties to the Bank on this loan?

Ans. They have not. I have several times applied to Mr. Murray for the amount. He promises to pay

Appendix
(Q. Q.)

15th July.

immediately, and I have no doubt it will be paid. Mr. Murray, in his remarks, speaks for Mr. Ferrier as well as for himself. Neither of them object to their liability.

Page 214, account Sir Allan N. MacNab. The balance on this account is now reduced to £671 14s. 7d., including interest to 15th instant. This balance is expected to be paid within a month.

Page 221, Honourable Judge Smith. This balance, £195 8s. 9d., with interest due, say about £100, remains unpaid. On making up Judge Smith's account, this amount was over and above what there was security for and notes were granted for the balance. I understand there is no doubt of its being ultimately paid.

Page 222, account George Harrison. This sum has since been paid with the exception of £67 19s. 8d. Of the balance, £95 9s. 3d. were paid in deposit books, on 20th January last, by Messrs. Mathewson and Ross, who were securities for the loan in part, say to the extent of £100. The Bank, I think, took these deposit books at sixteen shillings in the pound, a judgment having been obtained against Messrs. Mathewson and Ross. The balance of the deposit books goes to the credit of the general depositors, diminishing to that extent the liabilities of the Bank. A mortgage had originally been given to the Bank for this loan. Not having been duly registered, its claim on the property was thereby lost. I am not very conversant with the other circumstances of this loan.

Page 226, account John Mathewson. A Corporation bond is held by the Bank covering the amount.

Page 229, account Peter McNie. The balance due is £512 15s. 11d., besides interest, £100 at least. About £270 is expected to be received in November next from the assignee of the estate. I believe Mr. Lunn was one of the sureties for that loan. I understand that a portion of the real estate formerly owned by Mr. Lunn may be made responsible for the balance. I cannot, however, speak definitely.

Page 231, account Congregational School House. This amount has since been paid, with the exception of £17 5s. 4d. A payment was made in deposit books, amounting to £90 5s. 7d.

Ques. Was the whole debt due by the Congregational School House, amounting to £293 0s. 2d. at the time of the suspension of the Savings Bank, paid in deposit books, with the exception of £17 5s. 4d., which still remains unpaid?

Ans. It appears so from the books.

Ques. Who were securities for that loan?

Ans. Mr. W. Rodden, Mr. Jones Lyman, myself, and, I think, others.

Ques. Are you aware of any special agreement on the part of the Bank to receive payment of that debt in deposit books?

Ans. Yes. Mr. Rodden and Mr. Freeland, I think, some time in 1849, informed me that the Bank were willing to receive payment in deposit books.

Ques. Are you aware that there was anything considered doubtful in the security held by the Bank for this loan that induced the reception of deposit books in payment?

Ans. None that I am aware of.

Page 252, account Thomas McGinn, has since been paid.

Page 261, account C. L. M. P. Vass. This balance has since been paid.

Appendix
(Q. Q.)

15th July.

Page 262, account Mrs. E. Brondgeest. This sum remains unpaid, and may remain so for some time. There may be some loss.

Page 268, account Robert Unwin. This balance is reduced to £171 7s. 7d., on which a delay until March next has been given. The whole will doubtless be paid.

Page 280, account W. Ermatinger. Judgment has been obtained for £113 3s. 6d., with interest and costs. I am not aware that the Bank holds any security for this amount. For the sum of £314 11s. 8d., the Bank holds a *baillieur de fonds* on certain property bought by Mr. Ermatinger from the heirs Bonacina. I think there is no other security but the *baillieur de fonds* for this amount.

Page 282, account Robert Cooke. The balance will shortly be recovered. The sureties for this loan were not all of them urged for payment until certain accounts were adjusted with Robert Cooke, and a dividend received from the estate of Messrs. Janes. When those are regulated, which will be immediately, the balance will be paid by the sureties.

Page 284, account Donald Murray. This sum is in litigation. Colin Russell, one of the sureties for the loan, has made a tender in deposit books of the amount, less the sum of £126 0s. 1d., which stands as an item in dispute whether to be placed to his credit or to that of Mr. Ferrier from W. S. Macfarlane's estate.

Page 312, account Daniel Gorrie. This sum has been paid in deposit books.

Page 331, account Mrs. Ann Craig. This sum remains unsettled, in hopes of an improvement. I am not aware what personal security is held by the Bank for this loan. I think something may be got from the property.

Page 332, account Mrs. Caverhill. This balance is paid in full.

Page 341, account William Murray, Treasurer of the St. Gabriel Church. Mr. Murray affirms, and is ready to make oath, that he has paid this amount to Mr. Eadie, but took no receipt.

Pages 350, 351, and 352, account William Cole, P. King, and John Roe. These are the amounts of certain *baillieur de fonds* transferred by John Griffith in payment of loans made by the Bank to him. The Bank also holds personal security of Mr. John Hilton and John Mathewson.

Page 357, O. Fréchette. The balance is reduced to £43 6s. 5d., one half of which is now due, and the residue in April, 1852.

Page 367, T. C. Panton. Instalments on Rosemount property, purchased by him from the Savings Bank. £500 are still unpaid, and will become due in September and March next.

Page 368, W. H. Brehaut. Instalments due on the purchase of same property. £587 10s. unpaid, and becoming due on same dates as those of T. C. Panton.

Page 369, John Young. Balance not yet received. £197 5s. 3d. will be received this week.

And further deponent saith not; and having had the whole of this his deposition read over to him, he declares it to contain the truth, persists therein, and hath signed.

JAMES COURT.

Sworn and signed before me,
this 21st day of May, 1851.

W. BRISTOW,
Commissioner.

INDEX TO EVIDENCE.

NAME.	RESIDENCE.	NAME.	RESIDENCE.
Adams, Andrew A.	Montreal	Murray, William	Montreal
Armour, John	Montreal	Moss, Lawrence	Montreal
Adams, James	Montreal	Morris, Honble. William	Montreal
Belle, Joseph	Montreal	Mathewson, John	Montreal
Blackader, Francis F.	Montreal	Mathewson, James L.	Montreal
Barnard, James... ..	Montreal	McGill, Honble. Peter	Montreal
Cooke, Robert	Montreal	McFarlane, Archibald	Montreal
Court, James	Montreal	McFarlane, Andrew... ..	Montreal
Cox, James	Bytown	McFarlane, Walter	Montreal
Carey, Oliver	Montreal	McCarne, James	Montreal
Clark, John	Longue Pointe	McGill, James A. B.,	Montreal
Doran, James	Montreal	Macfarlane, William S.	Montreal
Davidson, David	Montreal	O'Connor, Daniel	Montreal
Day, John James	Montreal	Pelton, Thomas John	Montreal
Don, Peter	Montreal	Ramsay, Hew	Montreal
Eadie, John	Henryville	Rigney, James	Montreal
Esaile, Robert... ..	Montreal	Redpath, John	Montreal
Ferrier, James, Jr.	Montreal	Ross, Arthur	Montreal
Ferrier, Honble. James	Montreal	Robinson, William	Montreal
Freeland, Charles	Hamilton, U. C.	Sinnett, William	Montreal
Footner, William	Montreal	Subine, Alex. Fredk.	Montreal
Holmes, Benjamin	Montreal	Shepherd, William	Royal Artillery
Jamieson, Edward	Montreal	Taylor, Thomas M.	Montreal
Kelly, John	Montreal	Turbayn, David	Montreal
Lunn, William	Montreal	Watson, William	Montreal
Levy, Joseph	Montreal	Young, John	Montreal

Appendix (R. B.) 18th July.

Appendix (R. B.) 18th July.

RETURN

To AN ADDRESS of the Legislative Assembly to His Excellency the Governor General, dated 3rd July, 1851, for Copies of all Correspondence between the Government, the Board of Trade, Dr. James Douglas, the Commissioners, House Surgeon, and visiting Physicians of the Quebec Marine and Emigrant Hospital, and other parties touching the management of the said establishment.

By Command, J. LESLIE, Secretary.

SECRETARY'S OFFICE, Toronto, 17th July, 1851.

MARINE AND EMIGRANT HOSPITAL, QUEBEC, 18th January, 1851.

Sir, I am directed by the Commissioners of the Marine and Emigrant Hospital to inform you that complaints of a serious character having been made by the House Surgeon against the Steward, Mr. Cutter, they thought it their duty to have an investigation of the subject, and finding by the result of the investigation that his conduct had been both immoral and fraudulent, and that he had appropriated to himself the goods of the Hospital and goods and moneys of the sick and dead patients, and fearing he might do away with all the things in the Hospital, they ordered him to deliver up the keys, books and effects to the House Surgeon, which he refused to do. Under these circumstances they pray for an order to suspend him until the pleasure of His Excellency the Governor General be known, upon the evidence in support of the charges made against him by the House Surgeon, and which will be transmitted with the least possible delay.

I have the honour to be,

Sir,

Your obedient servant,

N. CASALTY,

S. T. C. M. & E. H.

To the Honorable James Leslie,

&c. &c. &c.

Toronto.

MARINE AND EMIGRANT HOSPITAL, QUEBEC, 17th January, 1851.

Sir,

I have the honour to state to you for the information of His Excellency, that in April, 1849, His Excellency appointed me Steward of the Marine and Emigrant Hospital in this city, and since that period I have faithfully and diligently performed my duties to the best of my ability, and without any complaint from visiting Physicians or Commissioners. That last November, complaints were made by Dr. Lemieux, House Surgeon, copy of which, with my answer, I have the honour to enclose. That I have been deprived by the Commission-

ers of a fair and impartial hearing. That evidence quite foreign to the charges has been received, and that I have been refused an opportunity of rebutting it. That the charges which, by desire of the Commissioners I preferred against the House Surgeon, and the proof of which is essential to my defence, have not been investigated at all. Under these circumstances I trust that His Excellency will be pleased to direct that I have a full opportunity of vindicating my conduct before unprejudiced and impartial judges, who will be influenced by fear, favour or affection for no one, and who will consider only the interests of the Hospital.

I have the honour to be,

Sir,

Your very obedient servant,

(Signed)

ISAAC H. CUTTER,

Steward, M. & E. H.

To the Honorable James Leslie,

Secretary to the Province,

Toronto.

MARINE AND EMIGRANT HOSPITAL,

QUEBEC, 18th January, 1851.

To the Commissioners of the Marine and Emigrant Hospital.

GENTLEMEN,

All my acts as Steward have been done under the immediate notice and with the full knowledge and approval of my superior officer, the House Surgeon. Had any improper conduct been shown, it was his duty at once to have called my attention to it, and to have reported it, without delay, to the visiting Physicians or Commissioners. During the whole of my time as Steward, my conduct and acts have been squared on the advice and example of the House Surgeon, who never on any occasion or in any way made any complaint whatever. I was prepared to prove these facts by witnesses, but your Board, having decided to hear nothing in my defence tending to criminate Dr. Lemieux, desired me to make my charges against him in writing. I have done so, and respectfully submit that as the investigation of these charges is essential to my defence, that it may not be considered closed until my witnesses have had a

Appendix
(R. R.)

18th July.

full and fair hearing. Crippled as I have been by this decision of your Board, I have yet been able to disprove the more serious of the charges, and I have just cause of complaint that during your investigation of these charges, other and more grave ones have been allowed to be brought forward, and evidence in their support has been in my opinion most unjustly and improperly taken down, while at the same time I have been refused an opportunity of rebutting them, and of proving the motives which have caused them at this time to be brought forward. Strict justice demanded either that your investigation should have been confined strictly to the charges, of which I received a copy, or that it should have embraced every thing affecting the interests and good government of the Hospital, without regard to the feelings or character of any delinquent. Charge 1st, That the diets prescribed by visiting Physicians were not given to patients, is absurd on its very face. The diets are publicly ordered by the visiting Physician, and as publicly given to the patients every week; the amount of diets and extras given to each patient is verified by the signature of the visiting Physician; the diet of any one patient could not be diminished or withheld for a single day without the notice of the House Surgeon and the visiting Physicians. This is so evident that any one connected with the management of a public institution would laugh at the charge. Charge 2nd, The money for the payment of the wages, &c., has been received by me very irregularly, and never when due. I have been often obliged to advance small sums to servants, and sometimes to pay them when leaving the Hospital, out of my own funds. Charge 3rd, is utterly false as far as the book of entry is concerned, as a reference to it will prove. This charge comes with a very bad grace from the House Surgeon, who himself has been guilty of fraudulently appropriating to himself the money and effects of patients dying in Hospital. 4th Charge is untrue and malicious. In one case only was money refused to an heir, and then for want of the necessary order from the master of the vessel. I was cleared from any suspicion of improper motive by Dr. Douglas, the visiting Physician in charge, whose testimony in this matter has strangely been omitted to be taken down. These, gentlemen, are the charges preferred against me by Dr. Lemieux, and upon these charges only can I now be judged; any others which have grown out of your investigation of these, are separate and distinct, and should, according to your own decision in Dr. Lemieux' case, form the subject of a separate and distinct inquiry; and to this inquiry I am ready and willing to submit myself. With respect to the evidence adduced by Dr. Lemieux in support of his charges, I can only say it is of a piece with the charges themselves. The first witness, Sarah Garland, was a nurse, discharged on her own admission, for improper conduct to the matron, and stands charged by visiting Physician, Dr. Douglas, with robbing the patients of money with the knowledge of Dr. Lemieux, when he brought her before you. 2nd witness, James Pines, stands before you convicted of wilful falsehood, and I am prepared to prove the remainder of his testimony equally false. 3d witness avows having been "put up" to demand her wages twice; it is very evident that the same influence put her up to say what she did. I have cause of complaint against your Secretary, Mr. Casault, that he induced me to pay this witness a second time, though he knew she had given an attested receipt. 4th witness, Mary Mitron, is proved by John McDonald, the porter, to have been guilty of wilful and deliberate falsehood in stating that I threatened her the day she gave in her testimony:

the rest of her evidence is disproved by her own receipt attested by two witnesses, a copy of which accompanies this. 5th witness stated that she received a sovereign from Reverend Mr. Clark on the morning of the 17th October. This statement was made in evidence before Dr. Morrin, and contrary to my most urgent entreaties, was not taken down by the Secretary at the time: the letter of Reverend Mr. Clark, (or his certificate rather,) dated January 4th, the original of which I gave you at your last meeting, will falsify this witness' testimony. Cleophas Beaubien gives testimony on matters quite foreign to the charges, and which testimony I am quite prepared to disprove when called on. I am also quite prepared to prove his complicity in many of the disgraceful scenes and occurrences which have been going on in Hospital during the past two years. 6th witness, Dr. Lemieux, had the modesty to volunteer his own evidence in support of his own charges. His statement in the matter of Richard Edmonds was proved before you to be false and malicious. This, of itself, according to the well known rules of evidence would render the whole worthless, even were his character not such as to render it notoriously so. This witness, Dr. Lemieux, stands charged before you with the most grossly immoral conduct to female patients and servants; with outraging common decency by beastly practices; with fraudulently appropriating Hospital provisions, with contempt of public decorum and religious feeling and observances, by burying bodies of different religious belief in the same coffin; with ordering a female child of respectable parents to be buried in the rear of the Hospital without a coffin at all; with causing a female child to be buried between the legs of a negro. Dr. Lemieux also stands charged before you with having robbed the patients of their moneys and effects, and with having connived at the same practices in the nurses; and this man, to whose crimes and misdemeanors the matters charged by him against me are but as dust in the scales, comes unblushingly forward to give evidence. The pending investigation into his conduct will prove to you how much reliance is to be placed on his word in any matter or on any occasion.

I have merely further to complain of the very unfair and partial manner in which the evidence was taken down by your Secretary. The careful and precise way in which the evidence against me is put down, contrasts very strongly with the loose and confused way in which the evidence in my favour appears; a reference to the Secretary's notes will show this, and the refusal altogether of any evidence which tended to implicate others, will more strongly evince the want of fairness and straightforward intention on the part of the Commissioners.

As soon as the witnesses brought forward by me have been fully heard in the charges against the House Surgeon, I will lose no time in closing my defence.

I have the honour to be,

Gentlemen,

Your very obedient servant,

ISAAC H. CUTTER,
Steward, M. & E. H.

QUEBEC, 18th January, 1851.

SIR,

Great complaints have been made against the officers in charge of the Marine Hospital, founded or unfounded, I cannot tell, but they are of such a character as to require a more formal investiga-

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

tion than the one lately had by the Commissioners, at which I understand only one of them attended. The charges are of such a serious nature that a meeting of the Board of Trade will be called for the purpose of addressing His Excellency upon the propriety of having an investigation in the presence of disinterested persons to be named by the Government. My object in addressing you is to request that no action be taken in this matter for a day or two, when the Board of Trade will have had the matter under consideration. and address the Government on the subject of these complaints.

I have the honour to be,

Sir,

Your most obedient servant,

(Signed,) ARCHIBALD CAMPBELL,
Agent, Shipping Interest.

The Honorable James Leslie,
Provincial Secretary,
Toronto.

SECRETARY'S OFFICE,
TORONTO, 25th January, 1851.

SIR,

In reply to your letter of the 18th instant, I have to inform you that the Governor General is pleased to order that Isaac H. Cutter, Steward of the Marine and Emigrant Hospital, be, until further orders, suspended from his charge, as requested by your letter on behalf of the Commissioners of the Hospital, in consequence of certain grave charges brought against him.

I have the honour to be,

Sir,

Your most obedient servant,

(Signed,) J. LESLIE,
Secretary.

N. Casault, Esq.,
S. T. C. Marine and Emigrant Hospital,
Quebec.

SECRETARY'S OFFICE,
TORONTO, 25th January, 1851.

SIR,

In consequence of a communication from the Commissioners of the Marine and Emigrant Hospital, relative to certain grave charges made against you as Steward of the Hospital, I have to notify you that the Governor General has thought proper to order your suspension from that situation. You will therefore immediately deliver up every property of the Hospital in your possession into the hands of the House Surgeon, and wait for the signification of His Excellency's final determination in the matter.

I am, Sir,

Your obedient servant,

(Signed,) J. LESLIE,
Secretary.

Mr. I. H. Cutter,
Steward, E. & M. Hospital,
Quebec.

SECRETARY'S OFFICE,
TORONTO, 25th January, 1851.

SIR,

With reference to your letter of the 18th instant, relative to certain complaints made against the officers in charge of the Marine and Emigrant Hospital, I have the honour to inform you that the Governor General, upon a communication from the Commissioners, has thought proper to order the suspension of the Steward of the Hospital, waiting for further action until the requisite information has reached the Government.

I have the honour to be,

Sir,

Your most obedient servant,

(Signed,) J. LESLIE,
Secretary.

Archd. Campbell, Esquire,
Quebec.

MARINE AND EMIGRANT HOSPITAL,
21st January, 1851.

SIR,

I have the honour herewith to transmit to you, by order of the Commissioners of the Hospital, copies of the complaints brought by Dr. Lemieux against Mr. Cutter, the Steward, and of the enquiry which the Commissioners have thought proper to institute into these complaints, as well as a copy of other documents produced during the investigation, together with a report on the whole, and to beg of you to submit the whole to the consideration of His Excellency the Governor General.

I have the honour to be,

Sir,

Your very humble servant,

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

The Hon. James Leslie,
Provincial Secretary,
Toronto.

REPORT

On the charges preferred against Isaac H. Cutter, the House Steward of the Marine and Emigrant Hospital, by C. Eusèbe Lemieux, the House Surgeon, and on the charges brought against the House Surgeon by the House Steward, and upon the investigation thereon.

THE Commissioners of the Marine and Emigrant Hospital, having received from the House Surgeon a letter complaining of the Steward's conduct, investigated into the facts therein alleged, and heard the defence of the Steward; after patient examination and mature consideration of the evidence in support of the charges, as well as that for the defence, are of opinion :

That the charges brought against Mr. Cutter by Dr. Lemieux have been proved in a forcible manner, and that the witnesses examined on the part of Mr. Cutter have, with a few exceptions, merely corroborated the evidence produced by Dr. Lemieux.

Appendix
(R. R.)
18th July

Appendix
(R. R.)

18th July.

That the result of this investigation is :

1st. That female patients and servants have been exposed to Mr. Cutter's indecent insults.

2nd. That he has frequently curtailed the diet of the sick, and that for his own profit.

3rd. That he has on different occasions appropriated to his own use the stores of the Hospital.

4th. That he has sometimes paid the wages of the servants by small amounts, has offered them goods from the stores in lieu of their wages, and in some instances has not paid them at all; and that amongst other facts of this kind, it appears by the admission of Mr. Cutter, and by the production of the pay list, that he charged eight dollars a month for a servant to whom he paid only six.

5th. That he has taken and appropriated to himself moneys belonging to the sick, and also sums which had been placed in his hands and belonging to deceased patients; that the facts which have come to the knowledge of the Commissioners in the investigation, together with the complaints addressed to them on this subject as well by the House Surgeon as by the Emigrant Agent, do not leave a doubt in their mind that Mr. Cutter was in the habit of carrying on those dishonest practices, and they are confirmed in this opinion by the fact, that Mr. Cutter used to receive sums of money from the patients without mentioning it to the House Surgeon, and without making entries of the same in the books kept for that purpose, as provided by the regulations, and though his attention has been repeatedly called to that subject by the Commissioners.

That Mr. Cutter is altogether unworthy of the situation of Steward, and that it is impossible that he should remain longer in the Hospital, as he would bring upon that institution the disgrace and contempt which must necessarily follow such conduct, and as it would also be the cause of encouraging and continuing depredations and scenes of immorality which in the position of Steward he may daily perpetrate, notwithstanding the most severe scrutiny.

That a copy of the documents produced at the investigation, and of the investigation itself, be transmitted without delay to the Executive, with a request for the discharge of Mr. and Mrs. Cutter from their situations of Steward and Matron, and for the appointment of efficient successors.

That these charges and injuries have caused, on the part of the Steward, a hatred towards the House Surgeon, and have raised between them contentions and misunderstandings which form an obstacle to the proper management and good order of the Hospital, and that under these circumstances the Commissioners believe it imperative on them to suspend immediately Mr. and Mrs. Cutter from their duties, which shall be fulfilled by the House Surgeon with the assistance of the House Pupil, until the pleasure of His Excellency the Governor General shall be known.

That should it please His Excellency to dismiss Mr. and Mrs. Cutter, and to appoint other persons in their place, the Commissioners should respectfully submit that, in their opinion, Mr. and Mrs. Patrick Wheelan, who fulfilled during many years, before the nomination of Mr. and Mrs. Cutter, the situations of Steward and Matron, are the most proper persons to be appointed, and that while their uprightness, their acknowledged morality of conduct, their long and faithful services, the poverty

Appendix
(R. R.)

18th July.

which they are now suffering, claim for them a re-establishment in those situations. The two principal causes of their removal have long ceased to exist, that is, their prostration of mind after the private sufferings and the fatigue they had undergone in the calamitous season of 1847, and their large family, which is now reduced to two children.

The Commissioners having moreover taken communication of the complaints made against Dr. Lemieux by Mr. Cutter, in his letter of the 1st instant, and of Dr. Lemieux' two letters of the 10th and 13th instant, are also of opinion;

That Mr. Cutter, by waiting till he himself should be found guilty of all the charges preferred against him, and by bringing against Dr. Lemieux charges which went to prove his own guilt, being, by the rule of the Hospital, alone intrusted with the stores and internments, has merely shewn a desire of revenge, and proved that very little confidence should be placed in his accusations.

That the answers given by Dr. Lemieux are so satisfactory as to render it unnecessary for the Commissioners to make further enquiries, unless directed to do so by Government.

Quebec, 23rd January, 1851.

(Signed,) F. X. PARADIS,
" RICHARD J. ALLEYN,
" J. J. NESBITT,
" T. KELLY.
N. CASULT,
S. T. C. M. and E. H.

[Translation.]

(Document No. 1.)

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 14th November, 1850.

MR. SECRETARY,—I have the honour to transmit to you a certificate and a letter dated the 7th and 8th October, from some sailors who have been patients in the Marine Hospital, and who complain that they did not receive from the Superintendent the daily rations prescribed by the visiting physicians.

I avail myself of this opportunity to beg of you to apprise the Commissioners in my name, of some facts relating to the conduct of Mr. Cutter, as Superintendent of the Hospital. I have perceived for a long time that the patients have not had the articles of diet prescribed by the visiting physicians, and that, notwithstanding, they are charged in full to the account of the Hospital. Quite lately the patients again complained to me that they did not receive the diet prescribed. I went to the ward, weighed the diets in presence of the patients, the nurse and the apothecary, and found only half the weight of the articles of diet prescribed—a fact which Mr. Cutter himself acknowledged.

Moreover, Mr. Cutter has kept and still keeps servants whom I had ordered him to discharge, when I considered them useless. He has, to the injury of the servants employed, paid them their wages in small sums, and not till he had been frequently requested to pay them; whereas he ought to pay them in full every time he receives money for that purpose from the Secretary-Treasurer.

I am also aware that money belonging to deceased patients has been deposited in Mr. Cutter's hands, and that he has never informed me of it. He has even gone so far as to neglect to render account to the lawful heirs, who made themselves known, for

Appendix
(R. R.)

18th July.

the moneys which ought to have been handed over to them.

There are a great number of other facts equally important, relative to the conduct of the Superintendent, which it would take too long to detail in a letter, but which might be brought to light by an inquiry if thought advisable by the Commissioners.

I conclude by expressing my regret that my official position obliges me to perform so painful a duty.

I have the honour to be,
Sir,
Your very humble servant,

C. E. LEMIEUX,
House Surgeon M. and E. H.

True copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

(Document No. 2.)

I, Frederick Wathen, mate of the brig Thorney Chape, do hereby declare that I was defrauded of my provisions until I made a complaint to the Doctor. I then had three times the quantity tendered to me, which I found quite sufficient. Previously I was in a state of starvation.

(Signed,) FREDERICK WATHEN.

True Copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

(Document No. 3.)

We the undersigned seamen, who have been inmates of the Marine Hospital at Quebec, do respectfully beg leave to submit the following statement, with a request that you will have the charges investigated, with the view to serve others of our class who may have the misfortune to be in that institution hereafter.

We beg to state that we have been very much curtailed of our rations and of which you must be aware, as we had occasion to call on you, and laid our grievances before you, when you were so kind as to see the rations weighed, and on that occasion we had a sufficiency, previous to which we had not the one third as much, and were nearly exhausted for the want of food, owing to Mr. Cutter, the Steward, in conjunction with the cook, who have pigs on the premises, and who curtail the provisions from the sick to feed them.

We beg also to remark that on one occasion Cassidy called your attention to Mr. Cutter's maid taking the cream off the milk intended for the sick, thereby depriving it of its strength, upon which you called her to order. We have several other grievances to complain of, but particularly the soup, which has been curtailed of part of its ingredients, particularly the barley, which has been devoted, by the connivance of the Steward, to the use of his swine. We certainly feel aggrieved to see such embezzlement carried on in a public institution, supported in great measure by the contributions of the seamen arriving at this port; and it is more with a view to uphold the respectability of the in-

stitution that we submit this statement, than from any other motive.

The authenticity of the foregoing can be proved on oath, if necessary.

(Signed,) FRED'K WATHEN,
Mate of Brig Chape.
" JOHN CASSIDY,
" JOHN PRICE,
" SAMUEL DAVIS,
" THOMAS BURNS,
" THOMAS ^{his} JOYCE,
" THOMAS ^{mark} MILLER.
" THOMAS GRIFFITHS.

QUEBEC, 8th Nov. 1850.

The House Surgeon, Marine Hospital,
Quebec.

True copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

(Document No. 4.)

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 12th December, 1850.

SIR,

I have the honour to transmit herewith for your information and consideration copies of three documents containing several charges against you as Steward of the Hospital, and you are required to let me know when you shall be ready for an investigation.

I have the honour to be,
&c., &c., &c.,

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

To Mr. Isaac H. Cutter,
Steward M. and E. H.

True Copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

(Document No. 5.)

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 15th December, 1850.

SIR,

I have the honour to acknowledge the receipt of your letter of the 12th inst. with its enclosures, and to state for the information of the Commissioners that the charges therein contained are false and malicious, and to request that I may be afforded an opportunity of having them investigated at as early a day as may be convenient.

I have, &c., &c.,

(Signed,) ISAAC H. CUTTER,
Steward M. and E. H.

N. Casault, Esq., Sec. M. and E. H.,
Quebec.

True copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

(Document No. 6.)

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 21st December, 1850.

INVESTIGATION

On the charges and complaints brought against Isaac H. Cutter, Steward of the Marine and Emigrant Hospital at Quebec, by Dr. Ensebe Lemieux, House Surgeon of the said Hospital, in his letter dated 14th November, 1850.

CHARGES.

1st. The diets prescribed by the Visiting Physician were not given to the patients, though they were all charged in Mr. Cutter's accounts against the Hospital.

2nd. Notwithstanding Mr. Cutter receives the whole of the wages due to the servants, he does not pay them at the time, but gives it to them by small sums, and not until he is dunned by the servants for them.

3rd. That he is in the habit of receiving money and other valuables without having them entered in the book and countersigned by the House Surgeon at the time, as required by the rules, and his attention having been repeatedly called to that by the Commissioners.

4th. That moneys have been detained by him belonging to deceased patients, without mentioning to the legal heirs when they called for information, that he had any in his possession.

Mr. Cutter having been called, in the presence of the Commissioners, and the foregoing charges having been read, he denied them all, and the following witnesses were then examined in his presence.

EVIDENCE :

Sarah Garland.—I was engaged as nurse at the

**Sic.*

SCALE OF DIETS.

FULL DIET.		HAUF DIET.		LOW DIET.		SPOON DIET.		MILK DIET.	
lb.	oz.	lb.	oz.	lb.	oz.	lb.	oz.	lb.	oz.
Beef	1	Meat	½	Meat	4	Bread	4	Bread	12
Bread	1	Bread	12	Bread	8	Tea	¼	Tea	¼
Potatoes	1 8	Potatoes	1 8	Potatoes	8	Sugar	1½	Sugar	1½
Barley	¾	Barley	¾	Barley	¾	Oatmeal	2	Milk	from 1 pt. to 3 pints per day as ordered by Physicians.
Sugar	¾	Sugar	1½	Tea	¼	Salt	¼	Milk	1 gill
Tea	¼	Salt	¼	Sugar	1½				
Salt	¼	Tea	¼	Salt	¼				
Milk	1 gill	Milk	1 gill	Milk	1 gill				

Diets for Servants, in addition to full diet, 14 oz. butter per week, 2 oz. per day.

A true Copy.

(Signed,)

N. CASALT,

S. T. C. M. & E. H.

Appendix
(R. R.)

18th July.

Marine Hospital last May. I was recommended by the House Surgeon and engaged by Mr. Cutter, the House Steward. I was placed in wards 42 and 43, containing male patients. The full diets were according to the table now submitted. The beef given to me during the greater part of the summer as full diets, consisted of three small pieces the patients have taken up in their fingers and said that they could see through. The bread, I have reason to believe the full quantity was given. The potatoes consisted of four of ordinary size. The soup during the whole summer was very bad; seldom did there appear to be many, if any vegetables. Generally the tea was very weak. Milk in the tea I have no remark to make about. The tea given to the servants was rather better than that given to the patients. From the time I first came to the Hospital up to within five or six weeks back, very generally the diets were such as I described above. The patients were constantly complaining until when the House Surgeon and Mr. Cutter came into the wards; some explanations then took place. The diets were weighed, after which they materially improved and the patients appeared satisfied. I have myself seen both her and Mrs. Cutter remove at mid-day the cream from out the milk intended for the patients who were on milk diets, thereby depriving them of it. The Steward had three pigs, and the cook told me he had permission to keep two, and the potatoes which were left after dinner with the soup, amounting to a good large tin pan (*chaudière*) such as just shewn to me, I have repeatedly seen during the summer carried out to the pigs after dinner, which appeared to me to consist of a larger quantity than the one given to the patients. At the time the patients were complaining of the diets, the potatoes and soup were carried out to the pigs. I am aware that the patients complained to Dr. Jackson and Dr. Robitaille, and that they were ordered on full diets, which in the latter part of the summer consisted of what I above described.

John Kaller, a patient who had been above two months in my ward, the morning he died, told me he had some money in his trowsers pocket in his bed, which I took out, amounting to 16s. 3d. in silver, and coppers, how many I cannot say, which I handed to Mr. Cutter, telling him that

Kaller wished it to be given to his brother in law, if he called, if not, to the man of the boarding house with whom he had boarded, and who would give directions as to what was to be done with it. Within a month after, the brother in law did call, and did receive some clothing, and re-

Appendix
(R. R.)

18th July.

turned to the ward telling me he had received no money, and that it was very cruel to keep the money of the deceased, for the mother of the deceased was a very poor old woman.

Cross-questioned by Mr. Cutter.—The deceased told me what I have stated above; the man died on the 27th August. About a fortnight or three weeks ago the Steward handed me the same amount, and desired me to go up and to hand the money back to him, in the presence of Dr. Lemieux, the House Surgeon. I cannot tell exactly what reason Mr. Cutter gave for doing so, but I remember he said he wished it to be given to him in the presence of the Doctor, for the Doctor to put his name into a book.

Examined in chief.—During the summer I took from a patient named McIntosh twenty dollars, which I handed to the Steward. McIntosh died on the 28th September, 1850, and the same amount was handed to me on the same day to go through the same ceremony that I have stated in Kalher's case; that is, to hand it over to Mr. Cutter in the presence of the Doctor.

Cross-questioned by Mr. Cutter.—McIntosh offered me the money some time previous to his death, but I refused to accept it. About a fortnight after I told him he was dying. I went for the Steward, who came to the man's bed side, received the twenty dollars, and took down in a small book some directions about where the money and his clothes were to be sent (to his mother). The only other circumstance that I can recollect was the exchanging a pipe, which McIntosh told me he paid fourteen shillings for, by Mr. Cutter, for another placed near him, and worth a few pence. The man seemed to regret the exchange even to tears, and said it was a Yankee trick.

(Signed,) SARAH GARLAND.

At the request of Mr. Cutter the said Sarah Garland was sworn, and after having heard the foregoing deposition read through, persists therein, declaring that it contains nothing but the truth.

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

23rd December, 1850.

2nd witness.

James Pines, of Quebec, the late cook in the Hospital.—I was employed as cook in the Hospital about eight or ten days, I believe in July last, in the place of Richard Edmunds, who was to get married. I took his place for the time above mentioned, with the knowledge and consent of the Steward. The patients during that time complained to me about the bad quality of the soup. I was given on one day one half a cabbage, one carrot, one onion, one turnip, to make the soup for all the patients.* The House Surgeon asked me if it was all the vegetables I was to make the soup with. On my answer in the affirmative, he went out, and immediately after the Steward came in and ordered me to put the other half a cabbage in the soup, which I did. There might have been ninety or more patients then in the Hospital, but I cannot tell. Before that time I had only put one half a cabbage in the soup; after that

* N.B. One farthing is allowed per head for vegetables.

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

Appendix
(R. R.)

18th July.

I always put one full cabbage. The potatoes which were cooked were all sent up to the wards; three large ones for full diets, and four small ones for half diets, which four weighed about one pound. After the patients were served, the remainder of the soup, sometimes three or four gallons, and also the remainder of the potatoes, when there was any, were kept for the pigs. There were three pigs. I always got three pints of milk for the tea of both patients and servants, morning and evening.

Cross examined by Mr. Cutter.—The Steward did not give me the vegetables, but told me to go and cut one in two and put one half in the soup. I did so on his order.

(Signed,) JAMES PINES.

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

3rd witness.

Jane Hamilton.—I have been a nurse in the Hospital for two years next May. I was engaged by the Steward and the House Surgeon. I had care of the wards, Nos. 63 and 64, in which were males. I complained to the visiting Physicians of the insufficiency of the diets, and the patients under my control complained also. The diets were always the same, till about six weeks ago, when complaints having been made by the patients to the House Surgeon, he called into the wards, weighed the diets, and there was not one half of the weight required. After that day the diets were increased to at least more than one half, and continued so up to the present day. The patients, who were dissatisfied before, were very satisfied since that period. After dinner, potatoes, about half a bushel, which had not been brought up to the wards, were given to the pigs, and that when patients complained that they had not enough, and were so much complaining as to induce me to give them some out of my own ration. The quantity of milk given to the patients was not the one specified by the diet's scale, and twelve ounces were wanting on the three pints a day allowed. I saw it weighed myself. I often saw Mrs. Cutter and her girl taking away the cream from out the milk of the patients. The tea was very weak, improved a little at the time the diets were weighed by the Doctor, but did not continue so. I myself took the tea down to Mr. Cutter, and got some more sugar in it, for it was not drinkable. The patients complained of everything about the diets, which have, as I said before, very much improved since about three weeks.

Cross-questioned by Mr. Cutter.—I did not always receive the full pints of milk for the diets. I saw Mr. Cutter himself taking the cream from out the milk, and saw no one else but himself, Mrs. Cutter and her servant. My wages were not well paid. I never got my money for three months at a time. I received a boar for two pounds and ten shillings, and fifteen shillings in cash. Afterwards I was offered by Mrs. Cutter, a pair of old boots. I did not think I was to pay for them till I was charged seven shillings and six pence for them, which amount was kept from my wages. I received by small payments twelve shillings, and six pounds one shilling and eight pence at a time. This was all that I received for eleven months' wages, with the exception of one dress which Mrs. Cutter bought for me at thirteen shillings, and a shawl at fifteen shillings. I claimed more for my

Appendix
(R. R.)

18th July.

wages, but was told by Mr. Cutter I had received them all. I complained to the Doctor, who advised me to see Mr. Cutter about it. Mr. Casault wrote to Mr. Cutter, who paid me two pounds seven shillings and nine pence. I am sure that those nine dollars, two shillings and nine pence were due me on my wages. I remember Mr. Cutter having told one of the servants he had no money, but would pay him out of the goods from the store of the Hospital, tea, sugar and bread. One of the nurses in the time of the cholera in summer, 1849, named Bridget Rowneen, complained very much to me and others about her wages, saying that she did not receive but a pair of boots (ten shillings), a shawl, an old gown and an old bonnet; she even said the gown was torn. Helen Headlock, who died about three weeks ago in the Nunnery's Hospital, told me she did not receive the whole of her wages from Mr. Cutter, and begged from me to ask Mr. Cutter to send her some money. I told her I would not ask it, and brought her what she required.

Cross-questioned by Mr. Cutter.—I never told Richard Edmunds that only five shillings were due me upon the month of April last, nor that thirteen dollars only were due me on the quarter ending the 30th of June, having received five dollars in the month of April, and that the thirteen dollars were all that Mr. Cutter owed me up to that time. I never said to Richard Edmunds or his wife that I would not have demanded the nine dollars, had I not been put up to it.

I was to leave the Hospital in April last, on account of Mr. Cutter having insulted me several times.

Re-examined in chief.—Mr. Cutter insulted me in my room day and night several times.

(Signed,) JANE ^{her} HAMILTON.
mark.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

[Translation.]

4th witness.

Marie Mitron, wife of James Pines.—I have been employed as nurse in the Hospital. I have also been employed as char-woman. My wages were not regularly paid me. A year ago, last summer, I worked nine days in July and was paid in October. In October I worked 27 days; for these 27 days I have never been paid at all. In February last I received one and six pence from Mr. Cutter, and he told me that that sum, with the fifteen shillings given me in October, was all he owed me for the work I had done in October last. I was employed as nurse for 14 days in November, and received twelve shillings and six pence in December, for those 14 days. Mrs. Cutter offered to pay me in goods, that is to say in bread, butter and meat, telling me she had no money; this I refused. I saw Mr. Cutter's servant every morning when I came to work, skim the cream from the milk and put it into the milk jug for the morning coffee. I have also seen Mrs. Cutter put water into the milk for the patients. I have seen her put in half a gallon of water in one day, and have often seen her do this every three or four days. I have seen Mrs. Cutter take from the store-room where the provisions for the patients were kept, ten pounds of sugar from a cask which was there, and use it for making preserves, and I have seen her take the same quantity this year for the same purpose, and from the same place.

Appendix
(R. R.)

18th July.

Mr. Cutter gave me permission to go to the cellar and choose a pair of shoes which had belonged to patients who died, and wished to sell them to me for two shillings and sixpence; on my refusing to pay him that price, he told me to take them away.

Quite lately in the present month, one Saturday night, Mr. Cutter the evening before I left the Hospital, made proposals to me of a dishonourable nature, and even offered me ten shillings if I would yield and submit to his desires. I refused, telling him at the same time that I had other means of gaining a livelihood. Mr. Cutter told me to-day, as I came into the Hospital, that if I dared to say a word of the proposals which he had made me, I should remember him. A year ago last summer I surprised Mr. Cutter in his private room; he had a young German girl whom he had brought up, and who called him papa, lying on her back on a sofa, and he was over her. As far as I could see, the young girl's dress was raised, and that of Mr. Cutter open and let down. It was on opening the door of the room that I perceived them, and immediately on doing so I retired and shut the door.

Cross-questioned by Mr. Cutter.—Did not say anything that Mr. Cutter wished to be taken down.

At the requisition of Mr. Cutter this deponent, being sworn, declares that the contents of the said deposition, having been read to her, contains the truth, the whole truth and nothing but the truth, and hath made her mark.

(Signed,) MARIE ^{her} MITRON.
mark

(Signed,) N. CASAULT,
S. T. of M. and E. H.

24th December, 1850.

2nd witness, James Pines, called up again.—The summer before last I was employed as cook in the Hospital. When I acted as cook as aforesaid, I was ordered by the Steward to boil some potatoes for his own pigs. I boiled about a bushel out of the lot of potatoes on which I used to take the potatoes for the patients, and that I did every other day by the Steward's order. It is to my knowledge that the Steward, one Sunday during the summer, sold to two boys, who were then servants in the Hospital, a waistcoat and a pair of trousers each; where those effects came from I do not know. They told me they paid two dollars each. The Steward, during that time, answered me when asked for money, that he had none at the time, but that he would give me tea, sugar, beef, butter or bread in the room of my payment.

Cross-questioned by Mr. Cutter.—We were during one month two cooks in the Hospital, a boy of about 18 years and myself. The boy told me he had eight dollars a month, and I had six dollars a month.* I never had more. The boy went by the name of Hume.

Upon the Steward's request, the deponent being sworn, says that the above deposition is true, and hath signed.

(Signed,) JAMES PINES.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

* Mr. Cutter having admitted that Pines had received six dollars a month, was called to produce the pay list where Pines is charged eight dollars a month.

(Signed,) N. C.

Appendix
(R. R.)

18th July.

5th witness.

Catherine Halleran, a patient in the Hospital, was admitted on the 17th of October. On the night I came in the Hospital, I was asked by a man whom I did not know at the time, but whom I ascertained after to be Mr. Cutter, if I had any money about me. On my answering in the affirmative, and giving him my purse and a sovereign in the purse, he told me that the sovereign was for my expenses during my stay in the Hospital. Two or three days after, I spoke to Jane Hamilton (a nurse) about my money. After repeatedly speaking to the nurse about it, she went and brought the Doctor up to the ward, and I told the Doctor I was anxious about my money, and sent to him more to assist me in getting it back. I told him at the time I should know the person to whom I had given it. Having repeatedly seen Mr. Cutter since that, I repeat that I have no hesitation in saying it was to him I gave it, and the book he now holds in his hands is the book in which he entered something at the time I gave him the money.

Cross-questioned by Mr. Cutter.—No answer which Mr. Cutter wished to be taken down.

(Under re-examination on this day the 9th of January 1851) the said deponent persists in saying she gave her sovereign to a clergyman when she landed at Grosse Isle. Two days before leaving he returned it to her. She does not know his name, nor is she positive that he was a Catholic priest or not. She does not think he wore the same dress as the priest who visits this Hospital, but she persists in declaring that what she stated before is correct.

(Signed,) CATHERINE ^{her} HALLERAN. _{mark.}

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

(Translation.)

6th witness.

Eusèbe Lemieux, House Surgeon—I was House Surgeon to the Hospital some time before the coming in of Mr. Cutter as Steward. Everything appeared to go on satisfactorily and correctly until about four or five months after the appointment of Mr. Cutter. The first circumstance that attracted my attention to the conduct of Mr. Cutter, was his manner towards the young German girl mentioned by Marie Mitron, who has already been heard—that young girl having told me that she was about to leave the Hospital, and the abode of Mr. Cutter which she had entered as his adopted daughter, after an attack of cholera which had brought her to the Hospital in 1849, and that it was in consequence of insults which Mr. Beaubien the apothecary had put upon her. I pressed her to explain, in order to satisfy myself whether there was any foundation for her charge against the apothecary, who is under my control and my student. Upon my cross questioning her repeatedly, she told me that Mr. Cutter had told her to say that Mr. Beaubien had seduced her, in order not to distress Mrs. Cutter whom she called "Mama." She then told me that she was pregnant by Mr. Cutter. Mrs. Cutter had been absent for three or four weeks on account of her health, and the conversation which I have just mentioned took place two or three days after her return. The girl disappeared the same week, and it is Mr. Cutter, I think, who took her away from the Hospital. I never had anything else to reproach him with, with regard to his conduct,

Appendix
(R. R.)

18th July.

until the following Spring, except a few complaints made from time to time by the patients relative to their diet, and of which I gave notice to Mr. Cutter. Jane Hamilton, one of the nurses, complained to me, once or twice, that Mr. Cutter had entered her room both night and day, upon which I told her to fasten her door, so as to prevent his doing so again.

26th December, 1850.

I have often had complaints made to me with regard to the diets. I mentioned them each time to Mr. Cutter, but perceiving that the complaints continued, and that Mr. Cutter was accused of giving to his pigs what had been provided for the patients, I weighed them three or four times: the first time I did so was about two and a half or three months ago. I then found only the one half of the meat and potatoes. There was wanting in the milk diets almost an eighth (two or three ounces in the pint.) I once perceived that there was almost a third part water in the milk, and the nurses frequently complained that there was water in the milk. I found the same results whenever I weighed the diets. Upon being told one day that Mr. Cutter's servant had skimmed the milk provided for the patients, I reprimanded her for doing so, and told her not to do so again; upon which she told me that she was not under my control, and that she had done so by order of Mr. Cutter; and in spite of my orders, the girl, who is Mr. Cutter's private servant, continues to go as usual into the store room where the provisions for the patients are kept. My attention, as I before stated, having been directed to the circumstance that part of the diet of the patients was given to Mr. Cutter's pigs, I watched carefully, and during eight or nine days' minute observation, I constantly found every day the thick part of the soup, that is to say the barley and the potatoes, in the pig trough, and this after I had remarked that the soup was preposterously thin, and while the patients were complaining of the insufficiency of their rations. This was immediately before I forwarded the complaints which form the object of this investigation.

A complaint made by the patients respecting the inferior quality of the tea, led me to investigate the circumstance. The tea, so to speak, was nothing more than water. That of the servants was of much better quality, and Mr. Cutter acknowledged it. The cook afterwards confessed to me, that throughout the whole summer she had made the servant's tea better than that of the patients.

One of the nurses (Jane Hamilton), having complained that Mr. Cutter did not pay her wages, and he having told her that she wished to rob him and to be paid twice over, I advised the girl to go and complain to the Commissioners, and she called on the Secretary. Some days after, Mr. Cutter came to reckon with her in my presence, and paid her something over nine dollars.

Marie Mitron also complained that she had received no pay for twenty seven days' work she had done in the autumn of 1849, and that she had received only twelve shillings and six pence instead of fourteen shillings which were due to her, as nurse for four or five days.

I am aware that Mr. Cutter has received sums of money without entering them in the book kept for that purpose, and this I know in consequence of the particular attention I have paid to the subject after the charge brought against Mr. Cutter, towards the end of July last, by the Emigrant agent, who

Appendix
(R. R.)

18th July.

accused him of having kept half a sovereign which had been deposited in Cutter's hands by a man of the name of John Kallher, on his entering the Hospital. I then gave orders to the nurses never to hand over to Mr. Cutter any money which they received from the patients without informing me at the time. On the 27th August, one of the nurses, Sarah Garland, told me that she had paid over to Mr. Cutter thirteen shillings and six pence sterling, which had been given her by John Kallher before his death, with a request that she would give it to Mr. Cutter to be delivered to his brother-in-law, whom he always called his brother, or to his landlady, who would know how to dispose of it. On the first day of October the brother-in-law came and claimed what belonged to Kallher. Mr. Cutter, who had never spoken to me of the money, told him in my presence, having made him sign a receipt for his effects ("clothes and wearings.") that he had no money, and the man went away without Mr. Cutter having given him any money. The same nurse also told me that she had deposited in Mr. Cutter's hands five pounds which had been given her by a man named William McIntosh, and it was not until a long time after the death of McIntosh, and quite a short time ago, that Mr. Cutter spoke to me with regard to this money, which was not entered in the book. Since the complaints were made which form the subject of this investigation, Mr. Cutter has made use of cunning to induce me to sign the entry of this money. He handed back the money to the nurse, and desired her to come and deliver it over to him a second time in my presence: this she did, but I refused to sign the entry.

Catherine Halleran also made the same complaints to me which she states in her evidence, and in the same terms in which she herself spoke of it.

Richard Edmunds was kept in the Hospital four or five weeks, from the end of September until the end of October, with no other occupation than that of taking charge of Mr. Cutter's horse, excepting perhaps about the fourth part of his time. I told Mr. Cutter about the beginning of October to discharge him, and he told me that he should keep him until the end of the month. For almost three weeks (from 27th October till 15th November,) he kept a man of the name of Graham Moorhead, "in order," as he said "to supply the Hospital with water." For three quarters of his time he did nothing, and Mr. Cutter refused to discharge him on my suggestion to that effect.

Cross-examined by Mr. Cutter.—Some time last spring I had expressed my desire to Mr. Cutter to have servants who would not leave the Hospital as soon as they became accustomed to it. Moorhead entered first of all as nurse in the Surgery wards, but he was so utterly incapable that I did not think it proper to entrust him with serious cases.

(Signed,) C. E. LEMIEUX,
House Surgeon, M. and E. H.

(Signed,) N. CASULT,
S. T. C. M. and E. H.

(Translation.)

7th witness.

Cleophas Braubien, pupil and apothecary to the Hospital since 1st May, 1848:

Mr. Cutter told me himself that he had seduced the young German girl mentioned in the evidence of Marie Mitron, and of Dr. Lemieux. This young

girl, as the two former witnesses have declared, called Mr. and Mrs. Cutter her father and mother. She came into the Hospital in the manner described by Dr. Lemieux. A Mr. Boudreau, at present a physician, told me that this young girl (Marie Lehmann) had since declared, in a hospital in which she was in Montreal, that she was pregnant by Mr. Cutter, and that, as student or secretary of the hospital in question, he had himself written to Mr. Cutter on that subject. Jane Hamilton complained in my presence to Dr. Lemieux, that Mr. Cutter used to go into her room, and I have seen him myself frequently enter this girl's room at night. And last spring Mr. Benubien, formerly chaplain of the Hospital, told me that he had seen the young German girl at Montreal, and that she had declared to him that she had only accused me of her seduction in order not to distress Mrs. Cutter, but that in fact it was Mr. Cutter who had seduced her. I have often heard the patients complain of their rations, and more particularly in the month of October last, at the time that Dr. Lemieux weighed the rations. I was present when the rations were weighed by Dr. Lemieux, and I am positive when I say, that the quantity he has spoken of in his evidence, which has just been read to me, as then short, in the meat, potatoes and milk is correct, that is to say, almost the half of the meat and potatoes and one-eighth of the milk. I have, as well as the Doctor, examined what was given to the pigs, have visited their sty with him, and have on every occasion seen the barley or thickening substance of the soup and the potatoes, and this at a time when there were complaints as he has before stated, and when the soup was, as he has described it, preposterously thin. I was also present at the conversation between the Dr. and Mr. Cutter's servant girl relative to the cream, and she then said, that it was by order of Mr. Cutter that she took it away. I have also tasted the patients' tea, and there was a great difference between it and that of the servants: that of the patients was hardly more than warm water. The Doctor then made some of the patients taste the servants' tea, on which they declared that they found it excellent. This took place about the end of October. I also know when Jane Hamilton complained of the non-payment of her wages, and I was present when Mr. Cutter paid her the nine dollars and odd shillings, which she asked for. I also heard Marie Mitron complain of the twenty-seven days' work which she asserted Mr. Cutter had not paid her for. I was present when John Kallher's brother-in-law came to fetch away what had belonged to him, and when Mr. Cutter, after having made him sign the receipt for his clothes, told him that the deceased, that is to say, Kallher, had no money; and when Mr. Cutter was gone, the brother-in-law of Kallher said in my hearing, that Kallher's mother was very poor, and that he should have liked to have had it in his power to give her her son's money, if he had had any. I was one day asked by the nurse to console McIntosh who was crying: he told me that the reason of his tears was that Mr. Cutter had taken away his own pipe of the value of fourteen shillings, and had given him in its place one of the value of four pence, and of so small a value that he could not smoke with it. He told me at the time that it was a "Yankee trick." Dr. Lemieux being informed of it by me, promised the man to have his pipe restored to him, and spoke of it to Mr. Cutter, who, however, refused to do it. With regard to Richard Edmunds and Moorhead, the servants, I was present when Dr. Lemieux told Mr. Cutter he ought to discharge them, and when Mr. Cutter refused to do it immediately: this took place I think in the month of October. These two ser-

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

vants did hardly any thing, and were of no use to the Hospital. Moorhead remained thus unnecessarily from 26th October until the 15th November: as to the other I cannot speak positively as to the time.

Mr. Cutter declares he does not desire to cross-examine the witness.

(Signed,) T. C. BEAUBIEN,
House Pupil.

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

8th witness.

Thomas Burns, a patient in the Hospital.—The signature "Thomas Burns" at the bottom of the letter dated the 8th November, 1850, and addressed to Dr. Lemieux by me and several others, is my signature. The contents of this letter are true, and the facts therein alleged are all true and founded in fact, and they were all to my knowledge, except what is said about the cream, of which fact I have no personal knowledge. Before writing the above mentioned letter, we complained verbally to Dr. Lemieux about the diets. He then weighed them, and the next day they were double in weight. Since then the diets were very much improved, and I am perfectly satisfied of them. The tea was very bad before those complaints, and also improved since. I saw the cook taking as much as three pints of milk out of the same pan from which she took the milk for the tea; and on those days there was not as much milk in the tea as in other times. The tea often wanted sugar to be drinkable. We had for full diets four or five middling size potatoes. One day I saw Mr. Cutter ordering the cook to take one potato from a plate where there were five and to put a small one in the place. I saw four or five pigs on the Hospital premises, some belonged to Mr. Cutter, some to the cook. I saw the cook, in October last, taking the potatoes from the same dish we got ours and put them in a tub for the pigs. I saw her doing that two or three times and on occasions on which we had not enough potatoes. The potatoes which she so gave the pigs had not been brought to the wards. On the days I saw the cook taking the potatoes as above mentioned, the pigs were served with potatoes, barley, greens and soup. The signatures at the bottom of the letter alluded to were all written in my presence, and were affixed to the said letter by Wathers, Cassidy, Price, Davis, Millerand Griffiths themselves. Joyce made his mark also in my presence.

(No cross-questions by Mr. Cutter.)

(Signed,) THOMAS BURNS.

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

True copy of the evidence produced in support of the charges.

N. CASAULT,
S. T. C. M. & E. H.

QUEBEC, 31st December, 1850.

Evidence on the part of Mr. Cutter.

1st witness called by Mr. Cutter.

John Hetstrip, orderly in the Hospital.—I have been employed in the Hospital since the month of

Appendix
(R. R.)

18th July.

June last. I have heard the patients complaining that the soup was thin, black, and that there was not sufficient vegetables in it. I had care of wards Nos. 14 and 15. They complained of the tea not being sweet enough now and then. Pines left the Hospital on the day I entered. I did not see any pigs on the Hospital premises when I came there. My wages were paid regularly. I have never heard anything against Mr. Cutter's moral character. I recollect the last day that Maria Mitron was scrubbing in the Hospital, Saturday before last. I did not see Mr. Cutter inside nor about the wards she was in. Mr. Cutter could have gone inside the wards without my seeing him.

Cross questioned.—Two or three months ago I remember that the Doctor called my attention to the bad quality of the soup. One man in my ward often complained of the diets and the soup. Once I was asked by the Doctor to taste the tea for the patients and that for the servants, and the tea for the servants was sweeter. I complained to Dr. Lemieux that I had been paid one day short, and when he told me that I was entitled to it, I asked it from Mr. Cutter, who paid me.

(Signed,) JOHN HETSTRIP.

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

2nd witness.

Catherine Moore, nurse in the Hospital since the 15th of May last, and housemaid previous to that date for more than one year. I had care of wards, Nos. 71, 72, 73, and 75. During the beginning and the middle of summer, the patients in my wards complained that they had not a sufficient quantity of meat and potatoes. I heard one patient complaining that there was water in the milk. My wages were paid regularly.

Cross questioned.—I saw Mr. Cutter's servant girl taking the cream from out the milk. There are more potatoes now on the full diets than there was during the summer; there is about double the quantity.

(Signed,) CATHERINE ^{her} MOORE,
mark.

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

3rd witness.

Elizabeth Edmunds, cook in the Hospital, since the 3rd of June last.

I always had vegetables for the soup, as much as I thought necessary. I heard complaints about the diets from Ward No. 42, and from no others. There was a pint or a pint and a half taken out of between twenty and fifty gallons of soup, by the servant of the Doctor. I made preserves for Mrs. Cutter, with maple and crushed sugar. I saw the nurse putting water in the patients' milk. My wages were paid regularly. Jane Hamilton told me those who advised her to ask money from Mr. Cutter a second time, were not her friends.

Cross-questioned.—There are more potatoes now on the diets than there was all the summer. I saw Jane Hamilton, Catherine Moore, and Sarah Garland putting water in the milk of the patients. There were on the premises of the Hospital during

Appendix
(R. R.)

18th July.

the summer, five pigs; four belonged to Mr. Cutter, and one to me.

(Signed,) ELIZABETH EDMUNDS.

(Signed) N. CASAULT,
S. T. C. M. and E. H.

4th witness.

John McDonald, porter in the Hospital for the last nine months.

My wages were paid regularly. I saw Maria Mitron coming to the Hospital on Monday, the 23rd, about a quarter or twenty minutes past one. I saw her when she entered the Hospital, and saw her going up stairs. She asked me if Dr. Lemieux was in, and I saw her speaking to no other. Mr. Cutter did not open the door of his office or his own, when she passed.

Cross-questioned.—I am positive that I should have heard and seen, if she had spoken to Mr. Cutter or any other.

(Signed) J. McDONALD.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

5th witness.

Richard Edmunds, cook in the Hospital from November 1849, to May 1850, and since that employed as outside man until three months ago, when he was discharged, his services being no longer required.

My wages were regularly paid. I was never offered anything but money for my wages, nor did I ever hear that anything else had been offered to servants in lieu of money. Jane Hamilton told me she was paid until the last of April except of one dollar. She further told me she would not have asked the nine dollars and some shillings from Mr. Cutter a second time, had she not been put up to it. She then acknowledged she had already been paid her wages in full, and that the nine dollars she asked had been already paid her. I did not mention the circumstances to Mr. Cutter at the time, but I did three weeks after. While I was taking care of Mr. Cutter's horse in the month of October, I was not receiving wages from the Hospital, neither provisions. I did occasionally, during the summer, feed the horse, but Mr. Cutter had a boy of his own to attend it.

Cross-examined.—I was told by Dr. Lemieux not to attend to Mr. Cutter's horse, or to go near the stable, nor did I, as above stated, but occasionally when I put the harness over him. Mr. Cutter had a boy nearly all last winter, and a good while in the summer. The time he left I cannot say. I live in the Hospital, where my wife is cook since I am employed in cutting wood, and I take my meals in the kitchen with the rest of the servants, and my wife has received tea and sugar from Robertson, the grocer, and beef from Mr. Foyer, handed to us by Mr. Cutter. I recollect preserves being made with maple sugar and crushed sugar by my wife for Mrs. Cutter. My duty was outside the Hospital. The boy who helps me to cut the wood, I feed him myself. He eats in the kitchen of the Hospital.

(Signed) RICHARD EDMUNDS.

(Signed) N. CASAULT,
S. T. C. M. and E. H.

Appendix
(R. R.)

18th July.

7th January, 1851.

6th witness.

Mary Fitzgerald, from Quebec, cook at the St. John's Hotel.

I was employed as nurse in the Hospital from the beginning of July to the first of December, in the year 1849. My wages were regularly paid in cash, and I never heard of any other thing than money paid to the servants for their wages. The patients were well satisfied. I never saw Mr. Cutter skimming the milk. Mr. Cutter was always kind and good to the patients. His moral character was good. I never saw water put by Mr. Cutter, nor any of his family, in the milk, and never heard Mary Lehmann complaining of Mr. Cutter's immoral conduct.

(Signed) MARY ^{her} FITZGERALD.
mark

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

7th witness.

Catherine Donnelly, Mr. Cutter's servant.—I never received orders from Mr. Cutter to skim the milk, and never told Dr. Lemieux that I had such orders. I never saw neither Mr. nor Mrs. Cutter taking the cream from the milk. I never saw any one but the nurses putting water in the milk (Catherine Moore, Jane Hamilton and Sarah Garland). I saw Catherine Moore taking the cream off the milk. I never heard any complaint on Mr. Cutter's conduct in any way. I weighed crushed sugar to make preserves, and I gave it to the cook to make them. Mr. Cutter had been in the dining room from half past twelve to a quarter to two o'clock on the day Mary Mitron gave her testimony, that is, on Monday before Christmas. I was then in the kitchen, and he could not have left the rooms without my knowledge. On the last day Maria Mitron worked here, on a Saturday, I cannot remember the month nor the day of the month, Mr. Cutter went to town immediately after tea. When he left, Maria Mitron was taking her tea, and she was away when he came back. I knew well Mary Lehmann. I never heard her saying anything against Mr. Cutter.

Cross-questioned.—She was considered as the adopted child of Mr. Cutter, and called him "papa." She was about nineteen or twenty years of age. I never took the cream from the milk.

(Signed,) CATHERINE ^{her} DONNELLY.
mark

4th witness called up again.

John McDonald called up again.—There were no pigs in the Hospital premises when James Pines took the place of Richard Edmunds, that is, from the 26th May unto the 2nd or 3rd of June. I saw two or three times the milk put in the tea; there was over a gallon. James Pines was cook at no other time during last summer. I know that Mr. Cutter bought potatoes last fall two different times for the use of his pigs. There were five pigs; one of them belonged to the cook. I received money from Dr. Hall for McIntosh and gave it to McIntosh, lying in ward No. 43. I received

Appendix
(R. R.)

18th July.

\$22, two 1s. 3d., one 7d., and some coppers, which he (McIntosh) gave me.

(Signed,) JOHN McDONALD.

(Signed,) N. CASAULT,
S. T. C. M and E. H.

8th witness.

Elizabeth McNauly, house maid of the Hospital since 15th May last.—My wages were paid regularly and always in cash. I never saw Mr. or Mrs. Cutter or their servant girl taking the cream from the milk. I have heard no complaints, and have seen nothing against Mr. Cutter's moral character.

(Signed,) ELIZABETH ^{her}McNAULTY.
_{mark.}

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

QUEBEC, 9th January, 1851.

Mr. Cutter handed a letter from the Rev. Mr. Clark, dated Valcartier, 4th of January, 1851. The list received from Grosse Isle with the patients sent to the Hospital, twenty six in number, several of whom had money, the amount of which is placed opposite their respective names, also contains the name of Catherine Halleran, opposite which there is no sum of money whatever placed.

9th witness.

Dr. Hall, one of the Visiting Physicians of the Hospital.—The House Surgeon did make complaints to me from time to time, more particularly towards the fall, that the patients were complaining of their diet. I made it my business to ask those patients who were dissatisfied with their diet, and then addressed myself to Mr. Cutter about it; and in enquiring from the patients on the following morning, I found that they were then satisfied. This occurred occasionally. I am not prepared to state whether the quantity given to the patients was or was not according to the scale or diet table as prescribed by me. I am of opinion that it was oftener to obtain an increase of diet, than the complaints were made by the patients, than to find fault with the diet prescribed. The last day of my quarterly attendance, which was on December last, Mr. Cutter brought some soup and shewed it to Dr. Douglas and myself. It was of a good quality, and the only time I had an opportunity of examining it. Dr. Douglas tasted it; I did not. Dr. Lemieux was also present, and observed at the time that that was not the soup which was usually given, and that it had been prepared for the purpose: on which Mr. Cutter said that the soup would have always been better, had the Doctor's servant not been in the habit of skimming the best of it. Mr. Cutter sent a receipt to me for the sum of about £5 13s. and some pence belonging to a patient of the name of McIntosh, which had been left with me by his captain, and which I paid to the porter who came with the receipt.

(Signed,) JOHN L. HALL.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

10th witness.

Dr. James Douglas, one of the Visiting Physicians of the Hospital.—I complained twice to Mr. Cutter of the quality of the diet; Dr. Lemieux, the House Surgeon, being present, both times concurred that the diet was bad. Mr. Cutter complained that the materials were bad, and that he could make nothing better with them. The soup was not soup, it was dirty water. The beef was very bad, it was not fair beef. I stated the same day to the Chairman of the Commissioners, that the materials furnished to the Hospital were of inferior quality, and gave rise to just grounds of complaints by which the patients suffered, and the character of the Hospital was damaged. I told Dr. Lemieux at the same time that there were other grave abuses then existing in the Hospital, and which required the immediate notice of the Commissioners, (I never wrote to the Secretary officially any complaints against the Hospital.) Three days afterwards I went back to the Chairman to state that nothing had yet been done, on which he told me that Mr. Paradis, the nearest Commissioner, would attend to it. Frozen beef in boiling loses a little more than a quarter. I recollect the former Steward used to feed one pig on the Hospital premises. I have no recollection that he had ever more than one. I recollect the nurse discharged on the 14th of December last: it was for improper conduct, for being impudent to the Maïron. Yes, I do know something else against that nurse of which the Commissioners should be acquainted, and which equally affects her and the House Steward, that is, that they were partners in the transactions. I think that the House Surgeon shared in it too. Dividing the money and effects of the patients dying in the Hospital. But I only identify Dr. Lemieux with one case. In justice to Mr. Cutter I must say that every time I complained to him about the diet, he seemed to be very willing to correct the matter, and I believed him sincere.

(Signed,) J. DOUGLAS.

(Signed,) N. CASAULT,
S. T. C. M and E. H.

True copy of the evidence given by the witnesses called and produced by Mr. Cutter on his defence

(Signed) N. CASAULT,
S. T. C. M. and E. H.

(Document No. 7.)

VALCARTIER, 4th January, 1851.

I, undersigned, certify that I left Grosse Island on Wednesday morning the 16th October. I also certify that I saw none of the patients of the station on that morning. I gave no sovereign to any of the patients, neither was there any gold entrusted to my care during the season by any of the patients of the Hospital.

(Signed,) P. G. C. CLARKE, Ptre.

True copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

(Document No. 8.)

18th July.

(Translation.)

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 30th December, 1850.

SIR,

I am directed by the Commissioners of the Marine and Emigrant Hospital to inquire of you if, during the time that you were Chaplain of that institution, the moral conduct of Mr. Cutter was irreproachable; and if not, they beg that you will let them know the whole truth of the matter.

I have the honor to be,

(Signed,) N. CASAULT,
S. T. C. M. and E. H.Rev. Mr. Bonneau,
Quebec.

(Translation.)

(ANSWER.)

QUEBEC, 6th January, 1851.

MR. SECRETARY,

I received your letter of the 30th December last, in which you ask me in the name of the Commissioners of the Marine Hospital, if during the time I was Chaplain of that institution the moral conduct of Mr. Cutter was irreproachable. I think it my duty, in answer, to relate to you the following circumstance,—concerning which let me remark that my acquaintance with it was derived from an external source, the individual concerned in the affair having never presented herself to me in the sacred tribunal of the Confessional. It would not perhaps be out of place for me to remark, that I have obtained from the said individual, permission to make use of her confidential disclosure for the moral advantage of the Hospital. Below is pretty nearly what took place.

About the end of June or the beginning of July, Mary Rowen, who had been in the Hospital for several weeks, was moved into Ward No. 8. One day, on the occasion of my accustomed visit, this woman told me to the effect that she considered herself in conscience bound to declare to me that Mr. Cutter had made her proposals of an improper nature; that he had attempted to take indecent liberties with her; that even one day, under the pretext of giving her some work, he had brought her into his room and had seduced her. This woman appeared to me to have a great repugnance to make this avowal, especially because she feared to distress Mrs. Cutter, who had been kind to her. I did not fail, forthwith and on that very day, to take the necessary steps to prevent the recurrence of similar scenes.

Several other incidents of a like nature, and impugning the moral character of Mr. Cutter, have also come to my knowledge, but as these doings either did not take place during the time when I had charge of the Hospital, or were not directly stated to me by the parties insulted, I abstain from mentioning them here.

I will add, Mr. Secretary, that a sentiment of duty and great moral responsibility, alone induce me to conquer the repugnance I feel in criminating a man whose respectful and polite manners I could not but approve of during the ten months or nearly

so, that I was Chaplain to the Marine and Emigrant Hospital.

I have the honor to be,

&c. &c.

(Signed,) E. BONNEAU, Ptre.

True Copy.

N. CASAULT,
S. T. C. M. and E. H.

(Document No. 9.)

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 1st January, 1851.

To the Commissioners of the Marine and Emigrant Hospital.

GENTLEMEN,

As, during your investigation of certain charges preferred against me by the House Surgeon, I have been denied an opportunity of proving the malice which alone prompted them, and, as you have desired me to place anything affecting Dr. Lemieux's conduct as House Surgeon of this Hospital in the shape of a formal complaint, I beg leave most respectfully to state to you that Dr. Lemieux has been guilty of most immoral conduct and behaviour towards female patients and servants in this institution; that he was in the habit of outraging common decency by placing in a conspicuous place in his bed-room injected male organs, to the disgust and annoyance of the female servants, and to the disgrace and discredit of the Hospital; that he has been in the habit of fraudulently appropriating Hospital provisions to his own use, and that during many consecutive months that he has repeatedly outraged public decency and religious feelings and observances, by causing two bodies of different religious belief to be interred in the same coffin; and that on one occasion he caused the female child of a respectable citizen to be interred between the legs of a negro. That on one occasion he ordered an emigrant child eighteen months old to be buried without a coffin in the ground in rear of the Hospital; that he has been in the habit during many consecutive months of defrauding the Hospital by causing his work to be done by the Hospital house maid and nurses, who in consequence neglected their own duties, to the prejudice of the Hospital and to the manifest injury of the patients.

I have the honor to be,

Gentlemen,

Your very obt. servant,

(Signed,) ISAAC H. CUTTER,
Steward M. and E. H.

True copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

(Document No. 10.)

N. CASAULT, Esq.
Secretary, C. M. and E. H.MARINE AND EMIGRANT HOSPITAL,
QUEBEC, January, 1851.

SIR,

In answer to the charges preferred against me by Mr. Cutter in his letter of the first instant, of which I have had communication, I must first call

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

the attention of the Commissioners to the fact that Mr. Cutter never thought of making complaints against me, until I had myself charged him with misconduct, misbehaviour, immorality and dishonesty, and proved it beyond all my expectations; shewing by that, that he is more actuated by a desire of revenge than by a true and faithful sense of his duty as Steward of the Hospital, and interest to that institution.

I am first accused of immoral conduct towards female patients and servants in the Hospital. That I most positively deny, as a wicked and forethought calumny, and will wait for any other explanations on that head until Mr. Cutter should have named the persons who ever had any such subject of complaint against me. But in the meantime I may be allowed to state boldly, fearlessly and with pride, that I fear no such accusation, not only from inmates of the Hospital, but even from outside.

The second accusation is of having placed in a conspicuous part of my bed room injected male organs.

The Commissioners will be pleased to bear in mind, that, as it is alleged, they were in my bed room, where none but Mr. Beaubien and myself had access, and that no female servants could have seen them unless improperly intruding where they were not called for.

Now the fact occurred thus: I had several anatomical preparations, and, amongst others, injected hearts, lungs, arms, and genital organs of both male and female. Having found that they were mite-eaten, I took them out of a box where they had been cautiously kept, varnished them, and left them to dry on my bed room window for 24 hours, after which I replaced them in the same box. It is not but very long after and very lately that I heard that the male organs had been, during the absence of Mr. Beaubien and myself, carried out of my room by one of the servants of the Hospital, and shewn to some of the nurses. I beg leave to remark moreover, that, as anatomist, it was in my hands a scientific object.

As to having appropriated to my own use Hospital provisions, and that during many consecutive months, it would bear stronger than any other thing against Mr. Cutter, who has the stores of the Hospital in charge, and who as a faithful servant, knowing of his duty, should not have allowed any one to defraud the institution intrusted to his care, particularly of those things of which he had charge; and I refer the Commissioners to that part of the rules intended for the guidance of the Steward, and more particularly to the rules Nos. 1 and 3. Is it possible, I ask, that I would have appropriated Hospital provisions to my own use, and that during many consecutive months, without Mr. Cutter's knowledge, and if so, why did he not complain before? Why wait until convinced himself of fraudulent appropriations? There is one fact, however, which came to my knowledge and it is this: when inquiring one day from my servant girl if she had any more potatoes, I was told that there was no more, and that Mr. Cutter had already given her about half a bushel. I then reprehended her, warned her against borrowing or taking anything from any of them in future, and for fear that she would have diminished the quantity, I returned a full bushel to Mr. Cutter.

The fourth accusation contained in Mr. Cutter's letter is, that I have caused two bodies of different religious belief to be interred in the same coffin, and that amongst others I have caused the female child of a respectable citizen to be interred between

the legs of a negro; also, that I ordered an emigrant child 18 months old to be buried, without any coffin at all, in the ground in rear of the Hospital.

My answer to these very serious charges is written in the 7th rule for the guidance of the Steward. His duty was to procure coffins for the dead, and superintend their decent burial, and if true, his allegations against me would be another instance, another undoubted proof of the little care he paid to the discharge of his duties.

I never caused two bodies to be interred in the same coffin; never ordered any one to be buried without coffin at all. The only orders I ever gave, if it can be called an order, were the answers, yes or no, to the porter when asked by him after or before post mortem examination, whether bodies were to be then confined or not. I had no orders to give about the manner they were to be confined. It was no part of my duty, and did not inquire about it until after I heard that some rumours had gone through the city about it. The latter fact I assert to be altogether unfounded and untrue.

The last accusation is that of having during many consecutive months caused my work to be done by the Hospital house maid and nurses. Supposing that to be true, how can Mr. Cutter mention doings perfectly known by him at the time, which, though he should have put a stop to, he allowed to go the whole length when his very words are "during many consecutive months." As to the nurses, it is entirely untrue; as to the house maid, she, herself, when she gave her evidence, stated that what she did for me did not interfere with her duties, nor prevent her from fulfilling them in the least. During the winter 1849, having but very little work to give to a servant girl, I agreed with Mr. Cutter that the house maid would do my work upon my paying her the half of the wages she was entitled to as housemaid, and that with the remainder of her wages he would procure another woman to help her if required. I in consequence of that understanding paid her 7s 6d per month, and boarded her. I cannot say what Mr. Cutter did with the other half of her wages and her ration but I know she was helped; and that the duties of the housemaid were well attended to, is a fact which neither Mr. Cutter nor any one else will deny.

The foregoing explanations I think sufficient to meet all the accusations preferred against me by Mr. Cutter. If they were not thought so by the Commissioners, I would beg from them not to condemn nor censure me without giving me an opportunity of being heard at a greater length than I possibly can in a letter.

I have the honour to be,

Sir,

Your most obt. Servant,

(Signed,) C. E. LEMIEUX,

House Surgeon, M. and E. H.

True copy.

(Signed,) N. CASALTY,

S. T. C. M. and E. H.

(Document No. 11.)

Abstract of the rules and regulations for the guidance of the Steward of the Marine and Emigrant Hospital.—

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

Rules referred to in Document No. 10.

1st Rule.—The Steward is to have charge of all the stores, not medical, and to be responsible for them, keeping a correct list of the same precisely in the form prescribed.

3rd Rule.—He is to receive all provisions from the contractors or others, to weigh the same, to issue them by weight according to the diet tables, which diet tables will be hung up in some conspicuous place in the ward, &c.

7th Rule.—He will procure coffins for the dead, and superintend their decent burial; the burials to take place at fixed hours, and those the most convenient to the clergyman officiating.

True copy from the Rules and regulations for the guidance of the Steward of the Marine and Emigrant Hospital.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

(Document No. 12.)*

On the twelfth day of August, in the year of our Lord, one thousand eight hundred and fifty, before us the undersigned notary public, duly admitted and sworn for that part of the Province of Canada heretofore called Lower Canada, and residing in the city of Quebec, and the witnesses hereinafter named, personally came, appeared and was present Mr. Henry Seman, mariner, of Hanover in Germany, being now in the Marine Hospital of the said city of Quebec. Being sick of body, but of sound and perfect mind and memory, judgment and understanding, as it appeared to us the said notary and to the said witnesses by his actions and words.

Who declared unto us, that considering the certainty of death and the uncertainty of the time thereof, he was desirous of making his last will and testament, which he dictated and named word for word to Maitre Michel Tessier, Notary in the presence of the said witnesses, as follows, viz.:

1st. I recommend my soul to God.

2dly. I will and bequeath unto Sarah Garland, nurse in the Marine Hospital, the sum of five pounds, sterling money, to be paid to her out of the moneys owing to me or otherwise belonging to me in the said city of Quebec, in consideration of the good care she takes for me during my present sickness.

3rdly. I will and bequeath the remainder of the moneys owing to me or otherwise belonging to me in the said city of Quebec, and all my clothes and movable effects belonging to me in the said Marine Hospital, to Charles Eusebe Lemieux, Surgeon in the said Marine Hospital, and to Isaac H. Cutter, Steward in the said Marine Hospital, to be equally divided between them, and share and share alike.

And I hereby name and appoint the said Charles E. Lemieux and Isaac H. Cutter, to be my executors of this my last will and testament.

Thus done and dictated word for word, and published and declared by the said Testator as and for his last will and testament, to and in the pre-

* Will referred to in document No. 13, being a letter from Dr. Lemieux.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

Appendix
(R. R.)

18th July.

sence of Messrs. Henry Nisbet, of Burravoe in Scotland, and David James, of Cardigan, in the principality of Wales in England, now in the said Marine Hospital, witnesses hereto, in the said city of Quebec, in the said Marine Hospital, on the day and year first above written. In faith and testimony whereof the said Testator, who has declared not to know how to write nor sign his name, has to these presents first duly read twice, set and subscribed his ordinary mark or cross, in the presence of us the said notary and that of the said witnesses, with us hereunto also subscribing. These presents remaining of record in the office of the said Michel Tessier, under the number seven thousand two hundred and fifty-three.

(Signed,)

HENRY SEMAN,
his mark.

(Thus signed,)

HENRY NISBET,
DAVID JAMES,
M. TESSIER, N. P.

(Document No. 13.)

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 13th January, 1851.

To the Commissioners of the Marine and Emigrant Hospital.

GENTLEMEN,

One sentence in Dr. James Douglas' evidence of the 9th instant, requires on my part some explanations which I beg leave to offer. It is that part where he accuses me of having once shared, with the House Steward and a nurse, in the division of the money and effects of a patient who died in the Hospital.

Some time last summer I was told by Mr. Cutter that a patient named Henry Seman had intimated that he intended to bequeath unto Sarah Garland (one of the nurses) part of his clothes and money, and the rest unto the Hospital.

I inquired the same day from Dr. Jackson, one of the visiting Physicians, in the presence of all the students, if that would be proper. The doctor's answer was, that far from seeing any objection, he would be pleased by it, provided the thing was done in a proper and legal manner. On the same day Mr. Tessier, notary, sent for by Mr. Cutter, came in the surgery, asking pen and ink to make the will of a seaman, who, as he said, had called him for that purpose. He again entered the surgery when going out, and told me to call on him with Mr. Cutter after the man's death, which I did two days after he had expired, and then for the first time I was apprised of the contents of the will hereby inclosed. I had never directly or indirectly said a word to the man about his money, nor had any conversation with him whatever, and thought it so little condemnable to accept the £4 4s 6d which I received by that will, that I mentioned it to some of the visiting Physicians, to the Secretary of the Commission, and, to the best of my knowledge, to some of the Commissioners themselves who seemed all pleased with it.

If the Commissioners, notwithstanding these explanations, are of opinion that my acceptance of the £4 may in the least injure the interest or the good name of the institution, though I am legally possessed of them, I will at once pay the same amount to the Treasurer to be disposed of as they will think proper.

Appendix
(R. R.)

18th July.

In concluding gentlemen, I may state that I am at a loss to know what prompted Dr. Douglas in preferring against me such a serious charge when he was aware of all the facts long ago. And had he ever intimated that it was improper to give effect to the will in question, I would not have accepted it, or would have given back the money according to the directions of the Commissioners.

I have the honor to be,
Gentlemen, &c., &c.

(Signed,) C. E. LEMIEUX,
House Surgeon M. and E. H.

True copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

(Translation.)

SECRETARY'S OFFICE,
TORONTO, 15th February, 1851.

SIR,

I have the honor to acknowledge the receipt of your letter, dated 21st January last, and of the copies which by order of the Commissioners of the Hospital you have at the same time transmitted to me, of the complaints brought by Dr. Lemieux against Mr. Cutter the Steward, and of the inquiry which the Commissioners have considered necessary to make concerning the truth of these charges, as well as of a copy of various other documents produced during the investigation, and of a report on the whole.

I have had the honor of submitting all these documents to the consideration of His Excellency the Governor General, and His Excellency, after a careful examination, directs me to acquaint you for the information of the Commissioners, that the result of their investigation perfectly justifies the recommendation of the Commissioners, that Mr. Cutter be dismissed from the office which he fills in the Hospital. His Excellency sanctions his dismissal, and it is communicated to Mr. Cutter in a letter dated this day, which I am addressing to him by order of His Excellency.

His Excellency directs me at the same time to inform you, that he has taken into consideration the long services which Mr. Patrick Whelan has already rendered as Steward of the Hospital, and that in accordance with the pressing recommendation of the Commissioners, based on these meritorious services, he authorizes them to offer him the situation of Steward of the Hospital, and his wife that of Matron, and to instal them immediately should they accept the offer.

As soon as his acceptance is communicated to His Excellency by the Commissioners, Mr. Whelan will receive his letter of nomination, and that of his wife.

His Excellency, the Governor General, directs me to convey on this occasion to the Commissioners, his approbation of their conduct, and of the zeal and assiduity which they have displayed in the inquiry, the report of which forms the subject of communication.

I have the honor to be, &c. &c.

(Signed,) J. LESLIE,
Secretary.

Appendix
(R. R.)

18th July.

SECRETARY'S OFFICE,
TORONTO, 15th February, 1851.

SIR,—I have received and laid before His Excellency the Governor General your letter, dated the 14th January last.

I have also laid before His Excellency the report of the Commissioners of the Quebec Marine and Emigrant Hospital upon the charges brought against you by Dr. Lemieux.

After a long and laborious investigation, during which it appears every opportunity was afforded you of defence, they have come to the conclusion that your services as Steward of that institution ought to be dispensed with.

His Excellency, after a careful examination of the documents and evidence, concurs in that conclusion.

His Excellency therefore commands me to inform you that your services as Steward of the Quebec Marine and Emigrant Hospital are to be dispensed with from this date, as well as those of your wife as Matron of the same.

I am, Sir,

Your obedient servant,

(Signed,) J. LESLIE,
Secretary.

Mr. J. H. Cutter, Steward,
Marine and Emigrant Hospital,
Quebec.

QUEBEC, 3rd March, 1851.

SIR,—Your letter of the 15th ultimo I had the honor to receive on the 22nd, and should have acknowledged the receipt of it sooner, had I not been prevented by serious illness.

You inform me that you "laid before His Excellency the Governor General the report of the Commissioners of the Quebec Marine and Emigrant Hospital upon the charges brought against you by Dr. Lemieux, and that after a long and laborious investigation, during which it appears every opportunity was afforded you of defence, they have come to the conclusion that your services as Steward of that institution ought to be dispensed with."

In retiring from the Hospital, I beg that it may be distinctly understood by you and by His Excellency, that the evidence in support of the charges against me was had from the most worthless characters, and was disproved at the time before the Commissioners, and that my defence was not heard at all.

I stated to the Commissioners in my last communication to them, that I was prepared to prove the falsehood of the charges, and the motives which caused them to be brought against me. I beg to enclose a copy of this my last letter to the Commissioners, and to state that I am fully prepared to prove the facts therein stated.

I have the honour to be,

Sir,

Your very obedient Servant,

(Signed,) ISAAC H. CUTTER.

HON. JAMES LESLIE,
Provincial Secretary,
Toronto.

Appendix
(R. R.)

18th July.

[Copy, No. 2.]

QUEBEC, 27th January, 1851.

SIR,

We the undersigned, visiting Physicians of the Marine and Emigrant Hospital, beg leave to state to you for the information of His Excellency the Governor General, that the Hospital of which we have the medical charge, is destitute of many things essential to the comfort and well-being of the Patients; that our repeated requisitions to the Commissioners have not been attended to; and that our claims on the attention of the Commissioners to matters vitally affecting the interests of the institution, and the lives of the patients, have equally been disregarded.

Under these circumstances we intreat most urgently, that His Excellency will be pleased to adopt such measures as will enable us to do our own duty with comfort and credit to ourselves, and with advantage to the patients intrusted to our care.

We have, &c.,

(Signed,) J. DOUGLAS,
JOS. PAINCHAUD,
A. JACKSON,
O. L. ROBITAILLE,
JOHN L. HALL,
A. ROWAND.

To the Honble. J. Leslie,
Provincial Secretary,
&c., &c., &c.

(Translation.)

QUEBEC, 30th January, 1851.

SIR,

Without much examination we signed a letter to your address dated 27th instant, relative to certain complaints on the part of the Physicians of the Marine Hospital. Quebec, against the Commission of that department.

This proceeding on our part is calculated to destroy the confidence which ought of necessity to exist between the Commissioners and the Physicians in order to the welfare of the establishment.

Upon reflection we are of opinion that the difficulty referred to in the letter of the Visiting Physicians, might easily be arranged, without the necessity of any recourse to the Executive.

Wherefore, we trust that if it be possible our names may be erased from the said letter, or if not, that they may be considered by the proper authority as not being there.

We have, &c.,

(Signed,) JOS. PAINCHAUD,
" O. L. ROBITAILLE,
" A. ROWAND, M. D.

Honourable J. Leslie,
Provincial Secretary,
Toronto.

P. S.—After a minute investigation of the matter, we are convinced that the most serious charge in the letter of the 27th instant is unfounded, and that we have been shamefully led into error.

(Signed,) JOS. PAINCHAUD.
" O. L. R.,
" A. R.

(Translation.)

QUEBEC, 3rd February, 1851.

SIR,

We consider it our duty to inform you, that Dr. James Douglas is the originator of our complaints against the Commissioners of the Marine and Emigrant Hospital as contained in our letter of the 27th January last; that it is at his request, that we met; that he himself drew up the draft of the letter, and that it was upon his assurance that we signed it.

We particularly regret that part of the letter which relates to the treatment and even to the life of the patients in the Hospital.

We would therefore request that the contents of the present letter be laid before His Excellency the Governor General.

We have, &c.

(Signed,) JOS. PAINCHAUD,
A. ROWAND,
O. L. ROBITAILLE.

To the Honble. James Leslie,
Provincial Secretary.
Toronto.

(Copy.)

SECRETARY'S OFFICE,
TORONTO, 13th Feb., 1851.

GENTLEMEN,

I have the honour to acknowledge the receipt of a communication dated the 27th of January last, signed by you and by Doctors Painchaud, Robitaille, and Rowand, as visiting Physicians of the Marine and Emigrant Hospital at Quebec, in which communication it is stated for the information of His Excellency the Governor General, "that the Hospital of which you have the medical charge is destitute of many things essential to the comfort and well-being of the patients; that your repeated requisitions to the Commissioners have not been attended to; and that your claims on the attention of the Commissioners to matters vitally affecting the interests of the institution and the lives of the patients have equally been disregarded; and that under these circumstances you intreat most urgently that His Excellency will be pleased to adopt such measures as will enable you to do your duty with comfort and credit to yourselves, and with advantage to the patients intrusted to your care."

I have also received two other communications, respectively dated the 30th January last, and 3rd February instant, signed by Drs. Painchaud, Robitaille, and Rowand, of which communications copies are enclosed.

You will see by those communications that Drs. Painchaud, Robitaille and Rowand have, for the reasons assigned by them, withdrawn their names from your joint letter of the 27th January last.

I have had the honour of laying this correspondence before His Excellency the Governor General.

His Excellency, appreciating to its fullest extent the advantages to be derived from the existence of a Marine and Emigrant Hospital at Quebec, cannot but deeply regret that so much misunderstanding should exist among the visiting Physicians of that institution, inasmuch as it must on the one

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

hand weaken public confidence in that branch of the administration of the Hospital confided to them, and impair on the other the benefits which are naturally expected from that part of the administration of its affairs.

His Excellency equally regrets that your relations with the Commissioners of the Hospital should of late have been such as in your opinion to render it incumbent upon you to prefer against them charges which, although of a merely general character, are nevertheless very grave.

The Commissioners fulfil gratuitously duties of an arduous nature, which up to the present time they had discharged in a manner to merit His Excellency's confidence, and without any complaint having been brought against them.

Before taking any further action in the matter, His Excellency deems it but right that the Commissioners should have an opportunity of being heard; but it would be unjust to call upon them to answer accusations couched in the general terms contained in your letter of the 27th January last.

His Excellency commands me to say, that in his opinion it is due, as well to yourselves as to the Commissioners, that you should specify the nature and date of the particular facts upon which must be presumed to rest the general charges conveyed in your letter; such a specification is the more necessary under the circumstances, that these charges have already been repudiated by three of your colleagues.

I have, therefore, in command from His Excellency the Governor General to request that you will state for the information of His Excellency,

1st, What are the particular things, essential to the comfort and well-being of the Patients, of which the Quebec Marine and Emigrant Hospital is destitute, and since when has it been so destitute of them?

2ndly, What is the particular nature or object of "your repeated requisitions to the Commissioners" which you state have not been attended to? At what times were they made, and were they verbal, or in writing?

3rdly, What are the particular matters in your opinion, "vitally affecting the interests of the institution and the lives of the Patients," to which your claims on the attention of the Commissioners, you state, have been disregarded, and on what particular occasions?

I have to express his Excellency's hope that you will favour him with an early reply.

I have, &c.,

(Signed,) J. LESLIE,
Secretary.

Dr. J. Douglas,
— A. Jackson,
— J. L. Hall.

(Translation.)

TORONTO, 13th February, 1851.

GENTLEMEN,

I herewith transmit for your information a copy of a letter, written by me in answer to the letter of the 27th January last, signed by yourself and Drs. J. Douglas, A. Jackson, and J. L. Hall.

I ought at the same time to advise you, that I have addressed to the latter for their information

copies of your letters of the 30th January and 3rd February, relating to the said letter of the 27th January.

I have, &c.

(Signed,) J. LESLIE,
Secretary.

Doctors Joseph Painchaud,
O. L. Robitaille,
A. Rowand,
Quebec.

(Copy.)

QUEBEC, 27th February, 1851.

SIR,

We have the honour to acknowledge the receipt of your communication of the 13th instant enclosing two letters signed by Drs. Painchaud, Robitaille and Rowand, in which, for reasons assigned by them, they withdraw their names from a joint letter addressed to you on the 27th ultimo. In noticing these letters we will pass over their style and tone and will merely remark on the reasons assigned by these gentlemen for withdrawing their names from this joint letter.

After stating in their letters of the 30th January and 3rd February, that they withdraw their names, they find it necessary to account for their inconsistency, and endeavour to do so on the plea that they had not sufficient time for deliberation; that they were "*honteusement induits en erreur*;" that Dr. J. Douglas called the meeting, was the author and mover of the complaints, and that it was on his credibility they signed the letter. It is hardly credible that one man could have led five others to make false statements on matters with which they were or ought to have been as intimately acquainted as himself.

The joint letter in question was not an expression of opinion which might be altered, it was a statement of facts not resting on the *ipse dixit* or credibility of any one, but which were well known to every gentleman who signed the letter. The letter itself was intended to call the attention of the Governor to the actual state of the Hospital, the repeated claims of the Visiting Physicians on the attention of the Commissioners having been disregarded.

The meeting in question was proposed and called by Dr. Painchaud for the purpose of considering certain articles which had appeared in the public papers reflecting in very strong terms on the management of the Hospital, and on the conduct of its officers.

At this meeting it was resolved to take no notice of Newspaper paragraphs. It was, however, decided to call His Excellency's attention to the general inefficient state of the Hospital, and to the neglect of the Commissioners to the repeated requisitions of Visiting Physicians. This was done in the terms of the joint letter of January 27th. No member desired more moderation in its language; different members, however, objected to the expressions as not being sufficiently strong. A rough draft of this letter was made and signed at the time; it was then handed to the Secretary, who copied and sent it round late in the day for signature. Dr. Painchaud, "*reflexion faite*," not only signed it himself but sent it to different members for signature. That the gentlemen were not led into error, taken by surprise, &c., will be shown by their own letter to Commissioners, dated

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

" Sir,

" We beg leave to state to you for the information of the Commissioners, that the rule made by them for the admission of the friends of the patients in Hospital has been attended by great inconveniences and abuses, and that very lately the death of a patient may be attributed to this."

" We take this opportunity of calling the attention of the Commissioners to the general inefficient state of the Hospital and to the want of bedsteads, bedding and clothing for the patients."

(Signed,)

" J. PAINCHAUD,
" J. DOUGLAS,
" A. JACKSON,
" O. ROBITAILLE,
" J. L. HALL,
" A. ROWAND."

It will be seen that this letter to the Commissioners, dated 14th December 1850, and signed by all the visiting physicians, contains the same statement of facts and the same expression of opinions as the joint letter of the 27th ultimo. We must leave to Doctors Painchaud, Robitaille and Rowand, the task of reconciling the facts stated in these joint letters with the statements made in their letters of the 30th January and 3rd February.

In your communication of the 13th instant you state that His Excellency regrets that misunderstanding should exist among the Visiting Physicians. We beg leave to assure His Excellency, that until the receipt of your communication, we were not aware that any misunderstanding or difference of opinion did exist. We beg also to assure His Excellency that our relations with the Commissioners have hitherto been very slight; one of the undersigned having never seen the Commissioners or the Secretary; one has only once, incidentally seen them; and the third, the oldest appointed of the visiting physicians of the Hospital, has only seen them once, incidentally, during the past two years.

In compliance to His Excellency's commands that we should state:

1st. What are the things essential to the comfort and well-being of the patients?

2nd. What is the particular nature or object of our repeated requisitions to the Commissioners?

3rd. What are the particular matters in our opinion vitally affecting the interests of the institution and the lives of the patients?

We beg leave to answer these three questions by one general and connected statement, and in doing so we will confine ourselves to the period of time embraced within the three months preceding the joint letter of January 27th.

On the 1st November, Dr. Lemieux, the House Surgeon, addressed a letter to the Commissioners setting forth in most urgent terms the absolute necessity of immediately providing the Hospital with a number of articles essential to the comfort and well being of the patients. On the fifth of November, the senior Visiting Physician, accompanied by the House Surgeon and Steward (who then enjoyed the confidence of the Commissioners) waited by appointment on Mr. Casault, the Commissioners' Secretary, and handed him the requisition, dated 1st November, 1850, stating to him in plain terms that the Hospital was in a disgraceful state and condition, and that the patients were in want of absolute necessaries.

Among other things in support of these facts, it was stated to him that 160 patients then in the wards, fed themselves with their fingers, as there was not a single pair of knives and forks in use in Hospital, and that moreover, those patients requiring washes or lotions were obliged to keep such in chamber pots for want of the necessary basins or vessels. Mr. Casault replied that he had no power to act, but that he would submit this requisition to the next meeting of Commissioners.

The Visiting Physician then present requested to be notified of such meeting, and to be afforded an opportunity of being heard before the Commissioners on the state and condition of the Hospital.

No notice to the best of our knowledge has been taken of this requisition or of this request. A few days afterwards, the senior Visiting Physician waited personally on the Chairman of the Commissioners, and after stating that the materials furnished for the food of the patients was of the worst possible description and unfit for use, requested him at once to repair to the Hospital and take cognizance of the facts. As however, this claim on their attention was referred to at a meeting of the Commissioners, we beg leave to give an extract, as taken down by their Secretary. "Dr. J. Douglas, one of the Visiting Physicians of the Hospital stated: 'I complained twice to Mr. Cutter of the quality of the diets. The House Surgeon was present both times and concurred that the diets were bad. Mr. Cutter stated and complained that the materials were bad, and that he could make nothing with them. The soup was not soup, it was dirty water, the beef very bad, it was not fair beef. Stated the same day to the Chairman of the Commissioners that the materials furnished to the Hospital were of inferior quality, and gave reasons for just grounds of complaint by which the patients suffered and the character of the Hospital was severely damaged, I told Dr. Morrin at the same time that there were other grave abuses then existing in the Hospital and which required immediate notice of the commission.'

"I never wrote to the Secretary officially any complaints against the Hospital. Three days afterwards I went back to the Chairman to state that nothing had yet been done, on which he told me that Mr. Paradis, the nearest Commissioner, would attend to it."

On the 14th December, being quarter day, the Visiting Physicians met to exchange charge of the wards.

The state of the Hospital was considered, and as nothing had been done by the Commissioners, it was resolved to address them once more. This was done in a letter, a copy of which has been given above. We beg leave to assure His Excellency that in addressing to you our joint letter of 27th ultimo, we acted under an imperative sense of duty to the Hospital, and to ourselves; and that we should not have addressed such communication, had we been able to entertain any reasonable hope that the Commissioners would have taken the state and wants of the Hospital into their consideration.

We have, &c.,

(Signed,)

J. DOUGLAS,
ALFRED JACKSON,
JOHN L. HALL.

The Honorable

James Leslie,

Provincial Secretary.

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

(Copy.)

REQUISITION.

REQUIRED for the use of the Marine and Emigrant Hospital.

115 Iron Bedsteads,
115 Feather Pillows,
200 Men's Shirts,
60 Women's Shirts,
50 Women's Bed Gowns,
50 Children's Shirts,
200 Pillow Covers,
6 dozen Men's Night Caps,
40 yards Diaper Linen for Towels,
1 piece of Brown Linen for Rollers,
1 gross Knives and Forks,
5 dozen Pewter Spitting Pans,
2 dozen Pewter Wash Hand Basins,
50 small Tables,
12 Close Stools,
8 Mattresses require repairs.

(Signed,) ISAAC H. CUTTER,
Steward, M. & E. H.

Marine and Emigrant Hospital,
Quebec, November 1st, 1850.

(Copy.)

SECRETARY'S OFFICE,
TORONTO, 8th March, 1851.

GENTLEMEN,

I have the honour, by command of the Governor General, to enclose to you copies of the documents mentioned in the accompanying Schedule relative to certain complaints preferred against you by the visiting Physicians of the Hospital under your charge; and to request that you will answer fully the charges which are thereby preferred for His Excellency's information:

I have, &c.,

(Signed,) J. LESLIE,
Secretary.

The Commissioners of the Marine and Emigrant Hospital,
&c. &c. &c.,
Quebec.

SCHEDULE.

1. Letter of Dr. J. Douglas and other Visiting Physicians to the Marine and Emigrant Hospital of the 27th January last, to the Provincial Secretary.
- 2, 3 and 4. Letters of Dr. Painchaud, Robitaille and Rowand, to the Provincial Secretary of the 30th January and 3rd February.
5. The Provincial Secretary, to Drs. Douglas, Jackson, and Hall, of the 13th of February.
6. Letter of Drs. Douglas, Jackson and Hall with its enclosure "A Requisition" to the Provincial Secretary.

(Copy.)

SECRETARY'S OFFICE,
TORONTO, 8th March, 1851.

GENTLEMEN,

I have the honour, by command of the Governor General, to enclose to you, for any explanation you may desire to offer, the accompanying copy of a letter received from Drs. J. Douglas, Alfred Jackson and J. L. Hall, with reference to your joint communication of the 30th January last and 3rd ultimo.

I have, &c.,

(Signed,) J. LESLIE,
Secretary.

Drs. Jos. Painchaud,
O. Robitaille, and
A. Rowand.

(Translation.)

QUEBEC, 18th March, 1851.

Sir,

In transmitting to you our letter of to-day, in answer to yours of the 8th instant, accompanying that of Drs. J. Douglas, A. Jackson, and J. L. Hall, dated 27th February, I beg leave to submit to His Excellency the respective letters of Drs. Rowand and Robitaille and other gentlemen, with a few remarks suggested to me by the letter of Drs. Douglas, Jackson and Hall. Both my colleagues and myself are under the impression that our joint letter of the 30th January last, contains every thing with which we desire to acquaint His Excellency, namely, "that we consider this proceeding on our part (the Medical Visitors) calculated to destroy the confidence which ought of necessity to exist between the Commissioners and the Physicians in order to the welfare of the establishment. We are of opinion that the difficulty referred to in the letter of the Visiting Physicians, might be arranged without the necessity of having recourse to the Executive.

"After a minute investigation of the matter, we are convinced that the most serious charge in the letter of the 27th January last is unfounded, and that we have been shamefully led into error."

These gentlemen begin by animadverting and casting ridicule upon the style of our letters; I shall not even take the trouble of remarking the impropriety and want of tact displayed in such conduct on the part of men who are almost strangers to the merit of a language which is not their own. My object and that of my colleagues has been solely to search for truth, for we have more confidence in the eloquence of facts, than in that of finely turned sentences, void of truth.

They reproach us with having been inconsistent, and of endeavouring to extenuate that circumstance by stating that "we have been shamefully led into error; it was Dr. Douglas who called for the meeting, and was the author and mover of the complaints of the Visiting Physicians, and it was upon his assurance that we signed the letter."

I see nothing wrong in acknowledging that we have deceived ourselves, still less that we have been deceived; and this proceeding if it indicated a want of consistency, would at least be the proof of an upright mind and of honourable convictions.

No one can boast that he has not been deceived; but an honorable man should return to the truth as soon as he knows where to find it: this is therefore all the justification we have to offer on this point.

But there is something still more important, and which requires most minute and clearly expressed explanation; for it is evident that Dr. James Douglas and his colleagues have endeavoured by speculating on words, to shew that we have deviated from the truth.

They commence by gratuitously asserting, that we said that "Dr. Douglas called the meeting, &c."

Appendix
(R. R.)

18th July.

J. L. HALL

Appendix
(R. R.)

18th July.

to which they answer "the meeting in question was proposed and called by Dr. Painchaud, &c." whereas we never asserted that Dr. Douglas had "called" the meeting; we merely stated, and here are the exact words of our letter of the 3d February last addressed to you* "*Nous croyons devoir vous informer que le Dr. Douglas est le moteur de nos plaintes contre les Commissaires de l'Hôpital de la Marine telles que renfermées dans votre lettre du 27 janvier; que c'est à sa demande que nous nous sommes assemblés; qu'il a lui-même dressé le projet de lettre,*" etc., (A A¹.)

We do not consider ourselves bound to prove what we never advanced; the only obligation due on our part to His Excellency and to ourselves, is that of entirely proving the contents of our letters of the 30th January, and 3d February. This is an easy task. The words of our letters must indeed have been garbled in the letter of the 27th February, for so honourable a man as Dr. Jackson to sign it, and I was thoroughly convinced, that if I appealed to him by asking him to explain the facts, he would hasten to bear witness to the truth. I required him so much the more that he is my most immediate and most valuable witness. We all have the highest esteem for Dr. Jackson, whom we are grieved to see placed in so false a position, where he acts a perfectly passive part. He has said to me on many occasions in relation to the letter of the 27th January, and he has said to many others that "if the thing had to be done over again, I would not sign, but I can not back out at present, that man would owe me a grudge for the rest of his life; he would ruin me if he could." (See document marked O.)

As to the question whether the meeting was or was not proposed by Dr. Douglas, I take the liberty of referring you to the document marked A, in which I put certain questions to Dr. Jackson, who answers them in the affirmative.

The signers of the letter of the 27th February, consider it "hardly credible that one man could have led five others to make false statements on matters with which they were, or ought to have been, as intimately acquainted as himself."

If we had brought weighty charges against the Commissioners, supported solely by vague, common, and worthless rumour, our conduct would have been unjustifiable, we confess; but Dr. Douglas being an officer of the Hospital, it is therefore not at all astonishing that his colleagues have believed him on his word, in relation to a particular matter concerning the institution.

"A rough draft of this letter was made and signed at the time. Different members objected, as not being sufficiently strong."

The three signers do not deny what we have asserted in our letter of the 3rd February, "that Dr. Douglas himself made the draft of the letter" to which they here allude. They are silent on that important point, and their silence assures us that we have asserted nothing beyond the truth.

Their remarks with regard to the style of the letter amaze me, for they are exactly the opposite of the truth. At the meeting Dr. Jackson caused the word "never" to be struck out, and inserted in its place the word "not" in the clause following: "Our repeated requisitions to the Commissioners have not," instead of "never," "been attended to." My assertion relative to this circumstance is corroborated by Dr. Rowand's letter, marked B, in which all the circumstances of the meeting of the physicians are detailed.

*We consider it our duty to inform you, that Dr. James Douglas is the originator of our complaints against the Commissioners of the Marine Hospital as contained in our letter of the 27th January last; that it is at his request that we met; that he himself drew up the draft of the letter and that it was upon his assurance that we signed it.

Appendix
(R. R.)

18th July.

"That the gentlemen were not led into error, taken by surprise, &c., will be shewn by their own letter to the Commissioners, dated Marine Hospital, December 14th, 1850.

"Sir,—We beg leave to state to you, for the information of the Commissioners, that the rule made by them for the admission of the friends of the patients in Hospital, has been attended by great inconveniences and abuses, and that very lately the death of a patient may be attributed to this cause.

"We take this opportunity of calling the attention of the Commissioners to the great inefficient state of the Hospital, and want of bedsteads."

Signed by the six physicians. Addressed to Mr. Casault, Secretary.

This letter was also the work of Dr. Douglas. Many of us were in perfect ignorance both of the rule here mentioned, and of the case of death. Dr. Rowand was absent, and we signed it again on this occasion, trusting to our colleague's correctness (B¹).

The letter of the 27th January being only a repetition of that of the 14th December, we certainly believed that, by withdrawing our names from the one, they were similarly withdrawn from the other; therefore there is no contradiction in them (D).

We were in both cases led into error, because in both we believed in the assertions of a colleague, whom we could not suspect at first of a wish designedly to deceive us.

It was not until after the 27th January that we discovered the existence of an extensive plot against the whole establishment of the Marine Hospital, of which Dr. Douglas was either the author, or to which he was at least privy, inasmuch as on the 27th January, that is two days before the Board of Trade took action, demanding an inquiry into the management of the Hospital, he said to Dr. Rowand, "The object of this meeting is to adopt some measures to protect ourselves from the consequences of an enquiry which is about to be instituted by Government into the Marine and Emigrant Hospital." (B²)

Let us compare the above extract with the following, taken from a letter of the Board of Trade, dated 29th January:

"It is also, in the apprehension of the Council, a very serious evil that while the services of one of the most accomplished Surgeons in Quebec are actually paid for by the institution, an arrangement has been sanctioned by the Government by which his talents and experience are only available for a small portion of the year."

And we shall then be convinced that Dr. Douglas wished to make use at the same time of the visiting Physicians and the Board of Trade, for the one purpose of undermining the Commissioners; and of the Board of Trade alone, to undermine in their turn the Visiting Physicians who prevented him, as the Board of Trade asserts, from fulfilling his duty as Visiting Physician during the twelve months of the year.

The Government should call to mind with what repugnance Dr. Douglas looked upon the appointment of new Visiting Physicians to the Hospital, and what injurious language he made use of respecting them.

If, while making use of them as tools, both against the Commission and against the officers of the institution, he could at the same time overwhelm them in the general ruin, nothing would remain for him but to enjoy his success and the realization of his expectation, for he would be then sole master and sovereign of the Hospital, which evidently is his design.

The Board of Trade must be ignorant how matters are managed in the Hospital, otherwise they

would not make assertions which they do. If the Visiting Physicians have divided the year into quarters for a better system of order, and for the purpose of making the duties of each one of them as little burdensome as possible, it is however on that account by no means less true that Dr. Douglas may, if he thinks proper, visit the patients' wards every day, and lavish upon them the fruits of his experience.

But what would the Board of Trade say if we were to prove to them that the physician of their selection goes entire weeks and months without appearing at the Hospital, even during his own three months, (E.) (E. 2.) (E. 3.) (E. 4.) that "one of the most accomplished Surgeons in Quebec actually paid, &c.," refuses to assist us, his colleagues, with his talents and experience in cases of important operations.

A man of the name of Edward Curren, in the summer of 1848, was carried to the Marine Hospital with a fractured leg. The House-Surgeon being convinced that amputation of the limb was necessary, sent immediately verbal notice to all the Visiting Physicians to be so good as to come to the Hospital without delay, a serious accident having taken place. Drs. Jackson and Sewell, who were on duty for the quarter, went. I met them a short time afterwards with Dr. Wolff. The messenger had been to Dr. Douglas' house. After waiting for him a considerable time Dr. Wolff offered to go himself to Dr. Douglas' house. That gentleman told him that, "He had not been regularly notified." "But," said Dr. Wolff to him, "will you not consider my word sufficient?" The answer was "No,"—I remember the words of Dr. Wolff—"Let them wait for me until to-morrow, and grant that time to the patient as a 'sort of respite.'" [Documents (F.) (F. 1.) (F. 2.)]

"In your communication of the 13th instant, you state that His Excellency regrets that misunderstandings should exist among the Visiting Physicians."

"We beg leave to assure His Excellency that until the receipt of your communication we were not aware that any misunderstandings or difference of opinion did exist."

With His Excellency we sincerely regret this difficulty between the Visiting Physicians, and we can assure him, that nothing but a feeling of justice towards the Commissioners, and the whole institution, could have induced us to take the steps which we did take on 30th January and 3rd February. Dr. Douglas had met the newly appointed Medical Visitors with grossly offensive language upon their entering the institution; but with a view to harmony and the advantage of the Hospital we buried that in oblivion, and acted in concert, as is shewn by our letters of the 14th December and the 27th January, when we perceived that we were made accomplices in a base plot; that we were to be consigned to a common ruin, after having served as instruments of destruction to others.

The three signers answer generally and collectively "by one and collected statement,"* to the precise, definite and categorical questions which you put to them by order of the Governor General. This kind of answer is evidently made designedly. They lead us to forget, if it were possible so to do, in the long recital of circumstances comparatively insignificant, and in the recapitulation of conversations, more or less controvertible, the very grave and only real accusation brought against the Commissioners in our letter of the 14th of December, and in that of the 27th January; "very lately the death of a patient may be attributed to this cause." "That our claims on the attention of the Commission,

into matters vitally affecting the interests of the institution and the lives of the patients, have equally been disregarded."

Wherefore this silence with regard to so serious a charge, brought at the very outset against the Commission? We have stated that it was not founded on truth; and it appears to us that it is their duty to prove that it is, if they desire to maintain a character for veracity; and if, as they affirm at the conclusion of their letter of the 27th February, they act upon an imperative sentiment of duty towards the Hospital.

"In support of these facts, that one hundred and sixty patients, then in the wards, 1st November, 1850, fed themselves with their fingers."

On applying to the House Surgeon of the Hospital, he gave me an extract from the book of the institution, by which it appears that on the 1st November there were only one hundred and forty-two patients in the ward, and that it certainly was difficult of belief that one hundred and sixty patients were in the habit of eating with their fingers! (E¹)

Moreover, it is untrue that the patients are in the habit of eating with their fingers. I, for my part, have always seen them eat with knives belonging either to themselves or to the Hospital, and there are enough forks for a good number. Moreover, nearly a third or a fourth of the patients could not make use of any thing but a spoon, and spoons are abundant all over the establishment.

At any rate, throughout the whole of the assertions of Dr. Douglas, and of his two colleagues, there is much exaggeration and not a word of truth; with regard to what ought or might affect the life of the patients. Eating with one's fingers does not cause one's death.

It is surprising that Dr. Douglas did not act in this case as he did in all others. As often as he wanted any thing for his patients, mattresses, seats, strait-waistcoats, &c., he did not hesitate to send for them from the shops or factories. But we know now why Dr. Douglas acts no longer in the same manner; the affair of the iron bedsteads, so often spoken of by Dr. Douglas, and which stands the first item in the Steward's requisition, dated the 1st November, 1850, (date of the closing of the navigation,) is no longer a mystery to us.

We learn from the Chairman of the Commission, that Dr. Douglas has more than one hundred iron bedsteads on his hands which he would like no doubt to sell to the Hospital. He called to mind the fine speculation which he made by the sale of some old instruments to the Hospital.

Looking at all this fine-drawn policy and intrigue, by means of which the Board of Trade, certain of the Visiting Physicians, the press, and individuals equally devoid of character and shame have been brought into play in order to effect the ruin of the Commissioners, Visiting Physicians and officers of the establishment who have always enjoyed and still enjoy the public confidence and esteem, how can we repress our honest feelings of indignation? If the promoter, he who holds the wires, stands aloof, it is his former enemy, he whom he ever so deeply despised, Dr. William Marsden, a man expelled from the wards of the Hospital, who gets up affidavits (G), leagues himself with Cutter the Steward, and with hirelings of the Hospital, turned off like himself for their bad conduct, and puts into their mouths oaths to establish the most revolting statements against honourable men of stainless character. A well-timed present to the wife (a gold thimble richly chased), soon secured the good will of the husband and softened down old asperities.

It will be sufficient at present to forward to you with this letter the affidavit of the grave digger of the Marine Hospital (H) and the certificate of the Coroner, (I) to enable His Excellency to appreciate

* "General" omitted from the original,—"collected" substituted for "connected."—Translator's note.

Appendix
(R. R.)

18th July.

the character of Dr. Wm. Marsden, the man who drew up all the affidavits against the officers of the Hospital, who, with a lie upon his tongue has desecrated the hallowed resting place of the dead, and disturbed their peaceful repose. If I were allowed to consult the police register I might add a great deal more, but that is not permitted without an order from the Government.

I have the honour to be,

Sir,

Your very humble and obedient Servant,

(Signed,) JOS. PAINCHAUD.

The Hon. J. Leslie,
Provincial Secretary.

(A)

(Translation.)

QUEBEC, 13th March, 1851.

MY DEAR SIR,

I have just received the copy of an official letter, dated the 27th February last, and signed by yourself, Drs. James Douglas and J. L. Hall, in which it is said, "The meeting in question was proposed and called by Dr. Painchaud for the purpose of considering certain articles which had appeared in the public papers, reflecting in very strong terms on the management of the Hospital, and on the conduct of its officers."

This is certainly partly true, but not the whole truth;—for is it not a fact, that, two days before the said meeting, Dr. J. Douglas made you promise to come and see me, to consult upon proceedings, which should be taken by the Visiting Physicians, under these circumstances, that he did not exactly know himself what we ought to do, and that it would be advisable to call a meeting? I agreed, and took measures to have it convoked. I would beg of you to favour me with an answer; and believe me,

My Dear Sir,

Your very humble and obedient Servant,

(Signed,) JOS. PAINCHAUD.

Dr. A. JACKSON,
Vis. Physician M. & E. H.

The above is correct.

(Signed,) ALFRED JACKSON.

(A¹)

(Translation.)

MARINE HOSPITAL, QUEBEC,
15th March, 1851.

J. PAINCHAUD, Esquire, M. D.

SIR,

I have the honour to inform you, in answer to your letter dated yesterday, that it was on the 25th January last you directed me, at the request of Dr. J. Douglas, to call a meeting of the Visiting Physicians on the 27th of the same month.

I have, &c.,

(Signed,) C. E. LEMIEUX,
House Surgeon M. and E. H.

(B) (B¹) (B²)

QUEBEC, March 14th, 1851.

MY DEAR DOCTOR,

I have much pleasure in furnishing you with the information which you request of me in your note. It is briefly and simply as follows. Having received an official notification to attend a meeting of the Visiting Physicians of the Marine and Emigrant Hospital, on 27th January, 1851, I presented myself at the appointed time and place. All the medical officers having arrived, with the exception of yourself, I inquired of Dr. Douglas as to the object of the meeting. He expressed entire ignorance, and said we had assembled at your request. He, however, shortly contradicted himself when he saw you were not coming, and said the object of the meeting was to adopt some measures to protect ourselves from the consequences of an inquiry which was about to be instituted by Government into the management of the Marine and Emigrant Hospital. To my answer that it might be time enough to arm ourselves when threatened, he gave a brief negative, and proceeded to draw up his letter against the Commissioners, which, when completed, was read aloud to the meeting. It was almost unanimously disapproved of as being too severe, and a slight alteration was accordingly made. Dr. Douglas then entered into a short but unsatisfactory explanation to justify the accusations in the letter, and then abruptly affixed his signature to it. After a momentary delay of hesitation, we all followed in his wake, and did likewise. The meeting then broke up.

An impression, however, lingering in my mind that we had been guilty of an act of injustice to the Commissioners by such a letter, I was resolved to investigate its truth. I have found the graver portion of the charges untrue, and the paltry portion much exaggerated. After such discovery, I was anxious as soon as possible to withdraw my name from the letter, however inconsistent such conduct might appear.

With regard to a letter which was addressed to the Commissioners by the Visiting Physicians on the 14th December, 1850, I beg to state that I was in total ignorance of it, as to its truth, at the time, and I gave it my signature, as Dr. Douglas had sent his student with it to my house for my signature.

I remain, &c.,

(Signed,)

A. ROWAND.

Dr. Painchaud.

(D)

(Translation.)

QUEBEC, 3rd February, 1851.

SIR,

I signed with my brethren, the Visiting Physicians of the Marine Hospital, a letter, dated the 14th December, 1850, to the Commissioners of that establishment, complaining of one of their regulations respecting the visits of the relations and friends of the patients. Having been since that time convinced that the assertion made in that letter is false, that is to say, that the death of an individual, quite recently, might be referred to the regulation in question, is a charge both wrong and unfounded, I beg of you to request the Commissioners to allow me to withdraw my name from that letter of the 14th December last, and by so doing you will oblige

Yours, &c.

(Signed,)

JOS. PAINCHAUD.

Mr. Casault,
Secretary, M. H., Q.

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

(E) (E 1)

(Translation.)

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 15th March, 1851.

SIR,

In reply to your letter of to-day, in which you desire to know, if during the time I have been House Surgeon of the Marine Hospital, Dr. James Douglas has allowed weeks and even whole months to pass without appearing at the Hospital, I must confess that you put to me a question of a very delicate nature, to which, however, in our respective official positions, I feel it my duty to reply, and I answer your question in the affirmative.

This is as nearly as possible the information which you require from me in reference to an extract from the letter of Drs. Douglas, Jackson, and Hall, to the Provincial Secretary, dated 27th February last.

On looking over the registers of the Hospital, I find on the 1st May, 1849, there were 270 spoons, 56 knives, and 87 forks. On the 1st March, 1851, there were no more than 190 spoons, 36 knives, and 38 forks. About a third of the patients do not require knives or forks, being upon spoon diet; there is besides a milk diet. The sailors in the Hospital generally eat as they do on board ship, with their own knives, each being invariably provided with a clasp knife.

According to the registers there were 142 patients in Hospital on the 1st November, 1850.

I have, &c.

(Signed,) C. F. LEMIEUX.
House Surgeon, M. and E. H.JOSEPH PAINCHAUD, Esquire, M. D.,
Visiting Physician, M. and E. H.(E²)

QUEBEC, 16th February, 1851.

DEAR SIR,

The Marine Hospital being under your particular charge for a month, I consider a duty of mine to apprise you of a recent and fatal case of Puerperal Convulsions, attributed to erysipelas.

There is actually a pregnant woman expecting her confinement, and I have no doubt that you will coincide with me in the impropriety of leaving her in the same ward and even on the same floor.

I have, &c.

(Signed,) JOS. PAINCHAUD.
Dr. J. L. Hall,
Visiting Physician,
Q. M. H.(E³)

QUEBEC, 15th February, 1851.

DEAR DOCTOR,

Dr. Hall has just handed me your note of this date. You yourself were in full charge of the Hospital until Saturday. The fatal case you allude to terminated on Tuesday, and if there were then any suspicions of erysipelas, you ought not to have delayed doing your duty, by urging on the Commissioners the immediate necessity of causing the removal of any other pregnant women from the Hospital.

I have no power in this matter, but will, of course, lose no time in laying it before the Commissioners.

Yours very truly,

(Signed,) J. DOUGLAS.

Dr. Painchaud.

(E⁴).

(Translation.)

QUEBEC, 16th February, 1851.

MY DEAR DOCTOR,

I am just now in receipt of your note of to-day, in which you inform me that Dr. Hall has shewn you mine addressed to him, also dated to-day, and that "having no power in such a matter, you intend forthwith to forward it to the Commissioners." If I have addressed myself to Dr. Hall it is because he represented himself to be in charge of the Hospital for a month as heretofore, and paid his visit yesterday and this morning, in that capacity. You consider that I have delayed too long informing the Commissioners, and, for my part I consider that you have been in too great a hurry to do so. You seem to me to confound puerperal fever with puerperal convulsions;—the distinction is nevertheless, very important with reference to contagion. I am far from being prepared to say that the last case of convulsions was of a contagious character, notwithstanding its being attended with erythema of the face.

I consider myself perfectly justified, therefore, in having advised Dr. Hall to remove from the ward none but the only pregnant woman in the Hospital, and who had still a whole month to wait before her confinement. As you have already advised the Commissioners of that affair, I shall follow your example, and enclose them a copy of the present letter.

I have, &c.,

(Signed,) JOS. PAINCHAUD.

Dr. J. Douglas,
Visit. Physician,
M. H. Q.

(F)

15th March, 1851.

MY DEAR SIR,

I received your letter of yesterday's date, having reference to an amputation performed by Dr. Jackson, in the Marine Hospital, in 1848, and in which you ask me, "Whether Dr. Jas. Douglas was not duly notified, together with the other medical attendants of the institution,—that a serious accident had been admitted; and, moreover, that on his not coming down, whether Dr. Wolff did not go himself with a view to speak to Dr. Douglas upon the subject; and you further ask me to state what answer Dr. Douglas returned."

In reply, I beg to state that I received notice of the accident in question, and I remember that the porter stated that he had notified Dr. Douglas likewise, as well as Dr. Wolff going himself to request his attendance; but what answer Dr. D. returned, I cannot say.

Yours faithfully,

(Signed,) JAS. A. SEWELL.

(F¹)

(Translation.)

QUEBEC, 15th March, 1851.

MY DEAR COLLEAGUE,

Did you not in the summer of 1848 amputate a leg in the presence of Drs. Sewell, Wolff and myself?

Had Dr. James Douglas been notified, and was he present?

Did the operation succeed?

I am, &c.,

(Signed,) JOS. PAINCHAUD.

Dr. Jackson.

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

I performed the above operation in presence of the Doctors above mentioned, Dr. Painchaud, Dr. Sewell, and Dr. Wolff. Dr. James Douglas was not there; the operation succeeded perfectly.

(Signed,) ALFRED JACKSON.
Dr. Painchaud.

(F²)

QUEBEC, 16th March, 1851.

DEAR SIR,

In answer to your letter of the 14th inst., I beg to state that I have almost forgotten the circumstance of the case to which your letter has reference. What I do remember of the case, is that on that occasion I volunteered to go to Dr. Douglas, and went to request him to go down to the Marine Hospital to see a case that had just been admitted and which I believe I stated to him I thought would require, or required amputation; that Drs. Sewell and Jackson were waiting then. He replied that he would not go until he was properly notified, or that he would not go until he was properly notified, I am not perfectly certain, words however tantamount to that. The operation was performed upon my return by Dr. Jackson, without Dr. Douglas being present. I regret not being able to remember more particularly the whole of the particulars, but the whole matter amounts in substance to what I have stated. You have perfect permission to make use of this letter in any way you may think proper.

I remain, &c.

JAMES J. WOLFE.

To Dr. Painchaud.

(G)

(Translation.)

QUEBEC, 21st February, 1851.

DEAR SIR,

You enquire of me in your note of to-day "if there is an order prohibiting Dr. Wm. Marsden's admission into the Marine Hospital, which he stated "was a lie." This question has already been put to me, and I answered then, as I do now, in the affirmative.

The House Surgeon received orders from two of the Visiting Physicians, Dr. James Douglas and myself, to deny Dr. Marsden admission to the wards during our absence.

I had rather not enter into any further details. I can only say that the order was given on account of a pound of butter; it was a dirty business, almost as dirty as all the reports which have lately been circulated against the management of the Marine Hospital.

Ever yours,

(Signed,) JOS. PAINCHAUD.
Dr. J. Wolff.

(H)

QUEBEC, 13th March, 1851.

Thomas Bockley, labourer, being duly sworn on the Holy Evangelists of Almighty God, deposes and says.

That Dr. William Marsden called at his house where he lives, in the burying ground of the Ma-

* * Sic.

Appendix
(R. R.)

18th July.

rine Hospital, about the end of February last, and asked him to shew him where was buried the last body? That he answered Dr. Marsden, that he could not do so, except with an order of the Commissioners. Then the said Dr. Marsden said to him that he had an order from the Coroner, and that an inquest was to be held, on the next Monday; and further said that he believed that he had not buried the body. After all that the said Thomas Bockley proceeded to shew the coffin, and by the order of Dr. Marsden, he did open the coffin.

THOMAS ^{his} BOCKLEY.
_{mark.}

Sworn before me this 15th March, 1851.

(Signed.) ANT. A. PARENT, J. P.

(I)

QUEBEC, 17th March, 1851.

MY DEAR SIR,

In answer to your note of this morning requesting me to state whether I authorized Dr. Marsden to disinter and examine a body buried in the Marine Hospital Cemetery, I have to state that I did not authorize Dr. Marsden to disinter and examine the same.

Yours very truly,
(Signed,) J. A. PANET,
Coroner.

Joseph Painchaud, Esq. M. D.

(O)

(Translation.)

QUEBEC, 16th March, 1851.

SIR,

Not very long ago Dr. Jackson, while speaking to me relative to a communication containing certain complaints against the Marine Hospital, and to which he had attached his signature together with his colleagues, said "if the thing had to be done "over again, I most likely would have nothing to do "with it." Not that he regretted having signed it because it might be thought to contain other than the truth; but, if I understood him perfectly, because the whole affair appeared to be taking a turn which he had not anticipated.

I have, &c.
(Signed,) J. E. J. LANDRY.

Dr. Painchaud.

(Translation.)

QUEBEC, 18th March, 1851.

MY DEAR DOCTOR,

My motives in signing, jointly with you and Dr. Rowand, the letter of the 30th January, 1851, expressing to the Honourable Mr. Leslie a desire to have our names withdrawn from a letter dated the 27th January last, which had been transmitted to the Executive by the six Visiting Physicians of the Marine Hospital, complaining of the Commissioners of the said Hospital, was the fact that I had not comprehended the extent of our charge against the Commissioners, when asserting in the letter of the 27th January, "and the lives of the patients have "equally been disregarded," an accusation which, in my opinion, is not only exaggerated, but also unfounded.

I have, &c.,
(Signed,) O. L. ROBITAILLE.
Dr. Painchaud.

Appendix
(R. R.) (Translation.)

1st July.

SIR,

We have the honour to acknowledge the receipt of your letter of the 8th March. As we desired only to make known to His Excellency our wish to have our names expunged from the letter of the 27th January last, with a view to peace and harmony, and as, moreover, Drs. Douglas, Jackson, and Hall have not established their serious complaint made against the Commissioners with regard to the death of the patients, we do not consider it necessary to make any additions to our letters of the 30th January and 3rd February.

(Signed.) JOS. PAINCHAUD,
O. L. ROBITAILLE,
A. ROWAND.

The Honourable Jas. Leslie,
Provincial Secretary.

[Copy, No. 3.]

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 31st March, 1851.

SIR,

I have the honour to acknowledge the receipt of your letter of the 8th instant, and of the documents accompanying it, namely, copy of a letter from the Visiting Physicians of the Hospital of the 27th January last; also copies of three letters from Drs. Painchaud, Robitaille, and Rowand of the 30th January and 3rd February, and of a letter addressed by order of His Excellency to Drs. Douglas, Hall and Jackson; and likewise a copy of the answer returned by these gentlemen.

The Commissioners having taken communication of the above correspondence, direct me to state that their astonishment at the perusal of the accusations brought against them by the Visiting Physicians, in their letter of the 27th January, has entirely disappeared upon reading the letters of Drs. Painchaud, Rowand and Robitaille. For a long time past the Commissioners had every reason to believe that Dr. Douglas did not show towards the institution the good will which he should have evinced. It appeared to them that he attempted to render the management and superintendance of the Hospital difficult and arduous; that he had counselled and assisted Mr. Cutter during the investigation which has taken place upon that gentleman's conduct, and also by certain portions of the letter of the 29th January from the "Board of Trade," they felt already convinced that he was the aider if not the instigator of the charges and accusations brought against them by that body. Nevertheless, they were very far from imagining that, even from the month of November, 1850, he had the thought of injuring them in the estimation of Government, and that he should even from that time, have been laying foundations for charges, which at a later period, and as he thought proper, might be brought against them, with the assistance of the falsehoods and deceptions used by him to deceive the Visiting Physicians, who in their own words state "*nous avons honteusement été induits en erreur.*"

The letters of Drs. Painchaud, Rowand and Robitaille, the perplexing and evasive answers given by Drs. Douglas, Hall and Jackson to the direct and straight forward questions which you submitted to them, by order of His Excellency, are almost a satisfactory answer to the charges contained in the letter of the 27th of January, and the Commissioners would have confined themselves to giving explanations on that letter, had they not desired, at the

same time they were justifying their own conduct to make known to His Excellency who really caused the patients to suffer, if they did suffer; who should be made responsible for the bad management of the institution; and how unpleasant and difficult has been the task imposed upon them by Government in giving them the direction of the Hospital.

It is to this end they have thought proper to enclose the within documents, and to offer the following remarks:

Three of the visiting Physicians (in compliance with a rule made by themselves, with the concurrence of the Commissioners,) must visit the Hospital daily; they must inquire into the wants of the patients; inform themselves of all that may be useful or necessary for their comfort; convince themselves that the rules and regulations are strictly adhered to; and minutely report to the Commissioners any irregularity, want, &c., which they cannot remedy. If they do not carefully and scrupulously acquit themselves of that portion of their duty; if they are not also very exact in apprising the Commissioners of all that may come under their knowledge, it becomes almost impossible for these latter to render justice to the duties of their situations, and to acquit themselves of the same with honour, punctuality and discrimination. Now, it is a noted fact, and this fact appears as well by the within documents as by the letter written by Drs. Douglas, Hall and Jackson on the 27th February, that since the appointment of the present Secretary to the Commission (July, 1849,) up to the month of November last, none of the visiting Physicians has ever, at any time, either individually or jointly with his colleagues, addressed to the Commission, or to any of its members, either verbally or in writing, any complaint, requisition, remarks or information relating to the Hospital. Who is therefore responsible for the want "of things essential to the comfort and well-being of the patients," whose number was so much increased by the cholera in 1849 and was larger in 1850 than it has generally been?

The interview which took place in the month of November, 1850, between Dr. Douglas, the House Surgeon, the House Steward and the Secretary, at the request of Dr. Douglas, to ask, for the following spring, articles which, according to the rules and regulations, should have been demanded in January, 1851; his reiterated refusal to write officially to the Secretary when requested to do so by Dr. Morrin, on the two different occasions mentioned in the letter of the 27th February, (sole communication which with the letter of the 14th of December, ever took place since July, 1849, between the Visiting Physicians and the Commissioners,) do not leave a doubt of the intention under which they took place, and which was to prepare the letter of the 27th January by the Visiting Physicians, and that of the 29th of the same month by the Board of Trade.

The Commissioners have always been ready and willing to do justice not only to all the demands of the Visiting Physicians, but also to those of the other officers of the institution, and they humbly call the attention of His Excellency to the minutes of their meetings of the 9th and 24th December on that point. Moreover, they do not hesitate to say that Drs. Painchaud, Robitaille and Rowand, at the same time they wished to make amends for an injustice, were withheld from acknowledging the whole truth from a desire to excuse themselves when they asserted in their letter of the 30th January, "*La difficulté en question pour vait s'arranger sans qu'il fut besoin d'avoir recours à l'exécutif;*" no difficulty whatever having then ever existed between the visiting Physicians and the Commissioners.

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

The requisition of the Steward of the 1st November, 1850, received by the Secretary on the 12th, which requisition had been prepared by Mr. Cutter, under the eye of Dr. Douglas, and the letter of the House Surgeon of the 11th of the same month, received on that day, and written by the advice of the Secretary, and also under the eye of Dr. Douglas, strongly recommending the requisition of the 1st November, and both asking articles for 1851, were premature, and were to be taken into consideration at a later period. That portion of the letter of the Visiting Physicians of the 14th of December, and received on the 23rd, which was a requisition for "bedsteads, bedding, &c., &c.," as well as the documents already alluded to, was to be acted upon after the "inventory," and the "list of such stores as should be required for the ensuing year" should have been submitted to the Commissioners, that is in January following. As to that portion relating to the death of a patient stated to have been caused by the admission of the friends of the sick; it was the first complaint of such a kind ever received by the Commissioners. They could not imagine that, with a little attention on the part of the Steward and Nurses to the rules of the Hospital, such an accident could happen; and they do away with the imputation of negligence cast upon them by an abstract from the Minutes of the meeting of the 24th December, and by the 13th answer of Dr. Lemieux. They also refer to the 12th answer of the same gentleman to show how little truth there is in the Visiting Physicians' letter of the 14th December. It may be here necessary to call attention to the studied silence maintained by Drs. Douglas, Hall, and Jackson, in their letter of the 27th February, as to this death. The Visiting Physicians are "the sole judges of the cases provided for by law for their admission or discharge, &c., &c.," and Edward Drew, who was neither an emigrant nor a sailor, was admitted by order of Dr. Douglas, as proved by the 12th answer of Dr. Lemieux.

The articles of food furnished for the patients have always been of an excellent quality, notwithstanding the assertions of Dr. Douglas: and, although His Excellency must already have been informed by the investigation concerning Mr. Cutter, of the reasons which prevented the diet from being what it should have been, the Commissioners, nevertheless, feel it but just to themselves to say that they have tried to prevent such complaints, as were made the preceding year by taking new contracts in 1850, and they humbly call the attention of His Excellency to the 5th, 6th, 7th, and 8th answers of Dr. Lemieux.

The Commissioners do not think it necessary to explain the duties of the several officers of the institution, their powers, the authority which they exercise over each other, and the entire regulation of the Hospital. They will confine themselves to stating that the Visiting Physicians have a general power over the whole establishment, and its officers and employés, and form a kind of intermediate authority between the officers and servants of the Hospital and the Commissioners.

His Excellency must have perceived by the letter of 27th February that Dr. Hall, the protégé of Dr. Douglas, and Dr. Jackson, his brother-in-law, were completely swayed by him; that of themselves they could not particularise one single thing, and that the reproach of inconsistency which they cast upon the three other visiting Physicians, might by these latter be met by one of a much more serious kind against the character and reputation of those two gentlemen. As to Dr. Douglas, the Commissioners regret to say that he did not, in their opinion, give the advice and assistance which they had a right to expect

from him as said Visiting Physician; and much as they may desire not to mention the manner in which he personally fulfilled his duties, they must nevertheless state that he always endeavoured to enlarge the task imposed upon them, and that he assisted in spreading false and calumnious reports concerning the establishment.

In conclusion, the Commissioners fear that the harmony and good understanding which should always exist between themselves and the Visiting Physicians cannot be expected so long as Drs. Douglas, Hall, and Jackson shall continue in office.

I have, &c.,
(Signed,) N. CASAULT,
S. T. C. M. and E. H.

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 20th March, 1851.

SIR,

I am directed by the Commissioners of the Marine and Emigrant Hospital to enquire from you if at any time from the month of July 1849, until the 14th December 1850, you have individually, or jointly with any other of the Visiting Physicians, addressed verbally, or in writing to the commission or to any of its members any requisition, complaint, remark or information in relation to the Hospital under their charge: and if so, to beg from you to state what they were, and when and to whom you made them.

I have, &c.
(Signed,) N. CASAULT,
S. T. C. M. & E. H.

To Dr. Painchaud,
Dr. Robitaille,
Dr. Rowand.

(Translation.)

QUEBEC, 21st March, 1851.

SIR,

In your note of yesterday, you ask me on behalf of the Commissioners, if from July 1849, to 14th December 1850, I individually or in conjunction with my colleagues, either verbally or in writing addressed to the Commissioners, or any of them any requisition, complaint, remark or information whatsoever with respect to the Hospital of which they have the superintendence.

I may state in answer, that after careful consideration, I do not recollect a single instance of this having taken place. I limit myself strictly to the period you have specified.

The requisition of the Steward Cutter, dated 1st November, 1850, is not to be so classed, as the Steward is obliged to make every fall a report to the Commissioners, of what is wanting in the Hospital, in order to provide them for the ensuing spring before the opening of the navigation.

I have, &c.
(Signed,) JOS. PAINCHAUD,
Mons. N. Casault,
Secretary,
S. T. M. & E. H.

(Translation.)

QUEBEC, 22nd March, 1851.

SIR,

I have the honour to acknowledge the receipt of your letter dated 20th instant, in which you enquire whether from the month of July, 1849 to the 14th December, 1850, individually or conjointly with my colleagues, the Visiting Physicians of the Marine and Emigrant Hospital, either verbally or in writing, I ad-

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

dressed any requisition, complaint, remark or information to the Commission or to any of its members. In answer, I should state for the information of the Commissioners, that I have not personally addressed any complaint, requisition, &c., to any members of the Commission, and that I know of no written matter to specify minutely any complaints or requisitions that I might have made conjointly with the other Visiting Physicians during the period mentioned in your letter.

I have, &c.

O. L. ROBITAILLE,
V. P. M. & E. H.N. Casault,
S. T. C. M. & E. H.

QUEBEC, 27th March, 1851.

SIR,

In reply to your letter of the 20th instant, I beg to state that I have some recollection of one requisition which the Visiting Physicians addressed to the Commissioners. It bears date 1st November, 1850. I also recollect a letter of complaint which was brought to my house for my signature by one of Dr. Douglas' students. It bears date 14th December, 1850. I cannot charge my memory with anything further on the subject.

Your obedient servant,

(Signed,) A. ROWAND.

N. Casault, Esq.,
S. T. C. M. & E. H.

REQUISITION.

Required for the use of the Marine and Emigrant Hospital :

115 Iron Bedsteads,
115 Feather Pillows,
200 Men's Shirts,
60 Women's Shirts,
50 Women's Bedgowns,
50 Children's Shirts,
200 Pillow Covers,
6 dozen Men's Night Caps,
40 yards Diaper Linen for Towels,
1 piece Brown Linen for Rollers,
1 gross Knives and Forks,
5 dozen pewter Spitting Pans,
2 dozen pewter Washhand Basins,
50 small Tables,
12 Close Stools,
8 Mattresses require repairs.

M. and E. Hospital,
Quebec, November 1st, 1850.

(Signed,) ISAAC H. CUTTER,
Steward M. and E. H.

True copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

Requisition alluded to in the third and fourth questions to Dr. Landry, third and fourth questions to Dr. Lemieux, and in the first and second questions to Mr. Whelan.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

(Translation.)

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 20th March, 1851.

SIR,

I am directed by the Commissioners of the Marine and Emigrant Hospital to transmit to you the annexed questions, and to request of you to answer them as plainly and precisely as possible, without, however, omitting any necessary detail.

I have, &c.,

(Signed,) N. CASAULT,
S. T. C. M. and E. H.Dr. Lemieux,
House Surgeon,
M. and E. H.

Questions :

1st. Ought the Visiting Physicians specially to provide for the welfare and comfort of the patients? If there is a want in the Hospital of anything necessary to their comfort, should they advise the Commissioners of it? and upon whom do you think the responsibility for the sufferings of the patients in consequence of such want ought to fall, when the Visiting Physicians are aware of it, and the Commissioners have not been informed thereof?

2nd. Ought the Visiting Physicians to be in constant communication with the Commissioners, and is it their duty or that of any other officer of the institution, to advise the Commissioners of what changes, additions and improvements are requisite to a fit, useful, and beneficial administration, either in the regulations, the furniture or the provisions, or in any thing having reference to the Hospital?

3rd. At what time ought the requisitions generally to be addressed to the Commissioners? Are the items mentioned in the requisition a copy of which is annexed, addressed by Isaac H. Cutter, at that time Steward of the Hospital, on the 1st November, 1850, in the nature of those usually required in the course of the year, or of those which are required for the 1st May following?

4th. Is the Hospital generally cleared of patients in the autumn, and should the want of the articles mentioned in that requisition be more particularly felt than in the summer? Or, on the contrary should not the demand for new stores be at that time considerably diminished, or even have ceased altogether?

5th. Since the 15th May, 1850, what has been the quality of the materials furnished for the food of the patients, and have the Commissioners or some of them, since that date taken cognizance of the quality of the articles furnished?

6th. Were the complaints of the patients respecting the rations, owing to the inferior quality of the provisions furnished by the contractors, and if not, to what are they to be attributed?

7th. Were you present when the Steward, Mr. Cutter, in the month of November last, complained to Dr. Douglas that the materials with which he was obliged to make the soup were of an inferior quality, and that the beef was bad? Did you see the beef on that occasion, and was it of the ordinary quality? Has the Steward the right and authority to reject beef when he does not consider it to be of proper quality? Had he in fact to your knowledge rejected it previous to the fifteenth May, 1850? Has he refused it since that date?

8th. Did the patients complain as much of the provisions in 1849 as in 1850, and were the materials in 1849 of a better quality than in 1850?

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

9th. Be so good as to recapitulate at length and in detail the conversation alleged to have taken place between Dr. Douglas, yourself, the Steward, and the Secretary to the Commission, on the fifth November, in the letter of three of the Visiting Physicians, dated the 27th February last, a copy of which is annexed. Had it reference to the present wants of the Hospital? How many patients were there in the Hospital at that time? How many on the 15th November? and how many on the 1st of December?

10th. How many knives, forks, spoons, and basins were there at that time in the Hospital for the use of the patients? Did the patients suffer much at the time from the want of these articles?

11th. Is it possible and desirable to put an entire stop to the visits of the friends of the patients? And do you think that, by sufficient attention on the part of the nurses, and careful compliance on the part of the Steward with that part of the regulations for the conduct of that officer, ("He will take special care that no spirits are introduced into the Hospital for the use of any person whatever, and he must be careful that no articles of food are brought in by the friends of the patients," the friends of the patients might be admitted on Mondays, Wednesdays, and Fridays, from one o'clock until four in the afternoon, and that without bad consequences?

12. Is it to your knowledge that the regulation for the admission of the friends of the patients has at any time been open to abuse, and been the means of great inconvenience? and that the death of a patient which took place about the close of the year 1840, may be attributed to that regulation? If you are aware of anything relating to this circumstance, mention the name of the patient, his disease, upon whose order he was admitted, whether or not he died at the Hospital, of what disease he died, and what connexion his death could have with the disease in question?

13. Will you say whether or not on the 24th of December last, you, together with the Steward and the Nurses, were summoned to attend at a meeting of the Commissioners, held in the Marine Hospital, and detail what the Chairman of the Commission said and recommended on that occasion to the Steward and Nurses relative to the admission of the friends of the patients?

14. Since you have been House Surgeon, has Dr. Douglas paid his visits regularly? Has he always attended at the Hospital when summoned in urgent cases? Has he paid his visits always upon the days and at the hours fixed by the regulations? If not, state how often he has failed so to do? how many days consecutively he has allowed to pass without visiting, and at what hour he has paid his visits?

(Signed,) N. CASALT,
S. T. C. M. and E. H.

Quebec, 20th March, 1851.

(Translation.)

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 24th March, 1851.

SIR,

I acknowledge the receipt of your letter of the 20th March, in which you put me some questions respecting the administration of the Hospital, and I have the honour in answer to transmit you the following:

Appendix
(R. R.)

18th July.

Answer 1st. The Medical Visitors ought in my opinion to attend to the welfare and comfort of the patients in the Hospital, as carefully as they attend to their own private patients. They and they alone should see that nothing is wanting to their comfort, by informing the Commissioners of what is requisite. The blame of whatever the patients may suffer from any deficiency of this kind should of necessity fall upon the Visiting Physicians if they did not inform the Commission.

2nd. The Visiting Physicians should have the same understanding with the Commissioners as they have with the families which they attend, and the want of communication and a right understanding between them cannot but be injurious to the patients: the Visiting Physicians not being able to do anything without the Commissioners under whose authority they act, except in pressing cases, although all the other officers are under their orders. The House Surgeon and the Steward suggest to the Visiting Physicians the changes, additions or improvements which they consider to be necessary or advantageous. The latter ought to do the same thing to the Commissioners, without even waiting until required so to do, whenever they perceive that any changes, additions or improvements would be useful, and that even when these changes &c., are beyond the limits of their functions.

3rd. The requisitions for the ensuing spring ought generally to be sent in during the winter, and when sent in at other times, they are for articles unexpectedly and immediately wanted, an event which rarely takes place, and then only for a few articles at a time. The requisition dated 1st November, 1850, by I. H. Cutter is similar to those always sent in during the winter, and it is to my knowledge that it was sent in for the spring of 1851.

4th. The number of patients in Hospital diminishes in almost the same ratio as the number of the vessels in port, until the close of the navigation, when generally not more than a score of patients remain. This number continues to diminish until the spring. The want of the articles mentioned in Mr. Cutter's requisition, dated the 1st November, 1850, had at that time almost altogether ceased, the number of patients being at that time less than it had been some months before, when they had been accommodated with difficulty, it is true, but still with the same articles.

5th. The quality of the materials furnished for the food of the patients since the 15th day of May, 1850, has invariably been excellent. The Commissioners had at that period changed the contractors on account of complaints made against them by the Steward and myself. All the Commissioners, on different occasions, and the Secretary of the Commission, almost every time that I saw him, made inquiries concerning the quality of the provisions furnished.

6th. The complaints of the patients were owing to the inadequacy of the rations, and to the manner in which they were prepared and distributed by the Steward. The materials have always been excellent.

7th. I was present on the occasion in question. The Steward did not complain in my presence of the inferior quality of the beef and of the other provisions. Dr. Douglas said that the soup contained nothing but dirty water and dish washings. The beef on that occasion was as usual excellent: in fact had it been of an inferior quality, Mr. Cutter should have rejected it, as indeed he had often done previously to the month of May, 1850; never after that time to my knowledge.

8th. The patients complained much more frequently of the rations in 1850 than in 1849, and the beef and other victuals provided, were of a better quality in 1850 than in 1849.

9th. About the 7th or 8th November, 1850, at the request of Dr. Douglas I went with the Steward, Mr. Cutter, to the office of Mr. Casault the Secretary of the Commissioners. Dr. Douglas arrived a few minutes afterwards. This meeting was for the purpose of making known to the Commission through its Secretary, the necessity of procuring by the following spring certain articles, the want of which had been felt during the preceding summer. Dr. Douglas then asserted that the Hospital was in a state and condition unworthy of a public institution; that the patients were in want of absolute necessaries; that some of them were obliged to eat with their fingers, for want of a sufficient number of knives and forks, and that a few days before he had seen a patient make use of a chamber vessel to hold a lotion, owing to the want of basins. He asked the Secretary to put him in the way of making the Commissioners comprehend the want of all these articles, and of inducing them to procure them by the following spring. Mr. Cutter, the Steward, then presented to the Secretary a requisition that he had prepared. Upon Dr. Douglas remarking that it was not sufficient, Mr. Casault desired the Steward to withdraw it and prepare another with Dr. Douglas, and to send it to him, accompanied by a letter from me, insisting forcibly upon the necessity of these articles, and at the same time by one from Dr. Douglas to the same effect. Dr. Douglas having suggested the propriety of summoning him before the Commission at its next meeting, Mr. Casault remarked to him that he could not do so without the authority of the Commissioners, and they agreed between them that he (Dr. Douglas) should approve in writing of the letter which I was to send in, and the requisition of Mr. Cutter. Two or three days after, on the 11th November, 1850, I addressed my letter to the Secretary of the Commission couched in the most urgent terms, and this I did at the request of Dr. Douglas. I have already stated above that the design of this meeting was to procure for the following spring certain articles the want of which had been severely felt the preceding summer. On the 1st November, 1850, there were 142 patients, on the 15th, 88, on the 1st December, 70.

10. I cannot state with certainty, how many of these articles there were at that time. In May, 1849 there were 270 spoons, 56 knives, 87 forks. On the 1st March, 1851, there were no more than 190 spoons, 30 knives, and 38 forks. Some of them must necessarily have been lost between the month of November, 1850, and the month of March, 1851; so that the number of them must have been greater in the month of November than at the later date. The patients could not have suffered much from the want of these articles, although it would have been better and much more proper to have had a larger number of them. Out of the number of patients then in Hospital, 74 required knives and forks, (half and low diet) and out of that number 30 were sailors who are invariably provided with clasp knives, of which they made use in preference to other knives and even forks. The 68 other patients could only use spoons, (spoon and milk diet), and there were then more than enough of these.

11. It would not be possible or proper to put a complete stop to the visits of the friends of the patients; and by sufficient attention on the part of the Steward and Nurses, they might be admitted without bad results, on the days and at the hours fixed by the by-laws.

12. The regulation for the admission of the friends of patients has never itself been open to abuse, but the want of attention on the part of the Steward and Nurses has sometimes been the occasion of abuse of the rule. The death of no patient since I have been in the Hospital as far as I know can be attributed to this regulation. On 7th November, 1850, Edward Drew, for many years a resident in Quebec, servant to one Mr. Patterson was admitted to the Marine Hospital by the order of Dr. James Douglas,* and was placed in ward No. 55. He had the measles. On the 20th, he was removed to ward No. 43 in rapid convalescence. On the night of the 26th he was suddenly attacked with violent chills: on the next day intense pain in the side, cough, expectoration, &c., in fact every symptom of inflammation in the lungs. He then confessed to me, that he had on the 26th, unknown to the Nurse, received and eaten the leg of a turkey, and while perspiring violently he had gone to the lavatory and washed in cold water in order to refresh himself. Might not this sudden chill be a sufficient cause for his pneumonia? There is every reason to believe so. The Patterson family, surprised at his relapse, seemed desirous of throwing all the blame of it on the officers of the establishment, and insisted on removing him from the Hospital, in spite of the advice of Dr. Robitaille to the contrary, who had the patient under his care, and who did all he could to make them understand the danger of such a proceeding, as by leaving the Hospital he lost the only remaining chance he had of saving his life. On the 2nd December the further progress of the disease had been arrested, Dr. Douglas having visited the patient on that day, told him that he was in a state to be removed, but with great care and caution, and recommended him to remain. He left the Hospital next day, took cold and died two or three days after, of a relapse, as I was told, of his former disease.

13. About the end of December—I cannot speak positively as to the date, but at all events during the investigation into Mr. Cutter's conduct—I was summoned, together with the Steward and the Nurses, before a meeting of the Commissioners. The President requested me to explain that part of the letter of the Visiting Physicians dated the 14th of that month, relative to the recent death of a patient, caused, as they said, by the regulation for the admission of visitors; and after I had detailed the facts related in my answer here preceding, the President of the Commission reprimanded the Nurses and enjoined them, as also the Steward, to keep a strict watch over the visitors, and desired me to inform the Commissioners whether or not such watchfulness should prove sufficient to check the abuse; saying that, such watchfulness proving ineffectual, they would abolish the privilege.

14. Since I have been House Surgeon to the Marine Hospital, Dr. Douglas has always come to the Hospital, when summoned by me in urgent cases. He is not in the habit of making his visits regularly, nor at the hours fixed by the by-laws. The Visiting Physicians are on duty alternately for a quarter of a year; three at once. Dr. Douglas omitted his visits as far as I can remember during his three months tour of duty at the Hospital, on the occasions following: During the spring of 1849, I do not recollect having seen Dr. Douglas from the 15th March till the 15th May. In the spring of 1850, a part of the months of April and May; in 1851 from the 15th March until the date of this letter. During the winter quarter he generally came but twice, sometimes thrice a week, and that mostly in the afternoon. This winter, that is to say, from the 15th

* The italics are mine.—N. C.

Appendix
(R. R.)

18th July.

February until 15th March he came every other day. During his quarter last summer and that of 1849, he visited the Hospital only every second day, alternately with his colleague Dr. Hall. He always made his Sunday visits in the afternoon.

I have, &c.,

(Signed,) C. E. LEMIEUX,
House Surgeon, M. & E. H.

(Translation.)

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 20th March, 1851.

SIR,

I am directed by the Commissioners of the Marine and Emigrant Hospital, to request of you certain information with regard to the management and administration of the Hospital under their control; which your long connexion with that institution, in the capacity of House Surgeon, enables you to afford to them in the most correct form.

The Commissioners have thought proper to adopt the form of direct and plain questions for the purpose of eliciting on each point answers more categorical than are consistent with the ordinary phraseology of a letter.

They consequently beg of you to excuse this style of address, and conceal nothing from them, and to answer pointedly and without reservation to their several questions.

I have, &c.,

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

Dr. Landry,
Quebec.

Questions.

First—Same as Dr. Lemieux's first;
Second " " " second;
Third " " " third;
Fourth " " " fourth;
Fifth " " " eleventh.

6th. During the five years that you were House Surgeon of the Marine Hospital, how did Dr. Douglas generally perform his duties as Visiting Physician? Did he make his visits regularly? Did he assist to the utmost of his power in the proper management of the Hospital, or did he oppose any obstacles thereto?

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

(Translation.)

QUEBEC, 25th March, 1851.

SIR,

I have the honour to transmit to you the following answers suggested by the questions which the Commissioners of the Marine Hospital have done me the honour of addressing to me. It is unnecessary for me to tell you, that, in answering these questions, I have refrained from all personal considerations, in order to attach myself only to the facts which my experience in the affairs of the Marine Hospital may suggest, or which took place during my residence in that Institution.

I have, &c.,

(Signed,) J. E. J. LANDRY.

N. Casault,
Secretary T. M. & E. H.

Appendix
(R. R.)

18th July.

First Answer.

The Visiting Physicians ought undoubtedly to provide for the welfare and comfort of the patients confided to their care. Their position with regard to the patients, places them under an obligation to be acquainted with their wants; and when those wants, in order to be satisfied, require a greater authority than that which they possess, they should apply to the Commissioners as to their immediate superiors. If they do not do so, and knowingly leave the patients in want of what is indispensable to their welfare and comfort, the blame, it appears to me, ought to fall upon the Visiting Physicians alone, and not upon the Commissioners, who have been allowed by them to remain in ignorance of those wants.

Second Answer.

As a direct consequence of the premises laid down in my first answer, the Visiting Physicians ought to be in communication with the Commissioners, and inform them *without delay* of any change, addition, &c., whether in the by-laws, or in the provisions or diets, or in fact in anything relating to the welfare of the patients, or the good internal management of the Hospital, required to effect a proper, useful, and efficacious administration. This duty, it appears to me, belongs peculiarly to the Visiting Physicians, who ought to be the medium between the patients and household officers and the Commissioners, when they cannot themselves, in virtue of the authority devolved upon them, effect these changes, additions, &c.

Third Answer.

Requisitions for considerable purchases, should be addressed to the Commissioners, by virtue of a regulation, after an inventory, which ought to be made up and concluded by the Steward at the end of the month of December in each year; but I am of opinion that requisitions may be and ought to be sent in to the Commissioners whenever unforeseen wants render them necessary. The articles mentioned in the requisition, a copy of which is annexed to the questions transmitted to me and signed "Isaac H. Cutter," dated Nov. 1st, 1850, are of the nature of those for which a requisition ought to be sent in, in the course of the winter, for the month of May following.

Fourth Answer.

Hospital becomes nearly empty towards the end of the autumn. On the 29th November, 1838, the Marine Hospital contained 13 patients; it contained 28 on the 30th November, 1844; 25 on the 30th November, 1845; and 35 on the 30th November, 1846. On the 2nd May, 1839, the Hospital only contained 12 patients; on the 30th April, 1844, 14; on the 3rd May, 1845, 7; on the 26th April, 1846, 25; the necessity for articles such as those asked for in the requisition above mentioned—ought most undoubtedly to be felt in a much less degree, in proportion to the decrease in the number of patients, and I am inclined to believe that if the wants of a couple of hundred patients, which are generally to be found in Hospital during the summer, could be supplied by the means of articles then in the Hospital, the establishment ought to be in a position to accommodate the reasonable wants of a much smaller number of patients, without being obliged to have recourse to the purchase of new furniture, at any rate to such an extent, and of such a character, as the greater part of those detailed in the requisition above cited.

Fifth Answer.

It would be an act of cruelty to prevent, altogether, the friends of the patients from seeing them: many of these friends are looked upon by the patients

Appendix
(R. R.)

18th July.

as supplying the place of absent relations. I do not think the scheme practicable without incurring the certain necessity of making numerous exceptions, which would result in much harm, as they would be stigmatised as acts of partiality.

That section of the regulations by which the Steward should be guided, and of which you have enclosed me a copy, ought to be sufficient, with watchfulness on the part of the nurses and porter, and constant vigilance on the part of the Stewards and other in-door servants of the establishment, to enable them to allow the friends of the patients to visit them at stated hours and days, and that without any bad effects, if every one performed his duty in a proper manner.

Sixth Answer.

During my residence in the Marine Hospital, in the capacity of House Surgeon, Dr. James Douglas was in the habit of paying daily visits during the period during which almost the whole of the patients are admitted, that is to say, from about the beginning of May until about the end of November in each year. These daily visits, however, were frequently made after the stated hours, and sometimes even in the afternoon. Those on Sunday, for instance, were generally made about five o'clock in the evening. The Commissioners may call to mind the complaints relative to this irregularity, inserted some years ago in a newspaper published in this city. I had orders from Dr. Douglas, when he did not come himself at a quarter past ten, to go his rounds for him. Very often, in his daily rounds, Dr. Douglas did not visit all his patients; he was satisfied to see only new cases, and imposed upon me the duty of seeing and prescribing for the others. If, however, any remarkable change should have taken place in any of those cases which had already been some time in the institution, I used to inform him, and he would then see them. Generally every two or three days in summer, his visits were conducted in this style. It often happened that he did not enter all the wards under his charge; but, in that case, he visited them the following day. During the winter, when the number of patients was considerably diminished, and new admissions seldom took place, his visits were also less frequent, and two or three days generally elapsed between the visits. I was always under the impression, however, that Dr. Douglas had the reputation of the Marine Hospital, and the welfare of the patients at heart, without attempting to come to conclusions as to whether or not he might or ought to have done more. I was persuaded, at the time, that he was able to carry out any scheme he pleased with regard to the Hospital. I may have been deceived. I was in some way induced to this belief by the following circumstance,—that one day, during a conversation having reference to some complaint or petition made to the Commissioners, Dr. Douglas told me, as well as the Steward, that it was unnecessary to trouble the Commissioners—that it would be more advisable, as far as possible, to manage our own affairs ourselves, without having continual recourse to their authority for the management of affairs, which might be conducted without their intervention, and, so to speak, among ourselves. I cannot call to mind at this moment the exact nature of the subject of this conversation—I only recollect that it took place. I would not, however, have it understood by this remark, that Dr. Douglas repudiated altogether the authority of the Commissioners. I considered that he desired to act, in this manner in matters of secondary importance. I do not recollect that Dr. Douglas ever placed obstacles in the way of the proper administration of the affairs of the Marine Hospital.

(Signed,)

J. E. J. LANDRY.

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 20th March, 1851.

Sir,

I am directed by the Commissioners of the Marine and Emigrant Hospital to submit you the two following questions, and to request as direct and immediate an answer as possible.

1. Please state how many years you have been acting as Steward of the Marine and Emigrant Hospital; and at what time of the year requisitions are generally addressed to the Commission? Is the enclosed requisition, dated the 1st November, 1850, and signed by "J. H. Cutter," or any of the items of the said requisition, one of those which are sometimes addressed to the Commissioners, during the summer or the fall; or is it one which is generally and invariably made for the ensuing spring?

2. Is the number of patients in the Hospital always the same, or does it always sensibly decrease at a certain season of the year; if so state at what period, and if the want of the articles applied for in the above mentioned requisition, was in your opinion more urging on the 1st November, than during the preceding summer, or on the contrary if that want had not then considerably diminished, and even entirely ceased?

I have, &c.

(Signed,) N. CASAULT,
S. T. C. M. & E. H.To Mr. Patrick Whelan,
Steward, M. & E. H.
&c., &c., &c.MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 21st March, 1851.

Sir,

I have the honor to acknowledge the receipt of your letter of this day, wherein you wish me to state how many years I have acted as Steward of the Marine and Emigrant Hospital, &c. I hasten to reply.

I fulfilled the duties of Steward of the above institution for a period approaching 16 years.

The period of the year when a general requisition is addressed to the Commissioners is always in the winter, from the latter part of January and sometimes extending to the 1st May, and invariably made out and addressed to the Commissioners by the Steward.

The requisition of the 1st of November 1850, and signed "Isaac H. Cutter," enclosed in your letter addressed to me is a general one, embracing all the Hospital Stores required for the year, and is never presented to the Commissioners before the time above stated.

The number of patients in Hospital vary much almost in every month of the year. There is generally a great diminution in November, in consequence of the shipping leaving the port before the closing of the navigation.

The articles applied for on the 1st of November could not be so pressing as during the preceding summer, as there was a decrease of 40 patients at that time; and the want of those articles (if any existed) must be much diminished immediately after that date; and in my opinion must have entirely ceased.

I have, &c.

(Signed,) P. WHELAN,
Steward, M. & E. H.N. Casault, Esquire,
Secy. and Treas. of the Coms.,
M. & E. H.
Quebec.Appendix
(R. R.)

18th July.

Appendix
(R. R.)

ABSTRACT of the Rules and Regulations for the guidance of the different Officers of the Marine and Emigrant Hospital.

House Surgeon.

16th. He will satisfy himself of the quality of bread, meat, &c., sent by the Contractors.

28th. Applications from the friends of the patients to visit them must be made to him. The regular visiting days are Mondays, Wednesdays and Fridays, from one to four o'clock, P. M. Any such applications for admission at other times, or in extraordinary cases, must be referred to him for his decision.

Steward.

3rd. He is to receive all provisions from the Contractors or others, to weigh them, to issue them by weight according to diet tables, which diet tables will be hung up in some conspicuous place in the wards. He will take special care that no spirits are introduced into the Hospital for the use of any person whatever, and he must be careful that no articles of food are brought in by the friends of patients. He will see that the articles are well cooked, and that they are of good quality.

16th. He will keep an inventory book, in which shall be entered all stores in his charge and purchases when made (not including articles of daily consumption.) This book will exhibit yearly, to wit, on the 31st December, a statement of all stores remaining on the previous 31st of December, of all receipts since, and of all issues:—prior to the period he will have prepared separate returns of all stores requiring repairs, and of all such as are worn out.

18th. At this period (31st December) the Steward will be prepared with a list of such stores as may be required for the ensuing year.

19th. Applications for the admission of the friends of the patients must be made to the House Surgeon (KK as Rule 28th) for the House Surgeon.

Visiting Physicians.

1st. The Visiting Physicians shall visit the Hospital daily between the hours of eight and ten o'clock in the morning; they shall regulate the whole treatment of patients and shall be the sole judges of cases provided for by law for their admission and discharge, &c. &c.

5th. They will be particularly observant of the general good conduct of all persons attached to the Hospital, and report to the Commissioners any irregularity of conduct, or violation of the Hospital Regulations.

(Signed.)

N. CASAULT,
S. T. C. M. & E. H.

ABSTRACT of the Minute Book.

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 9th December, 1850.

Present Dr. Morrin, President, and Messrs. Paradis, Allney and Kelly.

Submitted,

A requisition from the House Steward, dated 1st Nov., 1850, also a letter from Dr. Lemieux of the 11th November, stating that the Hospital was in want of absolute necessaries, and strongly recommending the above requisition.

Appendix
(R. R.)

18th July.

It is ordered that the consideration of those two documents be postponed until the inventory of all the stores of the Hospital and the general requisition for the Spring 1851 be laid before the Board, and that the Steward's attention be called to that part of the regulations which determines the manner and the time it is to be done.

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 24th December, 1850.

Present, Dr. Morrin, President; Messrs. Paradis, Kelly, Nesbitt and Alley.

The Secretary submitted

A letter of the Visiting Physicians (14th December, 1850,) stating that the rule for the admission of the friends of the patients was attended with great abuses, and that very lately the death of a patient may be attributed to that cause, and calling the attention of the Commissioners to the want of bedsteads, bedding, &c., &c.

Ordered, That the consideration of the latter part of the letter be deferred until after the inventory had been submitted. And the House Surgeon having been called, and given information and explanations on the first part, it is—

Resolved, That the Steward and the Nurses be reprimanded for their want of attention to the rules with respect to the introduction of food by the friends of the patients; and that after sufficient experiment, if it is experienced that the rule in question leads to abuses which it is impossible to prevent, the rule will be repealed.

The Steward and Nurses being called were reprimanded by the President, who recommended them to observe the rules and regulations in general, and to take special care that no articles of food should be brought in by the friends of the patients.

* * * * *

True abstract,

N. CASAULT,
S. T. C. M. and E. H.

(Translation.)

QUEBEC, 29th March, 1851.

To the Commissioners of the Marine and Emigrant Hospital.

GENTLEMEN,

In obedience to your desire that I should recapitulate the conversation which took place, in the month of November last, between Dr. Douglas, the Steward and myself, I have to state that having since received the answers of Dr. Lemieux to the questions which I had the honor of putting to him in accordance with your orders, this conversation is recapitulated as correctly as possible, in his ninth answer; and that I am aware of nothing to be added to it, or altered in it, not even with regard to the dates. Dr. Douglas came to me a couple of days previous to it, and after a long conversation with regard to the articles required in the Hospital and its management, he concluded by proposing that a meeting should be held, for the purpose of drawing up a requisition for articles essentially necessary for the ensuing summer. I must add that I never received the approval in writing promised by Dr. Douglas in support of Dr. Lemieux's letter, and of the requisition prepared by the Steward under his direction.

I have, &c.

(Signed.) N. CASAULT.

Appendix
(R. R.)

No. 4.

QUEBEC, 29th January, 1851.

18th July.

SIR,

Rumours have been for some time afloat, seriously reflecting on the general management of the Quebec Marine Hospital, and accusing the officers of that institution of disgraceful conduct and gross malpractices of various kinds and degrees.

These rumours have lately assumed such shape and consistency, that the Council of the Board of Trade have deemed it their duty to ascertain as far as possible the truth or falsehood of them. This they have done, and after obtaining all the information in their power, from parties on whose knowledge and accuracy they could rely, they regret being able to come to no other conclusion than that there is great reason to fear that neither the property, the morals, nor the religion of those who have the misfortune to become inmates of the Quebec Marine Hospital, are safe from the attacks of those whose duty it is to watch over and protect them.

I abstain from entering into a detail of the various misdemeanors, which the officers and *employés* of the institution are said to be in the habitual practice of. Some of these have been pointed out in a communication which, I understand, was forwarded to you a few days ago, by one of the parties implicated in these transactions, and who has thought it necessary, in his own defence, to criminate others—a mode of defence not likely to avail him, but which, taken in conjunction with the charges brought against him by a brother officer, (a copy of which I presume has also been sent to you), affords, it is believed, good grounds for that investigation which it is the object of this letter to solicit.

But it is not of the conduct of the officers of the Hospital alone, bad as that is believed to be, that the Council have to complain. They have reason to believe that the root of the evil lies deeper, and is to be found in the essentially vicious and irresponsible system, upon which the management of the institution has been organised and conducted.

For the support of the Hospital a tax of one penny per ton is imposed by law on all shipping entering the Port of Quebec from sea. This tax amounts to about £1800 a year, a sum amply sufficient for the purpose for which it was intended. Yet it is asserted that the provision made in the Hospital for sick and disabled seamen is of the most wretched description. Even in the article of food the quantity as well as quality is often deficient; and such as it is, they have it served out to them like dogs, with scarce a knife or fork for one hundred and fifty patients.

The religious feelings of the patients are treated with the same disregard as their bodily wants. Out of six Commissioners of the Hospital, only one is a Protestant. And though nine-tenths of the sick mariners are Protestants, yet the Council are credibly informed, that the establishment does not contain one Protestant officer, or servant of any kind, one consequence of which is, that the last moments of the patients are often disturbed and embittered, by ignorant, though perhaps well meant efforts, to convert them to the Roman Catholic faith. The Council have heard of cases of unexpected recovery in which the patients were indignant to find that in their supposed last moments they had been treated as Roman Catholics, and had received the last rites of the Roman Catholic Church.

No account of the expenditure of the large sum of money collected for the Hospital has ever been published. At least no member of the Council has ever seen or heard of such a document.

It is also in the apprehension of the Council a very serious evil, that while the services of one of the most accomplished Surgeons in Quebec are actually paid for by the institution, an arrangement

has been sanctioned by the Government by which his talents and experience are only available to the patients for a small portion of the year.

On the whole the Council respectfully represent, that for the satisfaction of the public, and in order to restore confidence in this important institution, it is most desirable that His Excellency, the Governor General, should appoint a Commission, entirely unconnected with the present management of the Hospital, to enquire into its whole condition, and to take the necessary measures, both for removing the abuses which may be found to exist, and for organizing a system under which such abuses will be less likely to recur.

I have, &c.

(Signed) JAMES DEAN,
President Quebec Board of Trade.

The Hon.

James Leslie,
Provincial Secretary,
Toronto.SECRETARY'S OFFICE,
TORONTO, 15th February, 1851.

SIR,

I have the honour to acknowledge the receipt of your communication, dated the 29th January last, relative to the management of the Quebec Marine and Emigrant Hospital, which I have laid before His Excellency the Governor General.

You state that "rumours have been for some time afloat, seriously reflecting on the general management of that institution, and accusing the officers thereof, of disgraceful conduct and gross malpractices of various kinds and degrees, and that these rumours had lately assumed such shape and consistency, that the Council of the Board of Trade have deemed it their duty to ascertain as far as possible the truth or falsehood of them." "This," you proceed to state, "they have done, and after obtaining all the information in their power from parties on whose knowledge and accuracy they could rely, they regret being able to come to no other conclusion than that there is great reason to fear, that neither the property, the morals, nor the religion of those who have the misfortune to become inmates of the Quebec Marine Hospital, are safe from the attacks of those whose duty it is to watch over and protect them."

His Excellency desires me to express his regret that charges of so grave a character concerning the administration of a very useful public institution should have been preferred in a manner so general; the more so, that, being brought against the officers and *employés* of the institution generally, they involve the Commissioners and Visiting Physicians as well as other persons connected with its administration.

Before coming to any decision upon your letter, His Excellency desires me to inform you that he deems it but just that the parties involved should be apprized of the specific facts upon which these grave charges must be presumed to be grounded, and also of the names of the parties on whose information and knowledge you state the Board of Trade have relied in preferring those charges; His Excellency being convinced that the Council of the Board of Trade will feel, as well as himself, that a specification of the particular accusations, as well as of the names of the accusers, is but an act of common justice towards the persons impugned, most of whom are gratuitously fulfilling the arduous duties of their respective offices, and have hitherto done so unimpeached.

With reference to that part of your letter which evidently alludes to the Steward of the institution, as

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

being one of the officers against whom charges have been brought by a brother officer, I have it in command to inform you that the Commissioners, in the proper discharge of their duty, have instituted an investigation into the specific charges so brought, a report of which they have lost no time in transmitting to the Governor General; and His Excellency desires me to add that the result of the investigation reveals such delinquency on the part of the Steward, that His Excellency conceives that a due respect for the Commissioners, the Visiting Physicians, and the other officers and *employés* of the Hospital, precludes him from considering any statement or accusation made by an individual so circumstanced as is the Steward, and unsupported by accusers of more weight and character, as affording good grounds for the investigation which you state it is the object of your letter to solicit.

There is another part of your letter which contains statements that were read by His Excellency with pain and regret. I refer to that passage in which it is stated that the religious feelings of the patients are treated with disregard.

None more than the Governor General would regret to learn that there should be found to exist any foundation for so grave a charge; and none more than His Excellency would be disposed to visit with his marked displeasure and censure any attempt at proselytism, from whatever source, in a public institution where persons of all religious persuasions must unavoidably be thrown together.

The superintendance of the Hospital is necessarily divided into two branches,—one composed of Managing Commissioners, and the other of Visiting Physicians. Both Boards were composed wholly irrespective of the religious belief of their respective members; and although it appears by your letter that there is a majority of Roman Catholics on the one, it is also true that there is a majority of Protestants on the other; and if attempts at proselytism could be inferred from the mere composition of those bodies, the reproach might apply as much to the one as to the other. Yet His Excellency cannot readily believe (unless precise facts are stated and established) that any of the members of either of those Boards has rendered himself *obnoxious* to such a reproach.

His Excellency commands me to assure the Council of the Quebec Board of Trade that he will always be found anxious to correct any abuses that may be proved to exist in the Quebec Marine and Emigrant Hospital, or in any other public institution; and His Excellency hopes that the Council of the Board of Trade will lose no time in transmitting to him the information required by the present communication, and which His Excellency considers as necessary to enable him to come to a decision in reference to their request.

I have, &c.

(Signed,) J. LESLIE,
Secretary.James Dean, Esquire,
President, Board of Trade.
Quebec.SECRETARY'S OFFICE,
TORONTO, 15th February, 1851.

SIR,

I have the honour, by command of the Governor General, to enclose to you, for the information of yourself and the other Visiting Physicians of the Quebec Marine and Emigrant Hospital, the accompanying copy of a communication received from the Quebec Board of Trade, relative to the

management of the Hospital, and of a letter addressed to that body in reply to the same.

This communication is made merely for your information as above stated, and not with a view to your taking further notice of it until the specific charges required shall have been furnished, and communicated to you for explanation or remark.

I have, &c.

(Signed,) J. LESLIE,
Secretary.Joseph Painchaud, Esquire, M. D.,
&c., &c., &c.
Quebec.SECRETARY'S OFFICE,
TORONTO, 15th February, 1851.

SIR,

I have the honour, by command of the Governor General, to enclose to you, for the information of the Commissioners of the Marine and Emigrant Hospital at Quebec, the accompanying copy of a communication received from the Quebec Board of Trade, relative to the management of the Hospital, and of a letter addressed to that Body in reply to the same.

This communication is made merely for your information as above stated, and not with a view to your taking further notice of it until the specific charges required shall have been furnished, and communicated to you for explanation or remark.

I have, &c.

(Signed,) J. LESLIE,
Secretary.N. Casualt, Esquire,
Secretary, M. & E. Hospital,
Quebec.

QUEBEC, 3rd March, 1851.

SIR,

I have had the honour to receive and lay before the Council of the Board of Trade your letter of the 15th ultimo, in answer to mine of the 29th January, calling the attention of Government to certain rumours which have been for some time prevalent reflecting seriously on the management of the Quebec Marine Hospital, and on the conduct of the officers and *employés* of that Institution.

I have now, by order of the Council, to state to you for the information of His Excellency the Governor General, that the Council, although urged from various quarters to bring these rumours under the notice of Government, refused to do so till perfectly satisfied that they were sufficiently well-founded to warrant them in calling for an investigation. This was stated in substance in my former communication, and the Council had hoped that sufficient faith would have been placed in the truth of information so vouched for, coupled with other information to the same effect which they knew Government to have been previously in possession of, to justify His Excellency in issuing the commission of enquiry prayed for.

The Council desired and still desire to avoid appearing before His Excellency in the character either of Public Prosecutors or Private Informers. The functions which they have thought it their duty to undertake in the matter they consider rather as

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

analogous to those of a Grand Jury. They do not assume the responsibility of the accusations brought under their notice, nor do they ask His Excellency to condemn, punish, or even to try the parties implicated. All they ask for is that a full investigation into the conduct of these parties shall be instituted, and carried on on the spot by a competent tribunal above all suspicion of partiality or prejudice. Until such an investigation shall have been set on foot or sanctioned by His Excellency, the Council of the Board of Trade respectfully submit that the parties accused are not entitled to a specification of the particular charges to be brought against them, and still less to be furnished with the names of those on whose information and knowledge the Council of the Board of Trade have relied in the action they have taken on the subject.

With regard to the term "Officers and *Employés* of the Institution," used in my letter and quoted in yours, I beg to say, that there was no intention to include the Commissioners or Visiting Physicians under that designation, or to implicate them in the abuses complained of, any farther than these abuses may be found to have arisen from a neglect of duty on their part.

The Council have seen no copy of the charges brought against the Steward of the Hospital, nor of the report of the Commissioners thereupon; but whatever extent of delinquency may have been established against that individual, the Council do not think it ought to preclude the statements made by him criminating other officers and *employés* of the institution, from forming good grounds for investigation. Great crimes have often been detected upon information furnished by great criminals, and upon this point the Council have no hesitation in saying, that from the information they have received, they believe that it was a mere matter of chance that the Steward's charges against the House Surgeon were not formally made before those of the latter against him.

Although the Council did not expect to be called upon, as a preliminary to an investigation being entered on, to furnish the parties accused with the information indicated in your letter, and do not consider them at this stage of the proceedings entitled to such information, yet they are happy to have it in their power to furnish for His Excellency's own satisfaction some evidence which they think will satisfy him that there is something wrong.

It is a fact within my own knowledge that a seaman labouring under small pox was sent to the Hospital on or about the 5th August last, with an order on the Bank of British North America for £15 9s. in his possession. This man died a few days afterwards; but in the interim he had been got to make a will (being, it is believed, at the time insensible) leaving his money to the House Surgeon, the Steward, and one of the Nurses, who received payment of it from the Bank and divided it among them, making an entry in the Register Book of the Hospital as if the man had been discharged, and the money paid him.

Since I had the honour of receiving your letter, I have seen in the possession of Dr. Wm. Marsden six or seven affidavits detailing scenes of profligacy and indecency as being of daily and hourly occurrence in the Hospital, such as would be almost beyond belief, were they not vouched for upon oath by persons having apparently no object in false swearing. These affidavits Dr. Marsden will produce when required, and in the meantime I enclose a copy of one of them as a specimen, together with copy of a letter from Dr. Marsden to me dated 26th ultimo.

The statement made in my letter as to the defective provision made for sick and disabled seamen in the way of food and otherwise, is fully borne out by the records of the Hospital, and will be corroborated by the Visiting Physicians.

That part of my letter in which it is stated that the religious feelings of the patients are disregarded, and that attempts at proselytism are of frequent occurrence in the Hospital, contains nothing but facts which the Council have the means of proving when necessary.

I have, &c.

(Signed,) JAMES DEAN,
President Quebec Board of Trade.

QUEBEC, 26th February, 1851.

Sir,

In compliance with your request as contained in your note of yesterday's date, I enclose you a certified copy of affidavit No. 4.

As you expressed a desire to have communication or copies of the other affidavits in my possession in relation to the Marine and Emigrant Hospital, I have to inform you that the affidavits in question have arisen out of an investigation of the case of the late Charlotte Crosley, a Presbyterian, who died suddenly after only twelve hours illness on the 11th inst. and sight of whose body was refused to F. Andrews, Esq., Advocate, her master, by Dr. Lemieux, the House Surgeon, whilst she was lying dead in Hospital, and who, it was afterwards found, had been administered, whilst in a state of insensibility, according to the rites of the Romish Church (of whose doctrines she had always expressed the utmost abhorrence) and who was buried in the Roman Catholic Burial Ground.

My intention in taking the affidavits in question was to furnish copies of them to the Commissioners of the Marine and Emigrant Hospital, in order to an investigation of the facts that they contain. Copies however will be furnished to the Commissioners in the course of this day or to-morrow, after which I shall be prepared to furnish the Board of Trade, or any other organised body, with any information I possess, touching an establishment that is so fearfully mismanaged in every department as the Marine and Emigrant Hospital.

I have, &c.

(Signed,) W. MARSDEN, M. D.

James Dean, Esq., Chairman,
Quebec Board of Trade.Province of Canada, }
District of Quebec. }

Mary Riley, widow of the late William Tweeny, being sworn upon the Holy Evangelists of Almighty God, doth depose and say as follows: That she was employed as a nurse in the Marine and Emigrant Hospital of this City for two months during the summer of 1849, commencing in the month of July, and was discharged at her own request.

That deponent knows one Jane Hamilton, who was then a nurse in the Hospital aforesaid, and is so still.

That the deponent knows Jane Hamilton to be a woman of bad and immoral character. That this deponent has on three different occasions seen Dr. Lemieux, the House Surgeon, and Jane Hamilton in criminal connexion on the floor of the chapel used for the ministrations of the Protestant patients. That this deponent, on several occasions, spoke to Jane Hamilton about the impropriety of her conduct, and on one of these occasions she denied having had connexion with Dr. Lemieux, and said she had had connexion with Mr. Beaubien, but only once. That

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

this deponent has seen Dr. Lemieux go into Jane Hamilton's room often; and on two different occasions this deponent tried to open the door, which was locked inside.

That on the occasion of this deponent receiving her wages from the Steward, Mr. Cutter, previous to leaving the Hospital, in fact at the time she was leaving, she remarked to Mr. Cutter, that she, deponent, thanked the Almighty God that she was leaving the Hospital, for that it was neither good nor gracious for the soul or body to live in it.

That this deponent meant, by the foregoing remark, that no prosperity or success could attend a place where such conduct was going on, and sickness and death around them every day.

That this deponent was visited at her present residence by Dr. Lemieux and Mr. Beaubien, the apothecary, about the commencement of this year for the purpose of ascertaining what this deponent knew concerning Mr. Cutter, about whom an investigation was then pending before the Commissioners of the Hospital aforesaid, and they requested the deponent to go over to the Hospital for the purpose of conversing on the subject of the charges brought against Mr. Cutter. That this deponent went to the Hospital as requested on the afternoon of the same day as above referred to, and was met at the door by Jane Hamilton, who embraced deponent in her arms and took her to the House Surgeon's room: and on the way through the passages of the Hospital, Jane Hamilton, still holding this deponent in a friendly embrace, entreated her for God's sake not to speak about what she, Jane Hamilton, had told this deponent concerning the Doctors.

That in speaking of the Doctors this deponent means Dr. Lemieux and Mr. Beaubien the apothecary. That this deponent had never either seen or spoken to Dr. Lemieux, the House Surgeon, or Mr. Beaubien, the apothecary, from the time she left the Hospital until now.

That this deponent was employed as nurse at the Manor Hamilton Infirmary, County Letrim, Ireland, for four and a half years, and discharged at her own request, with certificates deponent still has.

That deponent knew Jane Hamilton at home in Ireland, that she was a patient under this deponent in the Manor Hamilton Infirmary, and deponent also knew her as a nurse in the Screeny Hospital near Manor Hamilton, from which Hospital she was discharged for bad conduct.

That this deponent knows Jane Hamilton to be a married woman, and that she had one child before she was married and two since; one of which died in the Manor Hamilton Infirmary, whilst she, Jane Hamilton, was a patient in Hospital.

That this deponent knows John Hamilton, the husband of the aforesaid Jane Hamilton, and that she, Jane Hamilton, deserted her husband and refused to see him previous to leaving for America.

That Jane Hamilton requested this deponent not to tell any one that she was a married woman, as she had declared herself to be single. That this deponent has seen the aforesaid Jane Hamilton treat the patients in the Marine and Emigrant Hospital with great cruelty. On one occasion she saw her take a stick and beat a patient delirious in fever with great severity and cruelty, and the patient, whose name was Russell, the mate of a vessel, died the next day.

(Signed,) MARY ^{her} RILEY.
mark.

Sworn before me at Quebec, this 21st February, 1851.

(Signed,) E. GLACKEMEYER, J. P.

Appendix
(R. R.)

18th July.

SECRETARY'S OFFICE,
TORONTO, 21st March, 1851.

SIR,

I beg to acknowledge the receipt of your communication dated 3rd instant, in reply to my letter of the 5th Feb., and also copy of a letter addressed to you by Dr. Marsden dated 26th ultimo, accompanied with copy of an affidavit of the 21st of same month, purporting to have been sworn before Edward Glackemeyer, Esquire, J. P., all of which I have had the honour of laying before His Excellency the Governor General.

His Excellency desires me, in answer, to repeat what I have stated in my former letter, that it was but just that the parties involved in the general charges contained in your former communication, and which are in effect repeated in your last letter should, previous to an investigation, should such an investigation be ordered, be apprised of the specific facts upon which these grave charges must be presumed to be grounded; and also of the names of the parties on whose information and knowledge you state the Board of Trade had relied in preferring them.

His Excellency therefore regrets that whilst you have not hesitated to put forth two specific charges, one of which appears to be based upon Dr. Marsden's letter, which is posterior in date to your first letter, preferring charges in general terms, the Board of Trade should still have come, in reference to the latter charges, to the unjust conclusion, that until an investigation shall have been set on foot or sanctioned by His Excellency, "the parties accused are not entitled to a specification of the particular charges to be brought against them, and still less to be furnished with the names of those on whose information and knowledge the Council of the Board of Trade have relied in the action they have taken on "the subject," the effect of which conclusion is to put it out of His Excellency's power, satisfactorily to call upon the parties accused for those preliminary explanations which, in all cases of this description, it is desirable to obtain; not only with a view of determining upon the expediency of instituting such an investigation, but also of devising the most efficient mode of conducting it, the more effectually to reach the evil complained of.

Upon reference to the copy of Dr. Marsden's communication, which accompanies your letter of the 3rd instant, His Excellency observes that it is intended that the Commissioners were to be put in possession, by Dr. Marsden himself, of depositions mentioned in his communication, in order to an investigation by the Commissioners of the facts therein alleged. The result of this investigation will no doubt be communicated to His Excellency by the Commissioners without delay.

With regard to the case of the will made by a scaman, referred to in your letter, that case having formed part of the previous investigation mentioned in my letter of the 15th February, was satisfactorily explained, and reported upon, to His Excellency.

I have, &c.,

(Signed,)

J. LESLIE,
Secretary.James Dean, Esquire,
President Board of Trade,
Quebec.

Appendix
(R. R.)

18th July.

SIR,

Referring to my letter of the 15th ultimo, transmitting to you for the information of the Commissioners of the Quebec Marine and Emigrant Hospital, copies of certain communications relative to that institution, I have it in command to forward to you in further connection with that subject, for the information of the Commissioners, copy of a communication from the Quebec Board of Trade, dated the 3rd instant, together with the documents which accompany it, viz., copy of a letter from Dr. Marsden, dated 26th ultimo, to James Dean, Esquire, Chairman of the Quebec Board of Trade, and copy of an affidavit purporting to have been sworn by one Mary Riley before Edward Glackemeyer, Esquire, J. P.

I also enclose copy of a letter, dated this day, which I have been commanded by His Excellency, the Governor General, to address to the Quebec Board of Trade.

The Commissioners will perceive by that letter that His Excellency has expressed his regret that the Board of Trade should have declined to render specific the charges contained in their first communication. His Excellency, nevertheless, considering that the nature of the charges is such as to involve most seriously the character of that useful institution, and the conduct of all its officers and *employés*, trusts that it will be in the power of the Commissioners, as well as of the House Surgeon and other *employés* under them, to meet by the fullest and most satisfactory explanation, in as far as they may be concerned, the grave imputations cast upon the management of that institution.

The Commissioners are requested to give to the House Surgeon and such others of the *employés* of the institution as may be concerned, full communication of all the charges brought, as well by the Visiting Physicians as by the Quebec Board of Trade, and of all the correspondence and documents in your possession in relation thereto, and to call upon them to give the fullest explanations as above required.

I have to add that His Excellency expects that the Commissioners, the House Surgeon and the other *employés* concerned, will, without delay, comply with His Excellency's desire.

I have, &c.,

(Signed,) JAMES LESLIE,
Secretary.

N. Casault, Esquire,
Secretary-Treasurer,
M. and E. Hospital,
Quebec.

SECRETARY'S OFFICE,
TORONTO, 21st March, 1851.

Referring to my letter of the 15th ultimo, transmitting to you copies of certain communications relative to the Quebec Marine and Emigrant Hospital; I have it in command to forward to you in further connection with that subject, for the information of yourself and the other Visiting Physicians of that institution, copy of a communication from the Quebec Board of Trade, dated 3rd instant, together with the documents which accompanied it, viz.: copy of a letter from Dr. Marsden, dated 26th ultimo, to James Dean, Esquire, Chairman of the Quebec Board of Trade, and copy of an affidavit purporting to have been sworn by one Mary Riley before Edward Glackemeyer, Esquire, J. P.

I also enclose copy of a letter, dated this day, which I have been commanded by His Excellency the Governor General to address to the Quebec Board of Trade.

You will perceive by that letter, that His Excellency has expressed his regret that the Board of Trade should have declined to render specific the charges contained in their first communication. His Excellency, nevertheless, considering that the nature of the charges is such as to involve most seriously the character of that useful institution, and the conduct of all its officers and *employés*, trusts that it will be in the power of the Visiting Physicians to meet by the fullest and most satisfactory explanations, in as far as they may be concerned, the grave imputations cast upon the management of that institution.

I have to add that His Excellency expects that you will without delay give the required explanations.

I have, &c.,

(Signed,) JAMES LESLIE,
Secretary.

Joseph Painchaud, Esquire,
M.D.,
Quebec.

(Translation.)

MARINE AND EMIGRANT HOSPITAL,
1st April, 1850.

SIR,

I have the honour to acknowledge the receipt of your letter of the 21st March last, as well as the documents accompanying it, namely: copies of a letter from Dr. Marsden to James Dean, Esq.; of an affidavit made by a woman of the name of Mary Riley, of a letter from the Board of Trade, and of the answer addressed by you to the President of that Body on the 21st of last month.

I had previously received the copy of a letter from the Board of Trade, bearing date the 29th June, containing charges against the different officers of the Hospital, and, also the copy of a letter in which you desired them, in His Excellency's name, to detail the charges and to give the names of the parties upon whose credibility they were preferred.

The Commissioners to whom the whole affair has been submitted, direct me to inform you, that previous to the receipt of your letter, they had, at the request of Dr. Lemieux, ordered an investigation into his conduct, which, from the rude and even threatening tone of the letter which Dr. Marsden had addressed them, and the well-known character of those from whom he had procured the affidavits, they would not have been justified in ordering before.

That investigation has been postponed to a future day, in order to communicate to the parties concerned the papers which I have the honour to acknowledge the receipt of in this letter; but the Commissioners beg of you to assure His Excellency that they will proceed to this investigation with all possible diligence; and as soon as it is concluded, they will transmit their report without delay.

I have, &c.,

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

Hon. James Leslie,
Provincial Secretary, &c.,
Toronto.

Appendix
(R. R.)

18th July.

(R. R.) (Translation.)

QUEBEC, 3rd April, 1851.

18th July. SIR,

We have the honour to acknowledge the receipt of your letter, dated 21st of last month, and of the various documents accompanying it.

In obedience to the wishes of His Excellency the Governor General, we do not hesitate to afford every information in so far as it lies in our power, as Visiting Physicians of the Marine and Emigrant Hospital. We declare ourselves ready to answer to all the charges and accusations which may be brought against us as Visiting Physicians, as soon as these charges and accusations are specified in a proper manner.

With regard to the charge brought by Mary Riley in her deposition dated the 21st February, with regard to acts of brutality on the part of the nurse, Jane Hamilton, we must say that it is the first time that similar complaints have come to our ears, and we have not the slightest doubt that these complaints are unfounded. We were witnesses, during the latter months of the year 1850, to certain complaints on the part of the patients, touching the quality and quantity of the provisions, and we forthwith took the necessary measures to remedy these complaints.

Aware as we are of the importance of leaving undisturbed the tranquillity of the consciences of individuals as regards their religious faith, we should be the first to raise our voice against such an abuse; while, at the same time, we must declare that we have never at any time received any information from the patients on this subject.

We have, &c.,

(Signed,) JOS. PAINCHAUD,
O. L. ROBITAILLÉ,
ALEX. ROWAND.

Hon. James Leslie,
Provincial Secretary, &c.,
Toronto.

QUEBEC, 5th April, 1851.

SIR,

Referring to a letter written on the 2nd inst., and signed by some of my colleagues, Visiting Physicians to the Marine and Emigrant Hospital, in answer to a communication from His Excellency the Governor General, dated 21st ult., I have the honour to state, for the information of His Excellency, the Governor General, that I fully concur in the statements expressed in that letter, and that the reason why my name did not appear in it was, that I objected to the manner in which the meeting was called at which the letter was drafted, and not to the contents of the letter itself.

I am given to understand by Dr. Painchaud, that notes explanatory of this matter have been forwarded to his Excellency.

I have, &c.,

(Signed,) ALFRED JACKSON,
V. P. M. and E. H.

The Honble. J. Leslie,
Provincial Secretary, &c., &c., &c.,
Toronto.

(Translation.)

QUEBEC, 3rd April, 1851.

SIR,

In my own name and in that of my colleagues, I have the honour to acknowledge the receipt of your letter of the 21st March last, with the copy of a document coming from the Quebec Board of Trade, dated the 3rd of the same month, accompanied by a letter from Dr. Wm. Marsden, dated the 26th February, and of the affidavit of a girl of the name of Mary Riley, sworn to before Edward Glackemeyer, Esquire.

In obedience to the wishes of His Excellency the Governor General, I called my colleagues together by a circular for the purpose of communicating to them the documents above mentioned.

I regret being obliged to inform you that our colleague, Dr. James Douglas, refused, by letter, to meet us. (See Document A.)

My four other colleagues and myself, forthwith prepared the draft of an answer to your letter of the 21st March last. It was an understood thing that we should all five sign it as soon as Dr. Jackson had made a fair copy of the rough draft; but that gentleman, on the following day, was of opinion that we should again invite Dr. James Douglas to meet us, which Drs. Rowand, Robitaille, and myself declined to do. This will explain the reason of the signatures of my two colleagues, Drs. Jackson and Hall, not appearing to the document which I have the honour of transmitting herewith for His Excellency's information. That letter is a copy of the draft prepared in the first place by the whole five of us. I beg leave at the same time to submit the following observations, which were not introduced into the said draft.

Upon what basis does the Quebec Board of Trade ground their reasons for mixing themselves up with the affairs of the Marine Hospital when a tribunal is in existence, created by Government for the supervision of all matters relating to that institution and to its officers and servants, especially when the Board of Trade itself declares to His Excellency that it has no complaint to make against that tribunal?

The Quebec Board of Trade must have been grossly misinformed and led into error by persons plotting schemes of destruction against the Hospital and its officers, to allow themselves to be led into declaring to His Excellency "that there is great reason to fear that neither the property, the morals, nor the religion of those who have the misfortune to become inmates of the Quebec Marine Hospital are safe, &c." These serious charges, brought in general terms, are neither supported by facts nor specified or defined according to His Excellency's desire, in order to afford justice to those over whose heads such charges were hanging.

Does it not appear right, at all events, that the Board of Trade, prompted by a spirit of respectful deference towards His Excellency, the Governor General, should have acceded to his formal demand, and given the names of the parties from whom the Board of Trade procured their information, and on whom they declare that they place the most implicit reliance on account of their "knowledge and accuracy."

Such a refusal is inexplicable, and affords grounds of suspicion that they never really had any facts to bring forward, and that their *secret informers* were not men of respectability. That suspicion is confirmed by the proceedings of the said Board, who on the 25th February, a month after, wrote directly to Dr. W. Marsden for information, having understood that he was busy concocting *affidavits* against the Hospital.

Do not the Board of Trade plainly contradict themselves when they assert that they do not include

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

in their charges either the Commissioners or the Visiting Physicians, and persist in demanding a general investigation. If these two bodies are, in their opinion, irreproachable, wherefore should they demand a general investigation? Are they not aware that the whole responsibility of all matters relating to the welfare, morality, and religion of the patients in Hospital, rests in the first place upon the shoulders of the Visiting Physicians, and after them, upon those of the Commissioners?

It is lamentable to see the Board of Trade reduced to the necessity of craving the assistance of Dr. Wm. Marsden, for it must be confessed that so respectable and powerful a Body could not have been more unfortunate in the choice of their authority.

I cannot help blushing when I find myself under the painful necessity of laying bare the miserable selfishness which is at work trying to effect the ruin of the Hospital.

But I am convinced that His Excellency will understand and know how to appreciate the motives by which I am actuated in this proceeding.

I wish therefore to draw the attention of His Excellency to the documents accompanying this letter, and more particularly to the affidavits of Jane Hamilton and Catherine Halleran relative to the deposition sworn to by Mary Riley and to the assertions of Dr. Marsden contained in his letter of the 26th February to the Board of Trade.

I have, &c.,

(Signed,) JOS. PAINCHAUD.

Hon. James Leslie,
Provincial Secretary,
Toronto.

3rd April, 1851.

MY DEAR DOCTOR,

I perfectly agree with you in all your statements, and am ready to add my signature to yours, if you should think it necessary, although I am of opinion that it would look better not to do so.

Yours truly,

(Signed,) A. ROWAND.

Dr. Painchaud.

QUEBEC, 29th March, 1851.

SIR,

My conduct and motives at the last Meeting called by you were so grossly misrepresented by you, that I must on this occasion decline attending to the present call.

If His Excellency's letter, to which you refer, in any way concerns me or the interests of the Hospital, I will be prepared to give it my immediate and most attentive consideration, and will therefore thank you to forward the letter itself, or a certified copy of it, at your earliest convenience.

I have, &c.,

(Signed,) J. DOUGLAS.

Dr. Painchaud.

QUEBEC, 2nd April, 1851.

MY DEAR DOCTOR,

After consideration I do not think that we are justified in taking action on His Excellency's letter as a body without notifying Dr. Douglas of what is being done. Should he, after due notice, refuse to attend a Meeting of the Visiting Physicians,

we shall have done our duty, and the *onus* of non-attendance will rest with him.

Very truly yours,

(Signed,) A. JACKSON.

Dr. Painchaud.

QUEBEC, 2nd April, 1851.

MY DEAR SIR,

I have received your letter of this morning in answer to mine of same date.

As I was under the impression at the time that our joint letter to His Excellency was drawn up and agreed to, that it was to have been submitted to Dr. Douglas in order that he might sign it should he think proper so to do; and as I still think that he should have an opportunity of so doing, or at least of expressing his views upon the matter, I do not consider myself bound to sign any letter as a joint letter from which that gentleman shall be excluded.

Very truly yours,

(Signed,) A. JACKSON.

Dr. Painchaud.

QUEBEC, 2nd April, 1851.

SIR,

I have carefully considered the documents you sent me yesterday, and am prepared to give my opinion on them.

To avoid misrepresentation, I shall propose that any proceedings which may be taken be reduced to writing by the Secretary.

Your obedient servant,

(Signed,) J. DOUGLAS.

Dr. Painchaud.

QUEBEC, 3rd April, 1851.

SIR,

I received late last night your note, proposing, to avoid misrepresentations, a Meeting by writing through the Secretary.

I regret to have to inform you that it is too late. The Meeting in question has taken place on the 1st instant, and the answer to Government was sealed up and ready for despatch yesterday in the afternoon.

I am, &c.,

(Signed,) JOS. PAINCHAUD.

Dr. J. Douglas,

V. P. Q. M. & E. H.

QUEBEC, 21st February, 1851.

DEAR SIR,

Having on Friday evening last asserted to Dr. Marsden that there was an order prohibiting his admission into the Marine Hospital, and which he stated was a lie if I said so—will you be so kind as to inform me whether I am correct in my assertion or not, as he states positively that no such order exists, and that they are liars who state that such an order does exist? I would at the same time beg leave to state that at the time I made the assertion, it was not done with a malicious intent, nor yet to wound the feelings of Dr. Marsden.

I remain, &c.,

(Signed,) JAMES F. WOLFF.

Dr. Painchaud,
Visiting Physician,
Marine Hospital.

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

(Translation.)

18th July.

Province of Canada, }
District of Quebec. }

Jean Baptiste St. Armand, of the City of Quebec, licensed Tavern-keeper, being sworn upon the Holy Evangelists, doth depose and say:—That he resides in Richelieu Street, quite near to a house of ill-fame, kept by a person named Louise Guy, known by the name of "Grande Louise" and "Great Western;" that he knows that Dr. William Marsden has been in the habit of daily frequenting the said house of ill-fame since last summer; that he is in the habit of leaving his vehicle in another street, at a great distance from the house of the said Louise Guy, and of entering the house by an out-of-the-way footpath, and most frequently by the yard; that he has himself seen a letter which the said Louise Guy was about sending to Dr. Marsden, telling him that she could not come that day to the *rendezvous* appointed, as she had had a quarrel with "Jack" (Jacques Dion), and was obliged to go out with him. The letter began with the words, "My dear Doctor;" that this deponent only lately heard the following conversation between the said Louise Guy and an individual who asked her why she had not gone to Dr. Marsden's lecture; she answered that so much was said about her and Dr. Marsden, that she did not like to go; she added that she was going to give up the Doctor, because their intimacy made too much noise; and she then told the party that she was going to choose another friend than Dr. Marsden. On her remarking that the party she named would not give her much money, she answered, "I do not care for the money—the Doctor does not give me any either."

This deposition having been read, the deponent persists therein, declaring that it contains the truth, and hath signed.

J. B. ^{his} ST. ARMAND.
_{mark.}Sworn before me, at Quebec,
this 29th day of March,
1850.

(Signed) E. DUGAL, J. P.

(Translation.)

QUEBEC, 15th February, 1851.

SIR,

I have just returned from the Marine Hospital. The House Surgeon showed me your letter of yesterday, relative to the death of Charlotte Crosby. I do not doubt for an instant that the person from whom you have obtained your information, gave it in good faith; and that from what he may have stated to you, you could not but come to the determination to hold an inquest.

But, my dear Sir, nothing of the sort has taken place. I am well aware that there are evil disposed persons in Quebec who are striving, in every possible way, to disturb the tranquillity of the Marine Hospital, and to show it up to the public in an unfavourable light. I shall just simply enter into the details of the affair, and I trust you will be convinced that there is not the slightest shadow of a ground for a legal investigation.

Charlotte Crosby was very successfully confined in the Marine Hospital a fortnight ago. She was rapidly convalescing, and was even proposing to leave the Hospital to take the situation of nurse. On the 7th instant, I remarked a few spots on her forehead and face (*erythema*). I prescribed, and these premonitory symptoms of erysipelas disappeared. On

Appendix
(R. R.)

18th July.

the 11th, in the morning, she was seized with convulsions; I found her in a demi-comatose condition, very irritable, and shewing a few signs of consciousness. During my visit she again went off in convulsions, and I no longer doubted for a moment that I had to deal with that obstinate disease—erysipelas after confinement. I prescribed accordingly. I approved of what the House Surgeon had done in my absence, and hastened to send for Dr. Jackson, my fellow-visiting Physician on duty, to see the patient. He saw her accordingly. Throughout the day my treatment was steadily and actively persevered in, but the poor patient sank about six P. M. Twenty-four hours after, the autopsy took place. Dr. Rowand, one of the Physicians on duty, was summoned and attended. The brain did not present the extraordinary symptoms of cerebral congestion (apoplexy): the membranes only of the brain appeared to us to have been excited by some irritation. Every thing tended to convince us that erysipelas had been the principal disease: that disease which has already carried off so many women at the Marine Hospital in years past, without its having been at that time considered necessary to inform the Coroner of it.

The foregoing declaration, my dear Sir, I am willing to make upon oath.

I have, &c.,

(Signed,) J. PAINCHAUD.

Mr. B. Panet, Coroner.

(True copy.)

(Signed,) JOS. PAINCHAUD.

Province of Canada, }
District of Quebec. }

Jane Hamilton appeared before me this day, and after being sworn on the Holy Evangelists of Almighty God, deposeth and saith as follows:

I am from Ireland, County of Letrim. I belong to the Presbyterian Church, and I hope in God to live and die in it. I came to Quebec in May, 1849, and entered immediately in the Marine Hospital as nurse. I have known the late Charlotte Crosby, a single girl, and a patient in the Marine Hospital. She too belongs to the Presbyterian Church. She was confined of a female child some time in February last. About a week after her confinement she did ask me to speak to the Reverend Mr. Richardson, a Roman Catholic priest, to baptize her own child. I at first refused, and asked her why she would desert our church? She answered me that the father of the child was a Roman Catholic, and that she would be so at the arrival of the father from Ireland; so the child was sent to the Roman Catholic Church, and carried by Marianne McCarthy, night nurse of the Hospital. About a fortnight after, the said Charlotte Crosby got very bad, and Catharine Halleran one patient of the Hospital, asked me if I was determined in leaving her dying without the minister or the priest. I asked Charlotte Crosby if she wished for the minister; she shook her head as to answer no. Then the above Catharine Halleran sent to her and asked her if she wished for the priest, Reverend Mr. Richardson? She did answer in the affirmative. The said Catharine Halleran told me to go down and tell the porter to fetch the priest. I refused, and did not like to meddle with religion. Catharine went down herself and sent the porter for Father Richardson.

JANE ^{her} HAMILTON.
_{mark.}Sworn before me at Quebec,
this 2nd April, 1851.

(Signed,) E. DUGAL, J. P.

Appendix
(R. R.)Province of Canada, }
District of Quebec, }

13th July.

Catharine Halleran, house-maid at Mr. John Sharples, Supervisor of Cullers, personally appeared before me this day, and after being sworn on the Holy Evangelists of Almighty God, deposeth and saith:—That I was six months in the Marine Hospital at Quebec as a patient, and I left it with a proper discharge about six weeks since. I was acquainted with the late Charlotte Crosby a Protestant and single girl. She was delivered of a female child in the said Hospital some time in the present winter. She recovered from her confinement. A week afterwards she had her child christened, and at her request, by Father Richardson, a Roman Catholic Priest. About a fortnight afterwards, the said Charlotte Crosby took convulsions, and I asked Jane Hamilton, one of the nurses, and belonging to the Protestant church, if she would let the girl die without seeing a minister or priest? and the said Jane Hamilton replied that she would be afraid to send for a priest in case she should come to any blame. I then went to Charlotte Crosby and asked her if I should send for a minister, and she said no. I then asked her if I should send for Father Richardson, and she replied, "Send for him." I then told Jane Hamilton to go down and send the porter for the priest, and she said she would not. I then went myself and sent the porter. I consider Jane Hamilton to be an honest and decent woman, having known her for six months in the Hospital.

(Signed,) CATHARINE ^{her} HALLERAN. _{mark.}Sworn before me at Quebec,
this 13th day of March,
1851.

(Signed,) R. SYMES, J. P.

QUEBEC, 18th December, 1850.

I knew Jane Hamilton during ten months or thereabouts when I had charge of the Marine Hospital in the capacity of Chaplain. During that period, her perfect neatness and cleanliness, her zeal in the discharge of her duties, her ready and cheerful attention to the patients, on whom she lavished the most tender care, were truly striking. Moreover, the patients themselves bore witness to her excellence, and I think that their testimony justifies me in attesting her honesty and trustworthiness.

(Signed,) E. BONNEAU, Ptre.
Asst. Pt. of St. Patrick's.

(True Copy.)

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

Having often had occasion to visit the Marine Hospital since Jane Hamilton has been employed there, and having had charge during one month of the Catholic patients in the establishment, whom I visited daily, I willingly add my testimony to that of the Rev. Mr. Bonneau, having long had an opportunity of observing the zeal and intelligence with which she discharged her duty.

(Signed,) C. F. CAZEAU,
Vicar-General.

Archbishop's Palace, 19th Dec., 1850:

(True Copy.)

(Signed,) N. CASAULT,
S. T. C. M. & E. H.Appendix
(R. R.)

18th July.

The undersigned certifies, that during the five months which had elapsed since Jane Hamilton was admitted into the Marine Hospital as nurse, she has performed all her duties with the strictest regularity. Moreover, having passed a month and a half in the Hospital during the prevalence of the cholera, and being on foot night and day to administer the consolations of religion to the members of his Church, the undersigned was enabled to see and judge with his own eyes how matters were conducted, and, at the same time, to remark whatever irregularities existed. During that period, he has had the fullest reason to approve of the conduct of Jane Hamilton. He does not hesitate; he feels himself bound in justice to bear witness to her good morals, her regularity, and her faithfulness in the fulfilment of her duties.

(Signed,) N. BEAUBIEN, Pt.,
Late Chaplain to the Marine Hospital.
Marine Hospital, 19th Feb., 1851.

(True copy.)

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

ST. ROCH'S, 1st April, 1851.

The undersigned certifies that, during seven months that he has had charge of the Marine Hospital as Chaplain, Jane Hamilton has proved herself to be honest, worthy to be trusted, and truly zealous in the performance of all her duties.

(Signed,) W. RICHARDSON, Pt.,
Chaplain,
M. & E. H.

(True copy.)

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

I certify that Jane Hamilton served as nurse in the Fever Hospital of this Town for nine months, during which period she conducted herself honestly, soberly, and quietly.

(Signed,) THOMAS DAVIES,
M. D. and Surgeon,
Medical Officer, Manor Hamilton,
Fever Hospital.Dated at Manor Hamilton,
the 6th April, 1849.

I have known Jane Hamilton for some time past, and believe her to be a proper, well conducted woman; quiet and orderly. She is a member of the Established Church.

(Signed,) JOHN HAMILTON,
Curate of the Union of Manor
Hamilton.

Manor Hamilton, 6th April, 1849.

We believe Jane Hamilton, late of this Parish, to be a woman of very good character. We have known her for the last six years.

(Signed,) JOHN HAMILTON,
Curate of the Union of Manor
Hamilton, Dis. Kilmore.
THOMAS DAVIES,
M. D. and M. R. C. S.

10th December, 1849.

Appendix
(R. R.)
18th July.

The bearer, Jane Hamilton, has been employed in the Marine Emigrant Hospital, as nurse, since the first of June last. She is a kind and faithful nurse, and is very active, honest and trustworthy.

(Signed,) ISAAC H. CUTTER,
Steward M. and E. H.

Marine and Emigrant Hospital,
Quebec, 10th April, 1850.

QUEBEC, 25th February, 1851.

Jane Hamilton has been a nurse in the Marine Hospital since the summer of 1849. We never had a better nurse in the Hospital. The Typhus ward was always her charge. I have had many opportunities of ascertaining her character and good conduct. She is extremely gentle and zealous in attending on the sick. She has attained middle age, is strictly sober, and her morals appear irreproachable. The late Steward, Cutter, said something to me to her disadvantage last autumn, but he alleged nothing in the least derogatory to her morals. His charge against her was, that she had accused him of falsifying his accounts.

(Signed,) JOS. PAINCHAUD,
Vis. Phy. Mar. and Emgt.
Hospital, Quebec.

(True copy.)

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

I certify that Jane Hamilton has always acquitted herself to my entire satisfaction as a faithful and highly intelligent nurse whenever she may have been called upon to act under my order.

(Signed,) A. ROWAND,
Vis. Phy. M. and E. II.

Quebec, 10th March, 1851.

QUEBEC, 1st March, 1851.

I certify that Jane Hamilton has discharged her duty as a nurse in the Marine and Emigrant Hospital from the 31st May, 1849, to this date, in a manner worthy of the highest praise.

(Signed,) O. ROBITAILLE,
Visiting Physician.

(True copy.)

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

Province of Canada, }
District of Quebec. }

Appeared before me, this day, *Jane Hamilton*, and, after being sworn on the Holy Evangelists of Almighty God, deposeth and said :

That the certificates here annexed, and signed—Ed. Bonneau, Ptre.; C. F. Cazeau, Ptre.; M. Beaubien, Ptre.; Isaac Cutter; Jos. Painchaud; A. Rowand; O. Robitaille; W. Richardson; John Hamilton, Curate of Manor Hamilton Union; and Thomas Davies—have been copied on the originals, which have been given to me as the proper person to make use of them.

(Signed,) JANE ^{her} ~~H~~ HAMILTON.
_{mark.}

Sworn before me, at Quebec,
this 2nd April, 1851,

(Signed,) E. DUGAL, J. P.

Appendix
(R. R.)
18th July.

No. 5.

(Copy.)

SECRETARY'S OFFICE,
TORONTO, 21st March, 1851.

SIR,—I have the honor, by command of His Excellency the Governor General, to inform you that he has received from Dr. Lemieux, the House Surgeon of the Quebec Marine and Emigrant Hospital, of which you are one of the Visiting Physicians, a letter evidently written the month of February last, although erroneously dated the 3d of January, in which Dr. Lemieux prefers certain complaints against you; and, in order to afford you an opportunity of giving such explanations as the case may require, I have it in command to transmit to you such portions of that letter as contain those complaints.

As the correspondence referred to by Dr. Lemieux is presumed to be in your possession, it is considered unnecessary to transmit it to you with this letter.

I have, &c.,
(Signed,) J. LESLIE,
Secretary.

James Douglas, Esq., M. D.,
&c., &c., &c.
Quebec.

EXTRACTS.

MARINE HOSPITAL,
QUEBEC, 3d January, 1851.

"SIR,—I have been informed that the Steward of the Marine Hospital, Mr. Cutter, whose conduct, in obedience to the dictates of my conscience and the obligations of my office, I have thought it my duty to lay before the Commissioners, under accusations of a most serious nature and with the most overwhelming proof of guilt, convicted of having robbed the patients, despoiled the Hospital, and made it a place of prostitution; by way of retaliation accuses me before the Government of the same crimes, so as to involve me, if possible, in his ruin. But circumstances require that I should state, that in doing so, he is only the servile instrument of Dr. Douglas, who acknowledged it to me himself in a letter addressed to me by him, bearing date the 27th January, 1851, and marked C. His Excellency will no doubt be astonished that Dr. Douglas should have been the adviser and instigator of a subordinate, and of a man who has been indelibly disgraced by the enquiry of the Commissioners, against a brother physician. I take the liberty of sending you herewith the correspondence which only lately took place between Dr. Douglas and myself respecting the Hospital affairs. His Excellency will, I think, be enabled to trace in it the motive of the plot which is being formed against me, and the secret of the persecution which seems to assail me on every side, and which Dr. Douglas has found means to ground upon political passions, which I shall not call by another name, and which under that name are more inveterate and ruthless than habitual and local differences."

Hon. J. Leslie,
Prov. Secretary.

QUEBEC, 31st March, 1851.

SIR,—I have the honor to acknowledge the receipt of your communication of 21st instant, enclosing an extract of a letter from Dr. Lemieux, in which he complains of my conduct in having ad-

Appendix
(R. R.)

18th July.

vised and instigated Mr. Cutter to make certain charges against him. The whole proof of this complaint rests on what Dr. Lemieux is pleased to call my own avowal, as contained in a letter addressed to him on 27th January last. The precise words were, "You yourself were the sole mover or instigator of any plot, and if by your own acts you have shaken confidence in your honesty, and exposed transactions which have endangered your situation, you have only yourself to blame. I have advised Mr. Cutter, as I consider it to be my duty to advise any one holding a subordinate situation in the Hospital, and I hold myself responsible for the soundness and honesty of my advice. Had you taken it you would not now be in the disgraceful position you occupy." These words will in no way bear the construction put upon them by Dr. Lemieux, as well might Mr. Cutter charge me with having advised and instigated Dr. Lemieux, on my own avowal. The correspondence speaks for itself; and Dr. Lemieux having disclaimed to Dr. Morrin the words imputed to him, I had thought no more of the matter until the receipt of your communication. I knew nothing of the charges brought by the House Surgeon against the Steward, nor of the evidence in support of them until the case against the Steward had been closed, and only then because the Steward called on my colleagues and myself to testify that the House Surgeon had never complained of him to us. Long before any investigation was talked of, I became aware that great irregularities and abuses had crept into the Hospital; I considered it to be my duty to call the attention of the Commissioners to the matter, and to leave it in their hands, and I did so, carefully abstaining from any conversation on the subject, even with my colleagues; and I am satisfied that they were not aware of the extent of these abuses nor of the injury the Hospital suffered from the ill feeling which existed between the House Surgeon and Steward, until early in December, when these individuals charged each other in the presence of the Visiting Physicians with sundry crimes and misdemeanors, and indulged in mutual crimination and abuse in language more remarkable for its force than its elegance.

My duties in Hospital have been latterly confined to the Surgical wards, and have consequently thrown me more immediately in contact with the House Surgeon; and it is only justice to him to say that he has always performed his duties in these wards diligently and well, and that I have had no cause to complain of him.

With reference to the persecutions which he says he has suffered I know nothing. His private conduct in Hospital is a matter over which the Visiting Physicians have no control. This is an affair between himself and the Government, and I should think that any charges which have been brought against him might easily be proved or disproved; and by very simple means. He has however no just cause to complain of me, and it is trifling with the time of Government to do so on such slender grounds as he has done in the present instance. Dr. Lemieux's choice of motives must be very limited when he attributes mine to political feelings or prejudices. I have none. I have many warm friends of different political creeds, and it would puzzle the most intimate of them to say what my political bearings are. The political privileges I do possess I have only exercised once in very many years, and on that occasion I was influenced more by personal friendship to Mr. H. Black than by any regard to his political views.

I have, &c.,

(Signed,) J. DOUGLAS.

Hon. J. Leslie,
&c., &c., &c.MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 16th May, 1851.Appendix
(R. R.)

18th July.

SIR,—I have the honor to transmit you this day, for His Excellency's information, the result of the inquiry ordered by the Marine and Emigrant Hospital Commissioners into the conduct of the House Surgeon, the Apothecary, and one of the nurses of the institution under their care.

The Commissioners took upon themselves to suspend the inquiry on two different occasions; in the first place, in order to allow me to visit my dying father, and afterwards to pay my last duties to his mortal remains. This has been the cause of the delay which has occurred in transmitting these documents, which took considerable time to be copied.

I have, &c.,

(Signed,) N. CASAULT,
S. T. C. M. and E. H.The Honorable James Leslie,
Provincial Secretary,
Toronto.

1. Copy of the Investigation.
2. Copies of the copies of the affidavits addressed to the Commissioners by Dr. William Marsden.
3. Defences of Dr. Lemieux and of Mr. Beaubien, and documents produced with them.
4. Report of the Commissioners on the whole.

REPORT of the Commissioners of the Marine and Emigrant Hospital on the investigation ordered by them on the conduct of C. Eusèbe Lemieux, House Surgeon; Cléophas Beaubien, the Apothecary; and Jane Hamilton, a nurse in the said Hospital.

The Commissioners of the Marine and Emigrant Hospital beg most respectfully to submit to His Excellency, the Governor General, and report that,

On the beginning of March they received from Dr. W. Marsden, of this City, a letter accompanied by certain documents purporting to be affidavits obtained by him from several individuals, and containing serious accusations against the House Surgeon, the Apothecary, and one of the nurses; but the uncivil and threatening tone of his letter prevented the Commissioners from taking any steps upon it. These charges, however, were of such a serious character, that the Commissioners themselves earnestly desired an investigation, which they immediately ordered as soon as it was asked for by Dr. Lemieux, who had previously taken communication of these affidavits. The Commissioners were desirous of conducting the investigation without prejudice or favour, and of sifting the whole matter to the bottom, however harsh and humiliating it might be to the persons implicated; but they also wished to shew justice; and the prejudices which appeared to have governed the mind framing those affidavits, the numberless inferences and hearsay evidence contained in them instead of positive facts, which were very few indeed, the individuals also who had sworn to those affidavits, all, in a word, contributed to raise suspicions against them. In consequence of this, they called up before them, for a re-examination, the persons who had sworn to those affidavits, with the exception of Catherine Donnelly, the servant of Mr. Cutter, who, they felt convinced, would only repeat the lessons instilled into her by her master,

Appendix
(R. R.)

18th July.

and, if true, the deposition of Marie Mitron would prove that this supposition was correct. The only one who did not appear before them, although he had been notified like the others, was John McDonald.

It is not necessary to advert to the striking difference existing between the affidavits and the depositions of the same persons taken before the Commissioners. It is sufficient to state that Edmonds and his wife, whose affidavits went to criminate Dr. Lemieux, and to throw a doubt upon the morality of his conduct, have since entirely exculpated him on that score.

A great many facts attested to in the affidavits as being personally known to the deponents, during the investigation turned out to be nothing but rumours they had heard, and were rejected by the Commissioners as a species of evidence unjust towards the accused, and insufficient to enable them to come at the truth. With a view of obtaining this end, they thought proper to call before them the officers of the establishment, the new servants, and those among the old servants and patients of the Hospital whose presence they could procure, and for the same purpose they felt the necessity to overcome the reluctance they had to meet the person who had unjustly attacked and calumniated them, and they examined Dr. Douglas.

The depositions, as given and taken before the Commissioners, reduce to the number of two all the accusations contained in the affidavits, which two accusations, however, were of a very grave nature, and weighed heavily both against the House Surgeon and the Apothecary, and principally against the nurse, Jane Hamilton. As to the evidence of Mary Fitzgerald, the letter of the Reverend Mr. McMahon, Pastor of the St. Patrick's Church, concerning that woman, would not allow of any notice being taken of it, were it not also stamped by the hatred and prejudices which form its general character.

Mr. Beaubien, the Apothecary, was in bed, ill of the typhus fever, for at least eight days before and one month after the time that Edmonds swears that he discovered him in criminal communication with Jane Hamilton.

The illness of Mr. Beaubien at the time referred to by Edmonds, is so clearly proved by the result of the investigation, that it does not remain to be doubted that Edmonds, to use a rather mild expression, must have been mistaken.

The depravity of Mary Riley, who acknowledges that she had taken upon herself, from motives of self-interest, the shameful part of a seducer, is sufficient to clear Dr. Lemieux of the accusations brought against him by that woman, had he not proved something else during the investigation.

As to the interments, and the order which McDonald says he received from Dr. Lemieux to place two bodies in one coffin, the assertion of McDonald, with respect to the child Costello, is contradicted in such a formal manner by the burial certificate of the child and the evidence of Mr. Richardson, that the Commissioners have every reason to believe that the rule relating to that matter had always been observed, and that the Steward was the only person who looked to the dead bodies being placed in coffins, and to their burial. They are further confirmed in that belief by the evidence of Mr. Godbault and Mr. Pelletier, who both, at different times, acted as Apothecary at the Hospital, and more so by that of John Hetstrip, who assisted the porter in the execution of this duty; they might also say by the evidence of Edmonds as given before them.

It is a pleasing task to the Commissioners to be able to say that Dr. Lemieux, Mr. Beaubien, and

the nurse, Jane Hamilton, have entirely cleared themselves of all the accusations brought against them. Dr. Lemieux has given full and satisfactory proof of his good and moral conduct, of his kindness towards the sick, and of his attention and assiduity in the fulfilment of his duty. He has shewn that he never appropriated any of the Hospital supplies to his own use, and that he was always scrupulously attentive on that score. In fact, the whole investigation from beginning to end, as far as it concerns him, contains nothing but a succession of praises which increase from beginning to end. The Commissioners will merely refer to the evidence of Dr. Douglas, who says: "Dr. Lemieux discharged his duties diligently and well. I have always considered Dr. Lemieux as one of the best House Surgeons that has ever been in the Hospital since I have been connected with it."

Although the result of their enquiries on that subject is not mentioned in the investigation, the Commissioners think it but strict justice to Dr. Lemieux to say that the false entry in the register referred to by the Board of Trade in their letter of the third day of March, was the act of Mr. Cutter alone, and that Dr. Lemieux had no knowledge whatever of it.

Mr. Beaubien shares in the praise bestowed upon Dr. Lemieux, his superior officer; and the Commissioners have no reason to regret the choice made by them of that gentleman out of a large number of applicants for the situation of Apothecary in 1848, which choice was principally due to the recommendations and certificates then produced by Mr. Beaubien.

Almost all the witnesses examined during the investigation bear testimony to the good conduct of Jane Hamilton; and those of her superiors who had occasion to see and appreciate her services, say that she is the best nurse in the Hospital. The flattering testimony given in her favour by the Ministers of a religion to which she does not belong, at the same time that it does honor to those gentlemen, does not leave a doubt of the personal merit of that nurse.

The result of the investigation and the evidence adduced from the twenty-eight witnesses examined before the Commissioners, establish in the most convincing manner, that the accusations brought against Dr. Lemieux and Mr. Beaubien are the result of a plot, and formed against two of the best officers ever employed in the Hospital, and also that recourse has been had to the basest means for their destruction, as proved by Marie Mitron, who was offered money by Mr. Cutter's servant, Catherine Donnelly, to entice her to give evidence against Dr. Lemieux and Mr. Beaubien.

It is easy to conceive what may have induced Mr. Cutter to bring against Dr. Lemieux accusations both unjust and void of truth, since it is to the complaint of that gentleman that he owes his dismissal from the Hospital. It is also easy to imagine that he should have feelings of revenge against Mr. Beaubien, who was one of the principal witnesses against him in the investigation upon his own conduct; but the Commissioners cannot conceive what should have induced Dr. Marsden to take so much trouble and pains to obtain affidavits against two officers of an institution with which he has nothing whatever to do.

Although the investigation relates to nothing but to the conduct of Dr. Lemieux, Mr. Beaubien and Jane Hamilton, the Commissioners have thought proper to avail themselves of the opportunity of their meeting with the Visiting Physicians to make enquiries from them with regard to the complaints they might have to make against the Hospital or

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

against the Commissioners themselves; and they respectfully call the attention of His Excellency to the evidence of Drs. Hall and Jackson, where they declare to have never had any cause of complaint, thus leaving to Dr. James Douglas alone the responsibility of the unjust attacks made upon the Commissioners, both by the Visiting Physicians and the Board of Trade. For it cannot be doubted in the least that Dr. James Douglas is the instigator of the complaints made by that body; and to be convinced on that point, it will be sufficient to pay attention to the simultaneousness of the complaints made by the Visiting Physicians and the Board of Trade, and to the striking resemblance between the phrasology itself of certain parts of their respective correspondence with the Government.

From that declaration of Drs. Hall and Jackson, His Excellency must feel more than ever convinced that there cannot be any good understanding, mutual assistance or harmony, between Dr. Douglas and the Commissioners; and that prompt measures on the part of His Excellency are necessary to do away with a state of things so much the more dangerous as the season of navigation is commenced, and as the active co-operation of all the officers of the institution will be promptly and unavoidably indispensable. It is an act of strict justice which the Commissioners request both for themselves and for the establishment.

The Commissioners being desirous of abridging the task of the Executive, and avoiding long and useless correspondence, have thought proper to enclose in this report their answer to those accusations from the Board of Trade which do not specially concern the three individuals who have been the subject of the investigation.

They deem it useless to repeat here the answers before given by them to the complaints of the Visiting Physicians in relation to the quality of the diet and the manner in which it was served to the patients, which complaints seem to have been copied word by word by the Board of Trade.

The charge of proselytism is the only one to which they have not given an answer. They do not hesitate to say that proselytism was not attempted in the Hospital but by the clergymen of different persuasions, without the knowledge of the Commissioners or officers, and that it is impossible to prevent it without denying them admission to the establishment.

Although the number of Roman Catholic patients has almost invariably been the largest, nevertheless the majority of the servants have belonged to the different Protestant persuasions. These two facts, fully established in the investigation and by the statement which accompanied Dr. Lemieux's defence, refute what has been said by the Board of Trade on that subject.

What relates to the Commissioners is quite as incorrect; for five Commissioners alone fulfil the duties, and two out of the five are Protestants, namely, Dr. Morrin and Captain Alleyn.

The Commissioners were so far from suspecting that proselytism was exercised by the officers and servants of the establishment, that, up to the time of reading the complaints of the Board of Trade, they were entirely ignorant of what religious persuasion were the servants, and never inquired into their religious belief.

The whole respectfully submitted,
(Signed,) F. X. PARADIS,
" T. KELLY,
" RICHD. J. ALLEYN,
" J. J. NESBITT.

Quebec, 16th May, 1851.

(Signed,) N. CASAUET,
S. T. C. M. and E. H.

Note.—A Copy of the foregoing Report was transmitted to Dr. James Douglas, on the 14th July instant, in a letter from the Provincial Secretary of that date, to which no answer has as yet been received.

Secretary's Office, 18th July, 1851.

Appendix
(R. R.)

18th July.

MARINE AND EMIGRANT HOSPITAL,
(Investigation.)

On the conduct of Charles E. Lemieux, Esquire, the House Surgeon, and also on the conduct of Mr. Cléophas Beaubien, the House Pupil and Apothecary, and Jane Hamilton, one of the nurses.

QUEBEC, 3rd April, 1851.

1st witness.

Mary Riley, widow of the late William Sweeney of Quebec, servant at one Mr. Simpson's;—In 1849, I was engaged for about two months at the Marine Hospital, and that during the summer I left the Hospital on my own accord. I was one month in the Hospital; the rest of the time I was employed in the sheds; that is, I was first employed in the sheds, then in the Hospital, and when they wished to send me back to the sheds, I left the Hospital. I commenced to be employed in the Hospital in July, I think. Whilst I was there I saw Dr. Lemieux and Jane Hamilton in the operating room in criminal connexion together: I saw them twice. I saw them from No. 43 closet; and that without the aid of a table or a chair. It was in day time, but I cannot recollect the month nor the day of the month. They were lying on the floor. I never mentioned the circumstance to any one before leaving the Hospital, nor after until I was called upon by Dr. Marsden, supposing that he was named by Government, and that I was bound to tell the truth and all I knew. Dr. Marsden took me down in his own cariole to the Lower Town, to a Magistrate there, who swore me.

Cross questioned by Dr. Lemieux.—I was not discharged for bad conduct; I felt annoyed at being discharged from the Hospital, and thought I had as good a right to remain in the Hospital as she (Jane Hamilton) had. The first time Dr. Marsden called, Mr. Cutter was with him. He was alone when I gave my affidavit. I was not in the habit of drinking liquor when I was in the Hospital. I was lawfully married. I belong to the English Church, and never did belong to the Roman Catholic Church. All my children are named Sweeney, and they go by no other name.

Examined by the Commissioners.—I knew Jane Hamilton in Ireland, at Manor, Hamilton Hospital. I would not swear that she had a child before married. All I know about her, I do know it for having heard it. Upon my oath I cannot say any thing against her but what I heard.

Cross examined by Jane Hamilton.—I went by desire of Mr. Cutter to request Jane Hamilton to go to his room, and told her that he promised to discharge neither me nor her during the winter, if she would do it; which she peremptorily refused. I only heard that she was discharged for bad conduct from the Hospital in Ireland, I know nothing of it by myself.

Appendix
(R. R.)

18th July.

The above being read, the deponent persists therein, and hath made her cross, not knowing how to sign, after having been duly sworn.

(Signed,) MARY ^{her} RILEY.
mark.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

2d witness.

Eliza Morton, wife of Richard Edmonds of the City of Quebec, labourer;—The conduct of Dr. Lemieux was to my knowledge very proper, with the exception of the abrupt manner in which I considered I was wrongfully discharged. And I did not hear from the patients anything against the Doctor; but I heard them complaining that some of the nurses showed partiality to some of the patients in their wards.

Cross examined by Dr. Lemieux.—I do not know of any thing belonging to the Hospital that Jane Hamilton appropriated to her own use. Catherine Moore told me that Jane Hamilton offered her the half of an Hospital sheet. Dr. Lemieux did put me on my guard about Kate Henderson, and desired one of the nurses to tell me the disease under which she came in the Hospital. Dr. Lemieux's girl was in the habit of taking the onions and potatoes of the Hospital for the Dr.'s own use, and that for several months during last summer. Towards the fall, when the Dr. laid in his stock of vegetables for the winter, he desired his girl, in my presence, to return the quantity that might have been so taken: the onions she did the following day; as to the potatoes, I understood it was to be settled between Dr. Lemieux and the Steward, Mr. Cutter. As far as my own knowledge, Dr. Lemieux was always respectful to me, and I know of nothing immoral or improper in his conduct. Beyond seeing Mr. Beaubien placing one arm round the waist of Jane Hamilton in my presence in the kitchen, and seeing them talking occasionally in the passage, I know nothing. I never saw anything improper in the conduct of Jane Hamilton, beyond what I already said.

I have been employed as cook in the Hospital from June, 1850, to January, 1851.

The foregoing deposition being read, the deponent persists therein, and has signed, having first been duly sworn.

(Signed,) ELIZA ^{her} MORTON.
mark.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

3rd witness.

Mary Fitzgerald, servant in the St. John Hotel;—I have been living in Quebec for about fifteen years. I lived with Mr. Payne, at the St. George Hotel. It was generally reported through the Hospital, that Dr. Lemieux, Mr. Beaubien and Jane Hamilton were upon very familiar terms; and it appeared to me that all her wills and wishes were complied with by these two gentlemen. I can specify one instance when I saw Mr. Beaubien and Jane Hamilton come out of a room, leaving a bed apparently just disturbed as if some persons had been lying on it; and pointing to the bed, ordered me to make it up, which I refused. The room in question was one of the unoccupied wards. This

Appendix
(R. R.)

18th July.

is the only instance of which I am personally acquainted, all the rest I only heard it. This was during the summer, 1849. I made no secret of what I stated above and what I believed, to the patients in my ward, but I did not tell it to the Steward, nor to the Matron, nor to any other officer of the institution, because I believed all the Commissioners and the Doctors were Canadians, and that I could not expect any justice from them. I personally know nothing beyond what I stated before.

Cross questioned.—The circumstance I allude to between Mr. Beaubien and Jane Hamilton, took place in ward No. 56, I cannot say the month nor the day of the month, but it was about two o'clock in the afternoon. The patients who were ill-used by Dr. Lemieux, as stated in my affidavit, were one White whom he strapped down at Jane Hamilton's request, and which I considered unnecessary. They (Lemieux and Beaubien) were not acquainted with the European manners, and hurt their feelings when they were not aware they were doing so. I am totally unacquainted with Hospitals or the duties of officers and nurses, never having been in or connected with one before I came to the Marine Hospital.

The present deposition being read, the deponent, first duly sworn, persists therein, declaring that it contains the truth and cannot sign.

(Signed,) MARY ^{her} FITZGERALD.
mark.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

4th witness.

Richard Edmonds of Quebec, labourer;—I was employed in the Hospital from the 17th of September, 1849, until the first of October, 1850; and during the present winter I have been employed in cutting the wood of the Hospital.

I know nothing against the moral conduct of Dr. Lemieux. I know nothing myself of any harshness towards the patients, though I have been told that he acted so to some of them; but I had a sister sick in Hospital; and during the whole of her illness, no man could have been kinder to her than Dr. Lemieux was. I am aware that two bodies have been placed in a coffin several times; I helped to put them in with the Porter. I never received any orders from Dr. Lemieux, nor any body else to do so. It must have come to Dr. Lemieux's knowledge once that there were two bodies in one coffin, because he ordered the Porter, in my presence, to take one out.

About a week after I came into the Hospital, an orderly named Nicholls, told me that if I watched I would soon discover that intimacy existed between Mr. Beaubien and Jane Hamilton. One evening, looking through a glass in closet No. 42, I discovered Jane Hamilton lying on the floor and Mr. Beaubien lying on her, and that was the only time I saw it. This occurred within a fortnight after I came to the Hospital.

Cross questioned by Dr. Lemieux.—When I stated that Dr. Lemieux ordered the Porter to take one body out of a coffin, where there was two, I should have stated that the Dr. told the Porter to go and tell the Steward that one body should be taken out. I never mentioned what I stated about Dr. Beaubien and Jane Hamilton to any officer in the institution, nor did I about the burials of two bodies in the same coffin.

Appendix
(R. R.)

18th July.

I was brought by Mr. Cutter to Dr. Marsden's to give the affidavit which I have given to them.

The present deposition being read, the deponent persists therein, and hath signed.

(Signed,) RICHARD EDMONDS.

Sworn by Captain Alleyn.

(Signed,) N. CASAULT,
S. T. C. M. and E. M.

(Translation.)

QUEBEC, 9th April, 1851.

5th witness.

Olivier Robitaille, Esquire, Physician of the City of Quebec, one of the Visiting Physicians of the Marine and Emigrant Hospital;—As far as I am aware, Dr. Lemieux has performed his duties, as House Surgeon, to my entire satisfaction. I never heard the patients in Hospital complain of having received harsh treatment from him; and, in fact, I believe they never had reason to do so. I have also been satisfied with Dr. Lemieux's moral conduct in the Hospital, and know of no immorality on his part. I have no complaint to make against the moral conduct of Mr. Beaubien the Apothecary of the Hospital. I have already given a certificate of the good conduct of Jane Hamilton, one of the nurses of the Hospital, I would refer to it. I have always been highly satisfied with the manner in which this nurse has acquitted herself of her duties towards the patients, and I beg to add that her mild and obliging demeanor towards the patients is a sufficient proof and guarantee, that she has never exercised any violence towards them. No complaint ever came to my ears against Dr. Lemieux with regard to proselytism, either from within or without the Hospital, I can assert the same with reference to Jane Hamilton.

(Signed,) O. ROBITAILLE.

To a question put with regard to the quality of the victuals, Dr. Robitaille replies, that he has heard complaints twice or thrice during the latter months of 1850, that the rations did not contain the prescribed quantity. I have inspected during the last few months the provisions of the patients, and I have been quite satisfied with them as regards the quality of the materials and aliments employed, I have never heard complaints respecting the quality of the provisions furnished to the Hospital.

(Signed,) O. ROBITAILLE.

6th witness.

John L. Hall of Quebec, one of the Visiting Physicians of the Marine and Emigrant Hospital;—I have every reason to be satisfied in the manner with which Dr. Lemieux acquitted himself of his duties of House Surgeon of the Marine and Emigrant Hospital. I never heard that he treated the patients harshly, nor no complaint was ever made to me to that effect. I know nothing against his moral character; nothing of the sort was ever reported to me. I know of nothing also against the moral character of the Apothecary, Mr. Beaubien, nor against the nurse Jane Hamilton. To my personal knowledge I am not aware of any case where proselytism has been attempted in the Hos-

Appendix
(R. R.)

18th July

pital, nor was ever any complaint of the sort made to me by the patients. I have heard of such rumours out of the Hospital; personally I know nothing. I recollect a case, in a small ward by herself, being ill of syphilis, under my care; what her name was I cannot recall to my memory; she was transferred I think over to Dr. Rowand. It was in the summer 1850. The above is the case that I visited with Dr. Lemieux in the ward, and would not permit the students to visit her. The rumour I heard of proselytism out of the Hospital never mentioned Dr. Lemieux's name in connection with it.

I have occasionally seen bad tea and bad soup given to the patients. I never complained about it, but to Mr. Cutter the then Steward of the Hospital. If I had perceived any thing going on wrong in the Hospital more than I have stated above, I should have taken notice of it officially.

(Signed,) JOHN L. HALL.

(Translation.)

7th witness.

Joseph Painchaud, of the City of Quebec, Esquire, Physician, one of the Visiting Physicians of the Marine and Emigrant Hospital at Quebec;—Dr. Lemieux has always performed his duties as House Surgeon of the Marine and Emigrant Hospital to my entire satisfaction. As far as I am aware, his treatment of the patients has been always mild and praiseworthy. His moral conduct has been as far as I know irreproachable. The moral conduct of Mr. Beaubien as Apothecary and of Jane Hamilton as nurse have always been as far as I know unexceptionable. This nurse Jane Hamilton has to my knowledge, treated and still treats the patients, with the greatest kindness and attention. I have only heard proselytism in the Hospital spoken of in a copy of a letter, forwarded to the Government, and signed "W. Marsden," in which the writer instanced one Charlotte Crosby, who died at the Hospital about the beginning of February last. I proceeded forthwith to investigate the matter at the Hospital, the said Charlotte Crosby having been under my charge. I was informed by the nurse, Jane Hamilton, and by Catherine Halleran that the said Charlotte Crosby, single woman, had had her child baptised a week after her confinement by a Roman Catholic priest Jane Hamilton, a member of the Presbyterian church, reproached her for seceding from her own the Presbyterian church, she replied "the father of the child is a catholic, and I intend to become a catholic myself as soon as its father arrives from Ireland." A fortnight after she was seized with convulsions, and at their commencement Catherine Halleran addressed Jane Hamilton in these words "are you going to allow this girl to die without minister or priest," Jane Hamilton then in an interval of the convulsions, and as soon as consciousness returned, said to her "shall I send for the minister, Charlotte?" she answered "no," Catherine Halleran then asked her "shall I send for father Richardson," (a Roman Catholic priest;) she answered "yes." As Jane Hamilton refused to go and tell the porter to call Mr. Richardson, fearing to be reproached with regard to religion; the said Catherine Halleran went down herself and gave the order to the porter, Mr. Richardson was consequently summoned.

I have known Dr. Lemieux for more than six years. I am aware that there have been some dry anatomical preparations in the Hospital for the last

Appendix
(R. R.)

18th July

seven or eight years. For some time they were in the operating theatre, but for several years past, that is five or six, in the garret of the Hospital. Among these anatomical preparations, there were some male genital organs. To my knowledge, this garret for several years past has not generally been locked. When these anatomical preparations have been in the operating room, they were brought down for a week for the use of the pupils or students, and on Sunday during the celebration of Divine service, they were covered with a table cloth or kind of curtain.

The affidavits which have been transmitted to us by the Government as Visiting Physicians, as also those which have been communicated to me, and the originals of which still remain in the possession of Wm. Marsden, Esquire, and certified to be true copies by the said Wm. Marsden, are not in my opinion worthy of the least degree of confidence; I do not hesitate moreover to declare that everything that Wm. Marsden has said and caused to be said, to the discredit of the Marine Hospital, is unworthy of belief. I have dispatched proofs of the truth of this assertion to the Government, and the Commissioners have also a copy of them.

(Signed,) JOSEPH PAINCHAUD.

Dr. Painchaud in reply to questions put to him by the Commissioners, makes answer and says: To my knowledge I have never seen any breach of propriety in the establishment. Last autumn only, my patients complained about their tea, and this on several occasions; I took steps to put an end to these irregularities.

(Signed,) JOSEPH PAINCHAUD.

8th witness.

Alfred Jackson of the City of Quebec, Esquire, one of the Visiting Physicians of the Marine and Emigrant Hospital at Quebec;—I had much reason to be satisfied with the manner in which Dr. Lemieux performed his duties as House Surgeon of the Marine and Emigrant Hospital. No complaint ever reached my ears, and from my own knowledge I have much reason to be satisfied with his attention to the patients. No complaints ever came to me of immoral conduct on his part, nor on that of the Apothecary, Mr. Beaubien, or the nurse, Jane Hamilton. Jane Hamilton is one of the best nurses in the establishment, and I repose every confidence in her. No complaints were ever made by the patients of being tampered with on religious subjects.

I recollect a patient being placed by herself on the uppermost landing of the centre building of the Hospital, very ill with syphilis. She was placed there (as the other wards were full,) in order that she might be more privately attended. This patient was a young girl with reddish hair, fair complexion, apparently about twenty years of age. I have understood that the girl's name was Kate Henderson; of this I have no personal knowledge. I left her in the Hospital at the expiration of my term of duty, on the 15th September last, still unwell, and she passed into the hands of my colleague, Dr. Hall. About three weeks after I met the girl above alluded to in the streets, she had then a syphilitic eruption on her face.

While I was on duty at the Hospital I heard of no complaints, excepting about the potatoes. I spoke to the Steward, who told me they were the best that he could get in the market. Some of the patients also complained to me of the quantity of

the articles of the diet, but not of the quality. I again addressed myself to the Steward, who told me that the diet prescribed was given, and it is not an uncommon thing when upon half-low or spoon diets to complain, particularly mariners.

(Signed,) A. JACKSON.

9th witness.

Alexander Rowand, Esquire, of Quebec, Visiting Physician of the Marine and Emigrant Hospital;—I have every reason to be perfectly satisfied of the manner in which Dr. Lemieux discharged his duties as House Surgeon in the Marine and Emigrant Hospital, nor do I know any thing against his moral character, nor that of Dr. Beaubien the Apothecary, nor that of the nurse Jane Hamilton.

I know nothing whatever against the management of the Marine and Emigrant Hospital that I think necessary to state.

(Signed,) ALEX. ROWAND,
V. P. M. and E. H.

(Translation.)

QUEBEC, 10th April, 1851.

10th witness, (1st called by Dr. Lemieux).

Messire Narcisse Beaubien of the Parish St. Vallier, *curé* of the said Parish;—I was chaplain to the Marine and Emigrant Hospital at Quebec from October, 1843, until October, 1849. During the prevalence of cholera in 1849, that is to say from the 15th July, until 1st September, I resided constantly in the Hospital, so that during that period I was enabled to take cognizance of all that took place there. Being called on to fulfil my functions as chaplain night and day during the cholera, I must have been made aware of any irregularities if any there had been. It is impossible that Dr. Lemieux, House Surgeon of the Hospital, could have been guilty of the improprieties of which he is accused without my being aware of them. I assert moreover that throughout this time I slept in the same room, ate at the same table, and the whole of the time I was disengaged I spent with Dr. Lemieux. I cannot speak otherwise than in praise of the conduct of Dr. Lemieux throughout the whole of this period both as to his manner and his constant attention to all the patients in the Hospital. I have always admired his reserve towards the patients and still more towards the nurses of the Hospital. With regard to his morality I never had the remotest doubt, his moral conduct throughout the whole time that I have known him places him above all suspicion.

I am thoroughly acquainted with the nurse Jane Hamilton. She was employed during the whole period of the existence of the cholera in 1849, in the wards C 3, and C 4, in which those labouring under fevers of a typhoid character were placed. I cannot but praise her conduct towards the patients and the care which she took of them, without any distinction of origin or religion. Jane Hamilton belongs to the Presbyterian church. With respect to her moral conduct nothing ever reached my ears which could cause me to doubt it.

I also knew Mary Riley. Taking her conduct in general into consideration I would not believe her upon oath. She was addicted to drinking during the period I was acquainted with her; she had no settled religious belief, professing herself at

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

one time a catholic, at another time a protestant, according to her desire of pleasing and her own interests. I have often advised her dismissal from the sheds, but as substitutes could not be procured she was obliged to be retained. After all, after a week's trial in the Hospital, and after being during that time frequently found intoxicated and in company with sailors, she was ignominiously expelled from the Hospital; she was not dismissed because it was proposed to send her from the Hospital to the sheds as she deposed in an affidavit, but she was expelled for bad conduct, moreover her services were not at all needed at the sheds, so that she could not have been requested to go there.

I knew Mary Lehman, a German girl, a patient in the Hospital. I can declare with certainty that Dr. Lemieux never had any connexion with her, beyond that which he had with all the other patients, what his professional duties required. I am cognizant of the fact that it was Isaac H. Cutter, late Steward to the Hospital, who took her to the steamboat at the time of her departure from Quebec, and gave her in charge to a person named George Cadly, at that time purser of the steamboat on board of which she was placed by Cutter. I saw that young girl in Montreal and she complained to me in terms which induced a belief that Cutter was the means of her pregnancy, and she spoke only in terms of praise of Dr. Lemieux's conduct towards her.

(Signed,) N. BEAUBIEN, Ptre.,
Curé of St. Vallier,
Quebec.

QUEBEC, 12th April, 1851.

11th witness, (2nd called by Dr. Lemieux.)

Anne Sharp, of Quebec, wife of Thomas Sharp;—I have been a patient in the Marine Hospital for three months last summer. I entered sometime in July last. I could not be better treated by the hands of men than I have been by Dr. Lemieux, and by the nurse who took care of me, and Dr. Lemieux was as kind to the other patients in the same ward as he was to me. The conduct of Dr. Lemieux with the women in my ward was very proper and gentleman-like; and to the best of my knowledge and on my conscience I can say that I saw no ill conduct of any one in the institution during my stay there; though I had plenty opportunity to see what was going on when I was recovering, having then the liberty to walk over the whole house. The nurse under whose care I was is Catherine Moore. I have known Kate Henderson both in Ireland and Quebec. She was a patient in the Marine Hospital when I was there myself. She was then labouring under venereal disease. When I left she was still in Hospital and had still the same disease. I have known the said Kate Henderson since she was a child. She bore a very bad character before coming to this country. She was a passenger in the same ship with me. Her conduct on board was very bad and she told me she got the venereal disease from the mate of the ship.

I never heard any complaint during the whole time I have been in the Hospital against Dr. Lemieux or Mr. Beaubien, neither from the patients nor the servants. Neither of them spoke to any one in my ward about religion, and to my knowledge they did not meddle at all with the religious belief of any one there; nor did I see any one meddling with it there, but the Clergymen, both Protestants and Roman Catholics.

The present deposition being read, the deponent persists therein, and cannot sign.

(Signed,) ANNE ^{her} SHARP.
mark.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

12th witness, (3rd called by Dr. Lemieux.)

Bridget Sweeny, of Quebec, spinster;—I have been a servant to Dr. Lemieux during six months from the beginning of May last. Dr. Lemieux always checked me when it came to his knowledge that I had taken provisions, such as potatoes and vegetables from Mr. or Mrs. Cutter, and always ordered me to return them back, which I did. Sometime last summer, a few months after I entered the Doctor's service, I borrowed a bushel of potatoes from Mr. Cutter without the Dr.'s knowledge. I also did borrow some onions from the cook of the Hospital. As soon as the Dr. knew of it, he scolded me, and ordered me to return them, which I did, that is the potatoes to Mr. Cutter and the onions to the cook. I never took any thing but with Mr. Cutter's knowledge and permission, and then I always returned it. I have also sometimes taken soup from out of the boiler which contained that for the patients but it was for my own use, without the Doctor's knowledge, and only a tea cup full at a time.

The moral conduct of both Dr. Lemieux and Mr. Beaubien towards me and towards the other female servants of the Hospital could not have been better, their conduct was also very proper towards the patients, male and female, and exceedingly great. I had frequently opportunities of appreciating their conduct as regards morality and prudence towards servants and patients, and it could not have been better. Jane Hamilton, the whole time I was in the Hospital, acted very properly. Her moral character was good and she was very kind to the patients, who at all times seemed highly satisfied with her.

Some male genital organs I have seen hanging on the Doctor's bed-room window. They were there from Saturday afternoon until the forenoon of the following day, that is Sunday. They could not be seen from out-side of the building. I am positive to say that they were not there any longer and I had never seen them before nor after. I am also positive to say that from the place they were hanging it was impossible to see them but for those who were in the bed-room. I was the only person with the house-maid who had access to that room. The present deposition being read, the deponent persists therein, and cannot sign.

(Signed,) BRIDGET ^{her} SWEENY.
mark.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

13th witness, (4th called by Dr. Lemieux.)

Margaret McDonald, of Quebec, spinster;—I have been a patient in the Marine Hospital from the latter end of April last to the beginning of July. Dr. Lemieux was during the whole time I was in the Hospital very attentive, and very kind to me and to the other patients as far as I could see. To my knowledge the moral conduct of both Dr. Lemieux and Mr. Beaubien was excellent. I

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

was the whole time in Jane Hamilton's room except for a fortnight. I had plenty of opportunities to judge of her conduct, which was the very best. The way she treated the patients was uncommonly kind. I never saw in her manner or language any thing to make me think that she was any thing but a well-conducted woman. The foregoing deposition being read, the deponent declared that it contains the truth, and cannot sign.

(Signed,) MARGARET ^{her} X MACDONALD.
mark.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

14th witness.

Catherine Halleran, of Quebec, spinster;—I have been a patient in the Marine Hospital from the middle of October until the latter end of February last. All I can say about Jane Hamilton under whose care I was, is that she is a proper, honest and decent person, kind and good to the patients; that I owe my life to her constant care and kindness, and that she was reputed the same by all the other patients in the same ward with me. Dr. Lemieux was also very kind and his conduct very proper. As to Mr. Beaubien I saw him very seldom, and therefore I cannot say anything for or against him. I saw Dr. Lemieux in the ward every day.

A patient of the name of Charlotte Crosby died in the ward; it was about three weeks after she had been delivered of a child. She herself asked the Reverend Mr. Richardson, the Roman Catholic Priest, to christen her child, which he did. Jane Hamilton, who belonged to the same church with her, told her that she was surprised that she had not her child baptized by a clergyman of their own church; she answered that the father of the child was a Catholic, and she wanted the child to have the same religion. Jane Hamilton refused to take the child to the Catholic clergyman. When Charlotte Crosby was dying, but at a time she had all her senses, I asked Jane Hamilton if she was to let her die without the minister, on that Jane Hamilton asked her if she should send for the minister; she answered "no." I then asked her if she would see Father Richardson, and on her answering "yes," I begged from Jane Hamilton to send for him, but she declined, fearing, as she said, that she would be blamed by her ministers. Upon that I went myself and sent the porter for Father Richardson, who came and administered to her before her death.

The present deposition being read, the deponent declares it contains the truth, and cannot sign.

(Signed,) CATHERINE ^{her} X HALLERAN.
mark.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

15th witness, (5th called by Dr. Lemieux.)

Susan Healey, of Quebec, spinster;—I have known Mary Riley in Ireland, in the County of Leitrim. She was there and since I first heard of her of a very slight character. She turned from the Roman Catholic Church. She belonged when I knew her to the Protestant Church, and I heard that since she came to this country she turned again to the Roman

Appendix
(R. R.)

18th July.

Catholic Church. I do not know to what church she belongs now. I never heard of her being ever married, but I know she had three children who go by three different names; the oldest is called Robert Sweeney, the second is Mary Dolan, and the third is James McGowan. I am of opinion that she is not worthy of belief even under oath, and I would not believe her. I have also known Jane Hamilton at Manor Hamilton, in the County of Leitrim. She was a respectable and honest woman, and she was lawfully married.

The present deposition being read, the deponent declares it to be true, and cannot sign.

(Signed,) SUSAN ^{her} X HEALEY.
mark.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

16th witness.

Charles Felix Cazeau of the City of Quebec, Vicar-General to the Archbishop of Quebec;—I have acted as Roman Catholic Chaplain of the Marine Hospital during four weeks last summer, and also occasionally during the summer, 1849. Since 1817 inclusively I have frequently visited the Hospital. During my stay at the Hospital I noticed the conduct of both Dr. Lemieux and Mr. Beaubien to be always very attentive towards the sick people, and strictly moral. I desire to express that should their conduct have been immoral, I think it almost impossible that the Catholic Chaplain could not have been acquainted with it through some of the patients. All that I can say about Jane Hamilton is that she is one of the best nurses that could be found. I never knew anything against her moral character, which I believe to be good. Such is the intercourse between the Irish people and their clergymen, (I speak of the Roman Catholics,) and the consolation and the advice which they seek from the latter, that I do not hesitate to say that if either Dr. Lemieux, Mr. Beaubien, or Jane Hamilton's conduct had not been moral, the Catholic Chaplain would have heard of it.

Cross questioned by Dr. Lemieux.—I have known Dr. Lemieux for several years, and I was delighted when I heard of his appointment as House Surgeon of the Hospital, in consequence of the good opinion I entertained of his moral conduct, and of the sympathy and charitable care I knew he would have for the patients. Dr. Lemieux had then and still has a very good reputation.

The foregoing being read, the deponent declares it to be true, and hath signed.

(Signed,) C. F. CAZEAU,
Pte.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

17th witness.

Catherine Moore, nurse in the Marine Hospital;—The 15th of May next I shall have been two years and three months in the Hospital. As to the moral conduct of Dr. Lemieux and Mr. Beaubien, I refer to the affidavit, which contains nothing but the truth, and which was sworn to on the 24th February, 1851. (The affidavit being handed by Dr. Lemieux, is read to the deponent, who persists therein.) I have been acting as Dr. Lemieux's

Appendix
(R. R.)

18th July.

cook from 1st December, 1849, until the 15th May, of 1850. I had during that time the entire control of the Doctor's kitchen, and the Doctor repeatedly warned me not only against taking or borrowing any provision from the Hospital, but even against using any culinary utensils belonging to the Hospital. He used even to tell me, when I put too much wood in the stove that it was robbing the Hospital. I was acting as house-maid at the same time. I was always paid by Dr. Lemieux, and I can say that I did not during that time take a pin's worth of what belonged to the Hospital for the Doctor's use with his consent or knowledge. During the whole time I was fed at the Doctor's own expense. I have had under my care as nurse a young girl of the name of Kate Henderson last summer. She was labouring under venereal disease when she came to the Hospital, and no other; and when she left the Hospital she was not cured. She had then a syphilitic eruption on her face. Until she left she took mercurial pills. She was in ward No. 73, and Dr. Painchaud ordered her to be put at the head of the stairs, on account of her sickness. One night after ten she had left her bed and was in the men's ward; when apprised of it I left my own bed and went for her. Dr. Lemieux never visited her, neither at night nor in the evening without my being present. She was a very loose character and exposed herself occasionally before the students. She was very angry with the Doctor, and so was she with me for not allowing her to run about the wards. By desire of Dr. Lemieux I told Eliza Morton, wife of Richard Edmonds, that Kate Henderson had venereal disease, and that she should not allow her in her rooms. I never saw any one, neither at home nor in this country, who acted in as kind a manner towards the Irish and all the patients generally as Dr. Lemieux did; and Mr. Beaubien also.

I have seen Mary Riley at the Hospital in 1849. She was employed in the sheds, and previous to leaving the Hospital. I know she was discharged, and did not go out of her own accord. I was never offered any article of clothing belonging to the Hospital by Jane Hamilton.

Cross questioned by Mr. Beaubien.—Mr. Beaubien was sick in 1849. He was sick of typhus fever for almost five weeks, and left the Hospital on the day he came out of his bed, that is, on the first of November. What made me recollect the day is, that it was a holiday, and an operation was performed on that day.

Re-examined.—I know nothing against Jane Hamilton's moral character but what I heard. I saw nothing by myself, no more than remarking during the absence of Dr. Lemieux, that Mr. Cutter often sought to meet and speak to her.

The present deposition being read, the deponent says it contains nothing but the truth, and cannot sign.

(Signed,) CATHERINE ^{her} MOORE.(Signed,) N. CASULT,
S. T. C. M. and E. H.

Copy of the Affidavit alluded to in the above deposition.

Province of Canada, }
District of Quebec. }

Catherine Moore, a nurse in the Marine Hospital, of the lawful age of majority, being duly sworn on the Holy Evangelists, to speak and testify

Appendix
(R. R.)

18th July.

the truth, depose and saith, that she, the deponent, was first engaged in the Hospital as house-maid, and served as such for about fifteen months, and that she was afterwards engaged as a nurse. The deponent saith, that when she first went to the Hospital Dr. Lemieux was then engaged as House Surgeon, and that he had only been engaged a few months when she was herself engaged; that she has been now engaged for about two years and a month. The deponent saith, that since she went to the Hospital she always found that the Doctor's conduct was most decent and proper, and that no person could behave in a more proper and gentleman-like manner to every one in the house. The deponent saith, that no one had more opportunity than she had to know what is passing or doing in the house, and that as far as the deponent can say or know, Dr. Lemieux's conduct and behaviour have always been most proper, and his morals good and out of reproach.

The deponent further saith, that Mr. Beaubien's conduct has also been at all times most decent and proper, and his morals good.

The present declaration being read to the deponent, she the deponent declared that it contained all the truth and nothing but the truth, and being requested to sign her name; the deponent declared that she could not write or sign, and made her mark of a cross.

(Signed,) CATHERINE ^{her} MOORE.

Sworn at the city of Quebec,
this 24th day of February,
1851, before me,

(Signed,) ED. ROUSSEAU, J. P.

True copy.

(Signed,) N. CASULT,
S. T. C. M. and E. H.

(Translation.)

QUEBEC, 14th April, 1851.

18th witness: (6th called by Dr. Lemieux.)

Victor Pelletier, of the City of Quebec, medical student;—I have attended the Hospital as a student since the month of June 1850; in this capacity I visit the Hospital every day. I filled for a month the office of apothecary during the absence and illness of Mr. Beaubien, that is to say from the end of June until the end of July, 1850. Throughout the whole period that I discharged the duties of apothecary I boarded with Dr. Lemieux and lodged in the same apartments, his moral conduct during the entire period, was unexceptionable; and I consider it would have been impossible for him to misconduct himself in any respect without my being aware of it. He always conducted himself during that period with great reserve towards both the nurses and the patients; on the latter, he lavished all the kindness and attention which they could possibly desire. Out of 12 servants who were then employed in the Hospital, four only were Roman Catholics; the others belonged to different sects of Protestants. The same servants remained until the month of January, and out of nine who were there at the end of autumn three only were Catholics. Dr. Lemieux did not appear to enquire into the religious belief of the patients, and I may say that he in fact did not do so. I am positive, when I assert that it is impossible to see from the outside any genital organs which might have been hung outside one of the windows of the Doctor's

Appendix
(R. R.)

18th July.

room, any one might perceive that something was there, but it would be altogether impossible to distinguish what it was on account of the height. During that period I also noticed that Jane Hamilton showed every possible attention to the patients, and that she treated them with great kindness. Her morals during that time, were, as far as I know, irreproachable, and I consider her a very honest woman. There was at that time in the Hospital a patient of the name of Kate Henderson; she was admitted while I was acting as apothecary; she was brought in on account of primary syphilis and had no other disease. I knew of her departure, she was still labouring under the same disease. It is within my knowledge that Dr. Hall refused to allow the students to see her, she was at the top of a staircase behind a screen, and separated from the other patients. Her conduct in Hospital was more than doubtful; and I have frequently met her in places and at times when she ought to have been in her room, where it was difficult to keep her, and I even surprised her on one occasion, about 8 or 9 o'clock in the evening, in one of the syphilitic wards, which contained men only. During the above period I remember that Mr. Cutter twice or three times, and the porter very often came to Dr. Lemieux to ask if the *post mortem* examination had been made, and whether they might put the body into the shell. I never saw Dr. Lemieux go into the place in which the dead body was deposited after the *post mortem* examination, he never interfered with the putting of the corpse into the coffin nor with its interment, and acted in respect to these matters as though he had nothing to do with them. Neither Mr. Cutter nor the porter ever asked him how the bodies ought to be placed in the coffin.

Questioned by Mr. Beaubien.—I have known Mr. Beaubien for about a year and a half. To the best of my knowledge his morals during that period have been excellent, I have often heard the patients congratulate themselves on the attentions of Dr. Lemieux and Jane Hamilton, they appeared also highly satisfied with the services of Mr. Beaubien.

The present deposition having been read to him, he declares that it contains the truth, and has signed.

(Signed,) V. PELLETIER.

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

19th witness.

Eliza McNally, house-maid of the Hospital;—I have been house-maid since last May. I never served two gentlemen of better conduct than both Dr. Lemieux and Mr. Beaubien, and I have every reason to believe that their conduct was the same towards the other servants, and the patients.

I have seen genital organs in Dr. Lemieux's bedroom, they were there about one day, from Saturday to Sunday that they were removed. I never saw them before or after. They were as far as I recollect hanging at the centre part of the window; and unless told what they were, the height of the window is such that it would be impossible to distinguish them from outside of the building. I did not tell Richard Edmonds that they were always hanging there, they were exposed only once on the Saturday. I saw them on the mantle piece, and on Sunday, hanging as above said. I told of it to Richard Edmonds on the day they were removed,

on the Sunday; he went outside and told me he had seen them. At that time I thought they were put there to insult me, but since, considering the conduct of the Doctor previous to and since that, I do not think it was intentionally done.

Since my husband's death I desired to become a Catholic, he being of that religion and begging me to rear my children in that religion; this will be two years past next summer, but I am not yet received into it. There was no attempt made in the Hospital to convert me to that church, and I have never been spoken to in the Hospital by any clergymen but the Rev. Mr. Pcees, the Protestant Minister, who gave me a very severe reproach. I never knew or heard of Dr. Lemieux, Mr. Beaubien, or any one else in the Hospital interfering with the religious belief of the patients or servants. Until January last there was in the Hospital five Protestant servants, two Roman Catholics, and myself, who intended to die a Catholic.

Jane Hamilton was employed in the Hospital before I was employed myself. I always heard she was a good and attentive nurse. I never saw anything in her manner or conduct to lead me to suppose she was not a proper and respectable woman; and her language was always very correct and proper.

The present deposition being read, the deponent persists therein, and declares she cannot sign.

(Signed,) ELIZA ⁱⁿ McNALTY.
_{mark.}(Signed,) N. CASAULT,
S. T. C. M. and E. H.

20th witness.

Sarah Garland, of Quebec, widow of the late Martin Garland;—I have been a nurse in the Marine Hospital for seven months which ended on the 14th December last. The moral conduct of both Dr. Lemieux and Mr. Beaubien during my stay in the Hospital was very good, very proper and gentleman-like not only towards me, but also towards the other women in the institution. I had good opportunity of appreciating Dr. Lemieux's conduct with the sick, he was always attentive, good and kind to them, Mr. Beaubien was very kind also. Jane Hamilton was a nurse at the same time with me. She was the best nurse in the Hospital. She is a good modest woman. She could not have carried on immoral conduct without my knowing it. In fact had her conduct not been strictly proper and decent I would have perceived it.

No one in the Hospital ever interfered with the religion of the patients to my knowledge. I do not know what induced Protestants to change their religion as it is sometimes the case; but I remember that one man of the name of McIntosh being at his last moments, asked for the priest. I told it to the Doctor, who, knowing his religion, sent me to the porter with an order for me to go to the Minister, which he did. The porter was a Protestant (John McDonald) and when he came back said that the Minister refused to come; upon which Mr. Cutter sent for the priest, who came but refused to do anything with him. On the following morning the Minister having not yet called, the Rev. Mr. Richardson christened McIntosh and he died a Roman Catholic. I remember another man named O'Brien who wished to see the priest. We however sent for the Protestant Minister who did not come. Then the Catholic Clergyman was called and administered to O'Brien, after having been asked by O'Brien in the presence of three or four Protestants.

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

Cross questioned by Dr. Lemieux.—I was never sent by Dr. Lemieux to Richard Edmonds, but I went to Edmond's place at his own request. I do not remember having ever said to Eliza Edmonds that I was sent there by Dr. Lemieux.

Re-examined.—During the whole time I was employed in the Hospital, more than two-thirds of the servants were Protestants. Out of eleven, three only were Roman Catholics.

The foregoing deposition being read, the deponent persists therein, declaring that it contains the truth, and hath signed.

(Signed,) SARAH GARLAND.

N. CASAULT,
S. T. C. M. and E. H.

21st witness.

Marie Mitron, wife of James Pines;—I have been employed in washing and cleaning from time to time in the Hospital for the last 19 years, I have had opportunities during that time of observing and judging of the conduct of Dr. Lemieux, as also of that of Mr. Beaubien, both as officers of the establishment and in their private characters. I have also been employed as nurse. The Doctor has always to my knowledge treated the patients with kindness and has paid them all the attention which a doctor could do. They have always behaved towards the female servants and the patients (I would speak of Dr. Lemieux and Mr. Beaubien) as gentlemen who have always maintained their proper dignity; they were reserved towards the servants and patients, and their conduct was irreproachable.

I know Jane Hamilton, a nurse in the Hospital; I know her to be an honest and respectable woman. She takes great care of the patients and is considered a very good nurse, I have never heard anything said against the character or conduct of this woman, every body spoke well of her, as also of Dr. Lemieux and Mr. Beaubien.

Cross questioned by Dr. Lemieux.—I was employed in the apartments occupied by Dr. Lemieux last autumn. He always behaved in my presence with great propriety; as did also Mr. Beaubien. I have nothing to say against them. They are both gentlemen of the highest respectability. I never had an idea that the Dr. or Mr. Beaubien attempted to look at my legs when I was on the scaffolding and I never said anything to that effect to Catherine Donnelly, Mr. Cutter's servant. About the 15th of last March, Catherine Donnelly told me that if I would speak unfavourably of the Doctors, meaning Dr. Lemieux and Mr. Beaubien, Mr. Cutter would pay me handsomely. I treated her offer as it deserved. Richard Edmonds asked me to go to his house in company with Sarah Garland, as he had something to say to us. We went. He made us stay and take tea in spite of all opposition on our part but told us that Mr. Cutter had forbidden him to tell us what he had intended to communicate.

The present deposition being read, the deponent persists therein declaring that it contains the truth, and that she cannot sign.

(Signed,) MARIE ^{her} MITRON.
_{mark.}

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

Appendix
(R. R.)

18th July.

22nd witness, (7th called by Dr. Lemieux.)

Bellamin Godbout, student in medicine;—I have attended in the Hospital as student since the spring of 1847, Mr. Beaubien was ill in 1849 and in 1850 with typhus fever. In 1849, that is to say from the 20th September until the middle of November, I discharged his duties as apothecary, and throughout the whole of that period Mr. Beaubien was either sick in bed, or absent. He left the Hospital the very day he left his bed.

I remember Mary Riley, one of the nurses at the sheds in 1849. She was addicted to drink, as indeed were also almost all the nurses employed in the sheds during the cholera; I have often seen her intoxicated, and have even on several occasions caught her drinking the brandy and alcohol which had been used in administering baths to the patients. I was in Dr. Lemieux's rooms when Mr. Cutter told him that he was desirous of discharging Mary Riley, that he had caught her in company with sailors. The Doctor told him that if that was the case he would do well to discharge her, which he did that very day.

In 1847, about the commencement of my visits to the Hospital, I saw some genital organs in the garret; this was before Dr. Lemieux became House Surgeon. These genital organs were male organs and had been injected. I have since seen them in the operating theatre with other anatomical preparations, I have observed similar preparations in Dr. Lemieux's room belonging to him, during the summer of 1850. I have never seen them exposed but only in his hands when engaged in varnishing them and other anatomical preparations. I am in the habit of visiting Dr. Lemieux's apartments every day and except on the occasion just mentioned I never saw these preparations. It is quite impossible for any one, even an anatomist, to distinguish from without any genital organs suspended in Dr. Lemieux's window. One might indeed see that there was something there, but it would be impossible to distinguish what it was. I made the experiment myself: I hung up the genital organs in question in the most conspicuous position in the window; I then went out, and from every possible point and position, I am quite certain, that it is impossible to distinguish objects at that distance, particularly male genitals, which are of uniform length and have nothing remarkable about them, not even as to their colour, which is blackish.

I am well acquainted with Jane Hamilton, a nurse in the Hospital, and I can safely assert that in the whole course of my frequent communication with her, and more particularly while I was performing the duties of apothecary, I never saw her do anything or heard her say anything which could compromise her in any way, I can affirm that her alacrity in the discharge of her duties, her skill, her kindness to the patients and their attachment to her convinced me that she was the woman best fitted to perform the functions of a sick nurse, her high sense of decency perceptible in her manners, always satisfied me that she was a woman of the highest honesty and most unexceptionable morals.

I have known Dr. Lemieux and Mr. Beaubien intimately, Dr. Lemieux for 15 years. I know that these two gentlemen have always discharged their duties as officers of the establishment with the greatest punctuality and amazing alacrity. With regard to their conduct towards the patients I can fearlessly assert, that no person in the world could behave with more reserve and kindness. I have frequently witnessed the esteem manifested by the patients for these two gentlemen, as to their

Appendix
(R. R.)

18th July.

moral conduct; it always evinced high principle; and their orderly behaviour, their strict honesty, and the purity of their morals are well known to me: for in the summer I pass a great part of every day in the Hospital, it would have been a very difficult matter to have familiar intercourse with the female servants without my notice.

I knew a young patient of the name of Kate Henderson who was in the Hospital during the summer of 1850, labouring under primary syphilis, I remember when she left the Hospital, she was not cured at that time, she left about the end of September. Her conduct was very different from that of an honest woman, and she has been surprised at improper hours, in places where she had no right to be.

I have known the porter come and ask Dr. Lemieux if he had finished with the dead bodies, in order to know whether they might be placed in the coffin, the Dr. replied "yes" or "no." I never heard him say anything else throughout the whole period that I filled the situation of apothecary, and on many other occasions on which I was present when this question was asked by the porter, the Doctor did not appear to concern himself at all about the disposal of the dead, the placing them in their coffins, or their interment. I always understood that that was not a part of his duty. I was present last autumn in the office, when Dr. Lemieux told Mr. Cutter that rumours prevailed in the city that two corpses had been buried in a single coffin; and that he was informed that at that very moment a coffin which was still in the Hospital contained two bodies, and he directed him to have them put into separate coffins.

The present deposition having been read to him the deponent persists therein, declares that it contains the truth and nothing but the truth, and has signed.

(Signed,) BELL. GODBOUT,
Med. Student.

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

23rd witness.

George Lockington of Quebec, Bailiff, admitted at the Hospital under the name of James Purcell;—I entered the Hospital as a patient a few days before Christmas last. I had then the fever. My boarding house Mistress, afraid of my having a contagious disease, and not wishing to turn me on the street, contrived a plan to get me an admittance into the Marine Hospital. She obtained a Card from the Emigrant Agent, with which I was admitted. I was a patient in the Marine Hospital between five or seven weeks. The treatment I received in that Hospital was better than I received in any Military Hospital at home or abroad. Nothing could exceed the kindness of Dr. Lemieux, not only towards me, but towards all the patients in the ward. I never heard a word which could blemish his character, but on the contrary every one, not only in my ward, but from other wards, spoke of him in the highest terms of gratitude and encomium. Never heard a word about his moral character but in praise. I did not know much of Mr. Beaubien, but had he done any wrong I would have heard of it. After Mr. Cutter left the management of the Hospital there was a great alteration in the quantity of the diet, and also in the quality.

I do belong to the English Church. No one in the Hospital, to my knowledge, made any attempt at proselytism; and every one is at liberty to do

his religion without any interference. On the mantelpiece were Protestant and Catholic Bibles, tracts and prayer books, and generally speaking they were protestant books.

The foregoing deposition being read, the deponent says it contains the truth, and hath signed.

(Signed,) GEORGE LOCKINGTON.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

24th witness.

John Helstrip, orderly in the Marine Hospital;—I have been an orderly in the Hospital since 1831, with the exception of one year. Dr. Lemieux was always kind and attentive to the patients. I never knew or heard that he treated the patients with harshness; and had it been so, I would have heard of it. Mr. Beaubien was also kind, and I never heard any complaint against him. I never saw in the conduct of Dr. Lemieux or Mr. Beaubien anything contrary to good morals; and from every thing I saw I believe them to be gentlemen and of good morals. I belong to the English Church, and I can say that there has never been any attempt in the Hospital at proselytism. The largest number of servants in the Hospital were always Protestants. Dr. Lemieux or Mr. Beaubien never interfered with the religious belief of any one in the Hospital. I often assisted in coffining the dead. All that the Doctor told us about the coffining of the dead was "yes" or "no" when asked if the corpse were to be coffined and if he had done with them. Before Mr. Cutter's suspension, I never saw the Doctor at the coffining. Previous to that he never had anything to do with it, but to give the answer already mentioned. Subsequent to Mr. Cutter's suspension Dr. Lemieux always saw the corpse coffined up.

The foregoing deposition being read, the deponent persists therein, and hath signed.

(Signed,) JOHN HELSTRIP.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

25th witness.

Edouard Bonneau of the city of Quebec, Priest and assistant Pastor of the St. Patrick's Church.—I have been Roman Catholic Chaplain of the Marine Hospital from the latter end of September, 1849, to July, 1850, and during that time I visited the Hospital very often and sometimes daily, and even twice a day. The conduct of Dr. Lemieux and Mr. Beaubien towards the patients was very good, proper and attentive, and I often heard the patients expressing their high satisfaction at the care and kindness of the young Doctor, as they called Dr. Lemieux. I must add that Dr. Lemieux very often refused to take a walk with me, giving me to understand that he was kept by his duty to the sick and could not absent himself. All the nurses and patients were always praising Dr. Lemieux. He was always polite and reserved. I have known Dr. Lemieux since being a boy. His moral conduct has always been excellent and always enjoyed a very good reputation during his studying to be Doctor; I never heard but eulogium passed on him. During my attendance in the Hospital the conduct of both Dr. Lemieux and Mr. Beaubien was excellent

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July

and strictly moral. Had it been otherwise I most positively say that I would have heard of it, as I heard of some others who no longer are in the Hospital. The advice that the Irish Catholics always seek from their clergymen, the confidence which they place in them, warrant me in the assertion that nothing of the kind could have occurred without my knowledge. And in fact I was always informed of any reports that were going in the Hospital, and very often before Dr. Lemieux had heard of it.

I have known Jane Hamilton, a nurse in the Hospital. She is a Protestant. She is by far the best nurse in the Hospital; so attentive, so kind and so motherly-like to the patients, that they often told me they would recover with the care of their good mother, pointing to Jane Hamilton, and tears of gratitude in their eyes. She kept her ward clean and was very assiduous to her duties, which she seemed to fulfil, not for the sake of her pay, but in following the dictation of her heart. I really think and believe her to be of irreproachable morals. As late as June last, Mr. and Mrs. Cutter spoke to me in the highest terms of Jane Hamilton.

The foregoing deposition being read, the deponent persists therein, and hath signed.

(Signed,) E. BONNEAU, Ptre.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

QUEBEC, 15th April, 1851.

26th witness.

Robert George Plees, English Chaplain of the Marine and Emigrant Hospital;—I have been Chaplain of Marine and Emigrant Hospital since September, 1847. During that time I had occasion to see at the Hospital Dr. Lemieux and Mr. Beaubien. I do know nothing whatever against their moral conduct. I do go to the Hospital during the busy season three times a week, besides extra calls. I never saw anything there against their conduct. I sometimes heard the patients complaining that they were not properly attended to, but I know nothing of it myself. In the discharge of their duties as officers of the institution, I have never seen anything but strict propriety, as far as I could judge. It never came to my knowledge that they did interfere with the religious belief of any one in the Hospital. I know a nurse of the name of Jane Hamilton, who professed to belong, I believe, to the Church of England. I never saw any thing immoral in her conduct, and thought that she was attentive as a nurse.

The foregoing being read, the deponent persists therein, declaring that it contains nothing but the truth, and hath signed.

(Signed,) R. G. PLEES.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

27th witness.

James Douglas, Esquire, one of the Visiting Physicians of the Hospital;—I have acted as Visiting Physician of the Marine Hospital for more than fourteen years, and previous to Dr. Lemieux's appointment as House Surgeon. He discharged his duties of House Surgeon diligently and well, and I had no cause of complaint against him. I

Appendix
(R. R.)

18th July.

never heard any well-founded complaint against him from the patients. I know nothing of his moral conduct. It came to my personal knowledge that two bodies were interred in one coffin, but whether by order of Dr. Lemieux, or any other one I cannot say. I have always considered Dr. Lemieux one of the best House Surgeons that has ever been in the Hospital since I have been connected with it. I know nothing at all about Mr. Beaubien's conduct. He was under Dr. Lemieux, who was answerable for his conduct, and I had less communication with him. One thing I found fault with Dr. Lemieux is, to have allowed Mr. Cutter to commit the crimes laid to his charge during so long a period without notifying the Visiting Physicians in charge. As to the nurse Jane Hamilton, she was not employed in the wards under my charge, and therefore I do not know anything about her. I am not aware, and never heard that Dr. Lemieux or Mr. Beaubien ever interfered with the religious belief of the patients.

The foregoing deposition being read, the deponent persists therein, and hath signed.

(Signed,) J. DOUGLAS.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

28th witness.

William Richardson of the city of Quebec, Roman Catholic Chaplain of the Marine and Emigrant Hospital;—I have been Chaplain of the Hospital since the 19th August last; and since that time I visited the Hospital very often, and sometimes twice a day. The conduct of Dr. Lemieux and Mr. Beaubien towards the patients has been very good. I do not see that it could have been better. They were very obliging, very kind and very attentive, and the patients seemed very satisfied with them, and always spoke of them in the highest terms. They discharged their duties very properly; as to their moral conduct, it was excellent. They were polite and reserved with the nurses and the patients. Had it been otherwise, and had their conduct not been strictly honest and proper I should have heard of it from the Irish Catholics in the establishment, as I did hear of some others who are no more in the Hospital. As to Jane Hamilton I refer to the certificate that I gave her on a former occasion. I believe her to be strictly honest, and very good, kind and attentive to her patients. In fact she is considered the best nurse in the Hospital. To my recollection I never interred two bodies in one coffin. Any Catholics who were buried were buried in separate coffins. Only two Roman Catholics died in the week in which Catherine Costello died, and they were both buried in separate coffins. She was not kept more than two days after her death before burial. It would be impossible to put two Catholics in the same coffin without my knowledge.

The foregoing deposition being read, the deponent persists therein, and hath signed.

(Signed,) W. RICHARDSON, Ptre.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

True copy of the depositions taken by the Commissioners of the Marine and Emigrant Hospital during the investigation ordered by them on the conduct of the House Surgeon, Apothecary, and one of the nurses.

N. CASAULT,
S. T. C. M. and E. H.

Appendix
(R. R.)Appendix
(R. R.)

18th July.

18th July.

SAINT PATRICK'S, QUEBEC, 3rd April, 1851.

SIR,

I have the honour to acknowledge the receipt of your communication of yesterday's date, in which, on the part of the Commissioners of the Marine Hospital, you request me to inform you as to what opinion I entertain of the moral conduct of one Mary Fitzgerald, who, you state, has made rather a serious deposition against certain of the officers of the above establishment. In reply to your request, I have only to state that, if the Mary Fitzgerald in question be the same who formerly lived as servant in the St. George's Hotel of this city, in Mr. Payne's time, my opinion of her moral principles is indeed a very poor one, and such as would render any testimony given by her, no matter with what solemnity, not only very suspicious, but entirely unworthy of credence.

(Signed,) P. McMAHON, Ptre.

True copy.

(Signed,) N. CASALT,
S. T. C. M. and E. M.

(Copy.)

No. 8.

AFFIDAVITS addressed to the Commissioners of the Marine and Emigrant Hospital, by William Marsden, Esq.

No. 1.

Province of Canada,)
District of Quebec.)

Richard Edmonds, labourer, being duly sworn on the Holy Evangelists of Almighty God, doth depose and say,—

That he was formerly employed as cook at the Marine and Emigrant Hospital, and then as outside man, and now saws the fire-wood for the Hospital. That deponent has seen injected male genital organs hanging in Dr. Lemieux's bed-room window. That one Elizabeth McNaulty then and still house-maid in the Hospital, complained in tears to deponent's wife, and in deponent's presence, that the male organs aforesaid were always left exposed in the House Surgeon's bed-room where she was obliged to go to do her duty, that they were sometimes on the mantle-piece, but that they were then hanging against the window and visible outside the window, and that she would not remain any longer in the Hospital. That deponent's wife entreated McNaulty to remain and not leave her service, and that deponent went out to the front of the Hospital building and saw the injected organs hanging as described by McNaulty. That deponent has subsequently seen the same or similar injected male organs of generation in the garret of the Hospital. That as part of the deponent's duty, he used to assist the porter of the Hospital, one John McDonald, to coffin the dead, and that during this time it was a common practice to put two bodies in one coffin, by order, as the porter said, of Dr. Lemieux, the House Surgeon, and as this deponent believes with his Dr. Lemieux's knowledge, as he, Dr. Lemieux, was present when the body of a white female child named Scales, was putting into the same coffin with a black or coloured man. That this deponent up to the time just referred to had often seen two bodies interred in the same coffin, and will swear positively to this having hap-

pened at least six times, that is, that twelve corpses had been interred in six coffins. That a short time subsequent to that case of the coloured man and female child being interred in the one coffin, Dr. Lemieux came into the porter's room where deponent was sitting, and told the porter to go and put the body of a child that had been confined with another body into a separate coffin; as he, Dr. Lemieux, had just come from town where he had heard something about it, meaning the confining two bodies in one coffin. This was between eight and nine o'clock at night.

That one Kate Henderson, a fine, handsome looking young woman, who was a patient in the Hospital for several weeks last summer, and who is now, as this deponent believes, in New York, told deponent and his wife that Dr. Lemieux was making love to her, and that she was tormented by his importunities. That she was frequently waked at night by Dr. Lemieux handling her and hanging over her, and she gave deponent's wife two gold rings to keep for her, lest Dr. Lemieux should take them off her fingers in her sleep. That the above named Kate Henderson was a married woman and admitted as such to the Hospital. That the place in which the said Kate Henderson slept was a passage or lobby in the upper flat of the Hospital with a screen before her bed. This deponent further swears that it was currently reported in the Hospital among the servants and nurses, that Mr. Beaubien, the Apothecary, and one Jane Hamilton, then and still a nurse in the Hospital, were in the habit of going into the Protestant Chapel together and cohabiting there. Nearly all the servants declared that they had seen them together at different times and in different attitudes. That one Nicols, a servant in the Surgical wards, and who was near the Chapel, told of seeing the aforesaid Beaubien and Jane Hamilton often having criminal connexion, and on one occasion told this deponent to go and peep through number 42 closet and he would see them, which this deponent did, and saw Jane Hamilton lying on the floor on her back and Beaubien lying above her.

That the room in which this happened was the operating theatre, which is also the Protestant Chapel and used for the ministrations and services of the Protestant patients.

That this deponent saw Beaubien and Hamilton coming out of the Chapel on another occasion at night and without a light.

The foregoing having been read over to this deponent, he persists in its truth, and has signed at Quebec, the 18th day of February, 1851.

(Signed,) RICHARD EDMONDS.

Sworn before me at Quebec,
this 18th February, 1851.

(Signed,) DANIEL McCALLUM, J. P.

A true copy of the original remaining in my possession.

(Signed,) WM. MARSDEN, M. D.

1st March, 1851.

True copy of the copy addressed to the Commissioners of the Marine and Emigrant Hospital, by Wm. Marsden, M. D.

(Signed,) N. CASALT,
S. T. C. M. and E. H.

Appendix
(R. R.)

No. 2.

18th July.

Province of Canada, }
District of Quebec. }

John McDonald, late a private in the 93rd Regiment of Foot, doth depose and say, after having been sworn upon the Holy Evangelists of Almighty God, as follows :

That he was employed as porter in the Emigrant and Marine Hospital from the first of April last past up to the 18th day of January last, being a period of nine months and eighteen days. That a part of the duty of this deponent was to coffin the dead bodies previous to their burial. That this deponent always received his orders for burials from the House Surgeon, Dr. Lemieux. That this deponent has received orders from Dr. Lemieux to coffin two bodies together in the same coffin on nine or ten different occasions, with which order this deponent complied. That on the first occasion that this deponent received orders from Dr. Lemieux to place two bodies in one coffin, on deponent's hesitation to do so, Dr. Lemieux remarked it, saying, "that is nothing, we many times put two or three, or three or four in the same coffin before now." That on one occasion this deponent placed the body of a white female child in the same coffin with a coloured man, by the orders of Dr. Lemieux, and it was so buried. That on every occasion but one the orders of Dr. Lemieux in reference to the coffining and burial of dead bodies were complied with. That on the occasion referred to, the body of one Catherine Costello, aged about eighteen months, had been retained in the dead-house longer than the usual period uninterred, by the orders of Dr. Lemieux, for some reason to this deponent unknown. That on the occasion of the sexton, one Buckley, calling as usual for the dead bodies, this deponent asked Dr. Lemieux if the child in question was to be interred, when he replied, "no; tell Buckley you do not know and to call to-morrow." That after this child had been kept three or four days, this deponent went to Dr. Lemieux for his orders, as the sexton was waiting; when Dr. Lemieux told him to place the child in a coffin with another body, but after a few words of conversation in French with Mr. Beaubien, the Apothecary, he, Dr. Lemieux, ordered this deponent to dig a hole in the burial ground adjoining the Hospital, after dark, and to throw the body into it. That this order was so unnatural that this deponent disobeyed it, and at night placed the body in a coffin with another without telling Dr. Lemieux that he had done so.

The foregoing being read, the deponent declares it to be true and hath signed,

JOHN McDONALD.

Sworn before me, this 18th
January, 1851.

(Signed,) WILLIAM PATTON, J. P.

A true copy of the original
remaining in my possession.(Signed,) WM. MARSDEN, M. D.
March 1st, 1851.True copy of the copy addressed
to the Commissioners by Wm.
Marsden, M.D.(Signed,) N. CASALT,
S. T. C. M. and E. H.

No. 3.

Appendix
(R. R.)

18th July.

Province of Canada, }
District of Quebec. }

Mary Fitzgerald, a spinster and thorough servant to Mr. E. Laroche, being sworn upon the Holy Evangelists of Almighty God, doth depose and say as follows :

That she was employed in the Marine and Emigrant Hospital of Quebec as nurse and servant, from the fourth of July, 1849, to the first day of April, 1850. That deponent knows one Jane Hamilton, then and still servant or nurse in the Hospital aforesaid. That the aforesaid Jane Hamilton was, during the time deponent resided in the Hospital, a woman of doubtful character, and conducted herself with great indecency and impropriety—and she was held in this repute by the other nurses and servants of the Hospital, as well as by some of the patients who were then in Hospital; and related at times what had occurred between the aforesaid Jane Hamilton and Dr. Lemieux, and Mr. Beaubien, the Apothecary, during the night of the sight and hearing of the aforesaid patients, whom this deponent can name.

That the aforesaid Jane Hamilton had at all times full and complete control over the patients in the Hospital, as well as over Dr. Lemieux and Mr. Beaubien, who were completely subservient to her. That neither Dr. Lemieux nor Mr. Beaubien ever dared to oppose her will, and deponent knows that Dr. Lemieux has punished patients who had incurred her displeasure.

That the conduct of Jane Hamilton was notoriously bad, and that this deponent had in her charge a key of No. 43 closet, which looks into the English Chapel. That one James Nicholls, formerly an orderly at the Hospital, used to obtain from this deponent the aforesaid key for the purpose, as he said, of watching the rascally conduct of the Doctors (meaning Dr. Lemieux and Mr. Beaubien) and Jane Hamilton, in the Protestant Chapel, which is also the operating room or theatre. That the aforesaid Nicholls always described the deeds of the parties aforesaid in the chapel as beastly and infamous, and frequently threatened to publish it. That this deponent never went to see what was going on in the chapel on any of these occasions, although other servants did in fact say that they were in criminal connexion. That deponent has seen Mr. Beaubien and Jane Hamilton come out of an unoccupied ward which was under this deponent's charge, and ordered this deponent to make up a bed which had been recently—in, which this deponent refused to do, saying that she would not make up beds after her (Jane Hamilton) and Dr. Beaubien, whereupon she, Jane Hamilton, only raised her finger to enjoin silence, and went away laughing. That on this deponent going into another ward and relating the occurrence, she was told the deponent had better submit at once; for as long as Dr. Lemieux would be in the Hospital, Jane Hamilton would be mistress, until the Doctors got tired of her, when they would kick her out. By the Doctors, this deponent means Dr. Lemieux and Mr. Beaubien.

That this deponent left the Hospital since of her own accord, because the conduct of Jane Hamilton was so gross and immoral, and because Dr. Lemieux, as well as Jane Hamilton, threatened this deponent; Doctor Lemieux being, as before stated, completely under the control of Jane Hamilton, and passive and submissive to her will.

That this deponent knows that every wish or request or order of Jane Hamilton to Dr. Lemieux

Appendix
(R. R.)

18th July.

and Mr. Beaubien, no matter of what nature, was at once complied with by them, that is in this deponent's presence.

The foregoing having been read over to this deponent she persists in the truth, and has signed this 19th day of February, 1851.

(Signed,) MARY FITZGERALD.

Sworn before me at Quebec,
this 20th February, 1851.

(Signed,) E. BACQUET,
J. C. S.

A true copy of the original remaining in my possession, March 1st, 1851.

(Signed,) WM. MARSDEN, M. D.

True copy of the copy addressed to the Commissioners by Wm. Marsden, M. D.

N. CASAULT,
S. T. C. M. & E. H.

No. 4.

Province of Canada, }
District of Quebec. }

Mary Riley, widow of the late William Sweeny, being sworn upon the Holy Evangelists of Almighty God, doth depose and say as follows:

That she was employed as a nurse in the Marine and Emigrant Hospital of this City for two months during the summer 1849. Commencing in the month of July, and was discharged at her own request. That deponent knows one Jane Hamilton who was then a nurse in the Hospital aforesaid, and is so still.

That this deponent knows Jane Hamilton to be a woman of bad and immoral character.

That this deponent has on three different occasions seen Dr. Lemieux, the House Surgeon, and Jane Hamilton in criminal connexion on the floor of the Chapel used for the ministrations of the Protestant patients.

That this deponent on several occasions spoke to Jane Hamilton about the impropriety of her conduct, and on one of these occasions she denied having had connexion with Dr. Lemieux, and said she had connexion with Mr. Beaubien, but only once. That this deponent has seen Dr. Lemieux go into Jane Hamilton's room often, and on two different occasions this deponent tried to open the door, which was locked inside. That on the occasions of this deponent receiving her wages from the steward, Mr. Cutter, previous to leaving the Hospital, in fact, at the time she was leaving, she remarked to Mr. Cutter, that she, deponent, thanked the Almighty God that she was leaving the Hospital, for that it was neither good nor gracious for the soul or body to live in it.

That this deponent meant by the foregoing remarks that no prosperity or success could attend a place where such conduct was going on, and sickness and death around them every day.

That this deponent was visited at her present residence by Dr. Lemieux, and Mr. Beaubien, the Apothecary, about the commencement of this year, for the purpose of ascertaining what this deponent knew concerning Mr. Cutter, about whom an investigation was then pending before the Commissioners of the Hospital aforesaid, and they requested this deponent to go over to the Hospital for the purpose of conversing on the subject of the

charges brought against Mr. Cutter. That this deponent went to the Hospital as requested on the afternoon of the same day as above referred to, and was met at the door by Jane Hamilton, who embraced deponent in her arms, and took her to the House Surgeon's room, and on the way through the passages of the Hospital, Jane Hamilton still holding this deponent in a friendly embrace, entreated her for God's sake not to speak about what she, Jane Hamilton, had told this deponent concerning the Doctors.

That in speaking of the Doctors this deponent means Dr. Lemieux, and Mr. Beaubien, the Apothecary.

That this deponent had never either seen or spoken to Dr. Lemieux the House Surgeon, or Mr. Beaubien the Apothecary, from the time she left the Hospital in 1849, until the time just referred to. That this deponent now resides with Mr. Thomas Simpson, cooper, and has resided with him ever since she left the Hospital until now.

That this deponent was employed as nurse at the Manor Hamilton Infirmary, County Letrim, Ireland, for four and a half years, and was discharged at her own request with certificates of good character previous to coming to America, which certificates deponent still has. That deponent knew Jane Hamilton, at home in Ireland, but she was a patient under this deponent in the Manor Hamilton Infirmary; and deponent also knew her as a nurse in Scurvey Hospital, near Manor Hamilton, from which Hospital she was discharged for bad conduct. That this deponent knows Jane Hamilton to be a married woman, and that she had one child before she was married and two since, one of which died in the Manor Hamilton Infirmary whilst she, Jane Hamilton, was a patient in Hospital. That this deponent knows John Hamilton, the husband of the aforesaid Jane Hamilton, and that she, Jane Hamilton, deserted her husband and refused to see him previous to leaving for America.

That Jane Hamilton requested this deponent not to tell any one that she was a married woman as she had declared herself to be single. That this deponent has seen the aforesaid Jane Hamilton treat the patients in the Marine and Emigrant Hospital with great cruelty. On one occasion she saw her take a stick and beat a patient delirious in fever with great severity and cruelty, and the patient, whose name was Russell, the mate of a vessel, died the next day.

MARY ^{her} RILEY.
_{mark}

Sworn before me at Quebec,
this 21st February, 1851.

(Signed,) EWD. GLACKMEYER,
J. P.

A true copy of the original remaining in my possession.
March 1st, 1851.

(Signed,) W. MARSDEN, M. D.

True copy of the copy addressed to the Commissioners by W. Marsden, M. D.

N. CASAULT,
S. T. C. M. and E. H.

Appendix
(R. R.)

18th July.

18th July.

Province of Canada, }
District of Quebec. }

Eliza Morton, wife of Richard Edmonds, being sworn upon the Holy Evangelists of Almighty God, doth depose and say as follows: That this deponent was employed as cook in the Marine and Emigrant Hospital, from the third of June, 1850, until the eighteenth day of January last, being about seven months and a half.

That on the 17th day of January last, Mr. Casault, Secretary to the Commissioners of the Hospital, told this deponent that for the future she was to obey the orders of Dr. Lemieux, the House Surgeon, in relation to the duties of steward, and that if this deponent took or obeyed any orders given by Mr. Cutter, the steward, she should be immediately discharged.

That on the afternoon of the last named day, this deponent went as directed by the Secretary to Dr. Lemieux and asked for tea to make for the establishment, and received for answer that he had no tea nor was not going to look after it, whereupon this deponent went to Mr. Cutter and asked for the tea, which Mr. Cutter gave her, and she made it as usual, otherwise the patients would have been without tea on that evening.

That on the following morning, Saturday, the 18th of January, Mr. Cutter came into the kitchen as usual, and ordered this deponent to go with him to the cellar for the beef, he, Mr. Cutter, having the keys of the cellar in his hands. That this deponent, knowing that Dr. Lemieux could not give the beef any more than the tea, went with Mr. Cutter as ordered, and received the beef for dinner, otherwise no dinner would have been prepared for the patients on that day. That on the evening of the 17th January, this deponent having no order as to the number of diets, for the reasons before stated, made the quantity of tea that deponent thought would be required, and when it was served out there remained from a quart to three pints. That after tea, Dr. Lemieux came into the kitchen and told this deponent that if there was as much tea left in the morning this deponent should be out of Hospital before the same hour to-morrow. That there was no tea left on the following morning, yet this deponent received her discharge within twenty-four hours, that is, about three o'clock in the afternoon of Saturday the eighteenth.

That one Sarah Garland, formerly a nurse in the Hospital, who had been discharged about two or three months since by Dr. Douglas for improper conduct to the matron, came to this deponent's residence about a week since, and stated that she had been sent by Dr. Lemieux to know if this deponent would like to return to the Hospital, and said if she would Dr. Lemieux would take back this deponent, as well as herself, Ann Garland, as soon as Mr. Cutter would be out of the Hospital.

That this deponent did not go to Dr. Lemieux, but her husband did, and as he stated and will attest on oath if required, he saw Dr. Lemieux, who said he was sorry that his wife (meaning this deponent) had been discharged, and that it was not his, Dr. Lemieux's, fault, but that as soon as Mr. Cutter was gone from the Hospital, she should be surely back in her place, and that her room was ready for her, and that he had always found her a decent, honest woman; and that the porter, John McDonald, was also a decent honest man, and one of the most obedient porters he had ever had, although he had been discharged.

That this deponent knows one Jane Hamilton, a nurse in the Hospital, and that she is a bold, for-

ward woman, and bears a very bad character in the Hospital. That this deponent has seen Mr. Beaubien, the Apothecary, with his arms around the waist of Jane Hamilton in the kitchen of the Hospital, and that she, Jane Hamilton, used to get scent and essences and medicines for herself and her friends out of the Hospital surgery. That this deponent knows that Jane Hamilton has appropriated other Hospital effects to her own use, besides those before enumerated; she, Jane Hamilton, having offered this deponent a sheet belonging to the Hospital to line a counterpane for herself with; and on this deponent refusing the sheet, saying she would not make a rogue of herself by using what belonged to the Hospital, as she could get the lining for a couple or three shillings, Jane Hamilton replied, "that they were all making their fortunes in the Hospital, and why would not she, the deponent, do the same." That this deponent knows that Jane Hamilton also offered half a sheet to one Moore, a nurse in the Hospital, to line a gown with; which Moore refused to accept, because it belonged to the Hospital. That this deponent knew one Kate Henderson, who was a patient in the Hospital during upwards of three months, as this deponent thinks. That Kate Henderson declared herself to be a married woman, and was a handsome and lady-like person, and apparently quite superior to the position she was then in. That she, Kate Henderson, told this deponent that Dr. Lemieux, the House Surgeon, was making love to her, and that he often tried to kiss her, and that she was tired of his importunities, which this deponent joined with Kate Henderson in declaring to be improper. That on one Sunday evening Dr. Lemieux, the House Surgeon, asked this deponent why she, the deponent, allowed Kate Henderson to be so often in her room, to which deponent remarked, why do you ask now that she is near being discharged, when he, Dr. Lemieux knew that she had been coming in and out of her (deponent's) room for nearly two months, and supposing that he, Dr. Lemieux, alluded to her honesty, deponent remarked that she had never missed anything after Kate Henderson.

That Dr. Lemieux then asked this deponent whether she had heard Kate Henderson say anything regarding his character or conduct towards her, to which this deponent replied no. That Kate Henderson had, nevertheless, complained of Dr. Lemieux's conduct previously, but Dr. Lemieux making the inquiry excited deponent's suspicions, on which account she answered no, instead of the truth, which would have been yes. That previous to this conversation with Dr. Lemieux, Kate Henderson had given this deponent two rings (one of which was her wedding ring) to keep for her in safety, as she declared that she was frequently awakened at night when in bed by Dr. Lemieux hanging over her and handling her, both her hands and her mouth, and particularly the hand with the rings upon it, and that she was afraid he (Dr. Lemieux) would take them off her fingers in her sleep. That on the Sunday evening above referred to, Dr. Lemieux told this deponent, that Kate Henderson was not a virtuous woman, that she had been unfortunate not once or twice but two or three times, having been seduced that number of times by officers at home.

That this deponent knows and has told the Commissioners that Dr. Lemieux used the potatoes and onions belonging to the patients (excepting Dr. Morrin who was not present,) and this for his whole establishment, and during the whole summer, until the Steward, Mr. Cutter, complained of it. That this deponent knows that Dr. Lemieux's servant used the soup of the patients in the Hospital to make pea soup, and so on for Dr. Lemieux's table, during the whole

18th July.

Appendix
(R. R.)

18th July.

summer, until Mr. Cutter complained as above stated.

The foregoing having been read, the deponent persists in declaring it to be the truth, and hath signed.

(Signed,) ELIZA EDMONDS.

Sworn before me, this 24th
February, 1851,

(Signed,) G. HENDERSON, J. P.

The foregoing affidavit having been read to Richard Edmonds, husband of the above named Eliza Morton, he declares that portion of it having reference to him and Dr. Lemieux to be correct and true.

(Signed,) RICHARD EDMONDS.

Sworn before me, this 24th
February, 1851,

(Signed,) G. HENDERSON, J. P.

True copy of the copy addressed to the Commissioners by Wm. Marsden, M.D., and certified by him as a true copy of the original remaining in his possession, which said certificate is dated 1st March, 1851.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

No. 6.

Province of Canada, }
District of Quebec. }

Catharine Donnelly, spinster, aged about 20 years, being sworn upon the Holy Evangelists of Almighty God, doth depose and say as follows:

That this deponent has lived as servant with Mr. Cutter at the Marine and Emigrant Hospital for nine months past. That this deponent knows Dr. Lemieux, the House Surgeon, Mr. Beaubien, the Apothecary, and Jane Hamilton, a nurse in the Hospital.

That this deponent has frequently met Mr. Beaubien and Jane Hamilton in familiar intercourse in the dark passages of the Hospital and has surprised them.

That as recently as a week ago, that is upon the 13th day of the present month, the deponent heard Mr. Beaubien calling "Jane" and Jane Hamilton answered in a low voice "yes," and proceeded along the passage into an empty room where they remained some time, this was about seven o'clock in the evening.

That this deponent has frequently seen Mr. Beaubien waiting in the passages and on the stairs for Jane Hamilton, who used to join him and then proceed to some part of the building together, but where deponent does not know as her duties did not lie in the wards.

That Dr. Lemieux the House Surgeon, has frequently attempted to take liberties with this deponent. That he has frequently stopped the deponent and tried to put his hands in her bosoms. That the last time Dr. Lemieux attempted to put his hands in this deponent's bosoms, he had been watching her for some minutes and had followed her to the door of the clothes-room, where he placed himself in the doorway, so that deponent could not pass him without being touched, and on her passage out attempted to put his hands in her bosom which this deponent resisted in great anger, saying that the next time he attempted to do that, she, deponent, would report him to Mr. Cutter. That since this last named circum-

Appendix
(R. R.)

18th July.

stance, Dr. Lemieux's conduct has been entirely changed towards this deponent, being rude and repulsive, and threatening to get this deponent discharged, to which deponent replied, that if she, deponent, were like Jane Hamilton, he would not threaten her. That previous to this deponent's threatening Dr. Lemieux, his conduct has been most amorous and loving, and his language of the most warm and loving nature, and his gestures and attitudes and actions beastly and disgusting and unfit to describe. That Dr. Lemieux has attempted to look up this deponent's petticoats when coming down stairs, on two different occasions, and this deponent has desired him to desist which he nevertheless did not do, but continued to attempt to look up. That Mr. Beaubien has done the same thing to this deponent with the same results. That one Joseph Neale, a night nurse who saw attempts upon this deponent's person when she first went to reside in Hospital, cautioned this deponent, saying to take care of Lemieux and Beaubien, as he knew their conduct better than she, deponent.

That this deponent on one occasion last autumn, went up to Dr. Lemieux's room for one Mary Pines, who was scrubbing the ceiling, mounted on a scaffold, and deponent asked why she, Pines, did not come to breakfast sooner, to which she replied that she could not come sooner as Dr. Lemieux and Mr. Beaubien were trying to look at her legs and so prevented her coming down, and she, Mary Pines, was obliged to put on a pair of her husband's drawers to finish the work in them.

That this deponent had both heard Dr. Lemieux and Mr. Beaubien spoken of as libertines before she came to the Hospital.

That one Mary Lehman, a German, used to complain to this deponent of the liberties that both Dr. Lemieux and Mr. Beaubien used to take with her, and one day told this deponent in tears, among other things, that Beaubien had taken hold of her (Lehman's) hand and tried to compel to handle his person. This was before deponent came to live at the Hospital in the summer of 1849. That this deponent knows one Kate Henderson, who was a very handsome woman and very like a lady and had very nice manners, and who was a patient in the Hospital last summer. That this deponent heard Kate Henderson complain several times to Eliza Edwards, that Dr. Lemieux was taking liberties with her and paying his addresses to her after night when she was in bed. That she had been several times wakened up by Dr. Lemieux handling her, Kate Henderson, and one night on asking Dr. Lemieux what he wanted with her, Kate Henderson, he replied that her teeth were so handsome he liked to be looking at them, that Kate Henderson's teeth were very handsome and as white as ivory.

CATHARINE ^{her} DONNELLY. _{mark}

Sworn before me at Quebec, this 24th day
of February, 1851.

(Signed,) E. BACQUER, J. C. S.

A true copy of the original remaining in
my possession.

(Signed,) W. MARSDEN, M. D.

March 1st, 1851.

Catherine Donnelly being sworn anew upon the Holy Evangelists of Almighty God, doth depose and say in addition to her former affidavit;—That one day during last summer, this deponent saw an old man, a patient in the Hospital, in one of the lower passages asking for a drink of water, which this deponent was in the act of showing him where to

Appendix
(R. R.)

18th July.

get, when Dr. Lemieux, the House Surgeon, came up, saying to the patient, "what fetched you here you damned brute, go up stairs," he. Dr. Lemieux, at the same time pushing the man so violently that he would have fallen had he not been caught by the bannister of the stairs, and calling him a "*sacré Irlandais*." That the poor man aforesaid was so weak, that he was obliged to sit down on the second step until the nurse Dennis came to assist him to walk, he being so weak that he could not get up stairs again alone.

CATHARINE ^{her} X DONNELLY.
_{mark}

Sworn before me, this 28th day of February, 1851.

(Signed,) G. HENDERSON, J. P.

A true copy of the original remaining in my possession.

(Signed,) W. MARSDEN, M. D.

March 1st, 1851.

A true copy of the copy addressed to the Commissioners, by W. Marsden, M. D.

N. CASAULT,
S. T. C. M. and E. II.

MARINE AND EMIGRANT HOSPITAL,
QUEBEC, 25th April, 1851.

N. CASAULT, Esq.
S. T. C. M. and E. II.

SIR,

In obedience to the requisition of the Commissioners, I have the honor to address to you, in relation both to the affidavits brought forward by Dr. Marsden, and to the inquiry made by them into my conduct, the following remarks, which I would beg of you to lay before the Commissioners as my defence, calling their attention to the fact that I limit my answers to what particularly concerns myself.

If I declared, that all the charges brought against me with a view to my destruction, are the results of a plot between Mr. Cutter and his worthy friend, Dr. Marsden, I should do no more than assert what I firmly believe. It will, I trust, be sufficient that I remind the Commissioners of the insults, the slander, and the calumnies poured upon me by Dr. Marsden when I applied to be appointed Apothecary, and of the efforts which he has since made to destroy in their minds the effect of the certificates which I then produced, and to which I would now again invite the attention of the Commissioners. I may, I hope, be permitted to explain the motives of this dislike—this hatred of Dr. Marsden towards me. I pursued my first studies under him at Nicolet, but the drunken, debauched, and immoral habit to which he had addicted himself, compelled my friends to remove me from him, at the time when I left them, and to break my indentures which he would not agree to cancel. This is what converts him, to the amazement of all who know what he has been and what he is, into a moral censor; I mistake, a slanderer and an impostor. It was natural that such a man should find a fit associate in Cutter, and that both should find, in menial servants of the Hospital dismissed for bad conduct, accomplices or dupes who were not proof against their liberal promises, unlike Mary Mitron one of the witnesses examined on the inquiry.

One fact, but still a fact, and that a misdemeanor of a very serious character, has been established

against me by the inquiry and the affidavits; for as to the other charges brought against me in the affidavits, as to the constructive proofs which those affidavits contain, they are so vague and so characterized by an evident desire to exaggerate, that I do not pause to consider them or remark upon them. This fact has been twice established on oath by Richard Edmonds. I was confounded and astonished by the reading of this man's affidavit. Strong in my innocence, I yet despaired of being able to prove it, when, in the course of the inquiry, Edmonds particularized the time of his having surprised me: within the first fortnight, he says, after his admission to the Hospital, which he states on oath to have been on the 17th September, 1849, (the Registers have it the 18th) he twice surprized me in the operating room in criminal connection with Jane Hamilton. It is proved in the evidence of Mr. Godbout, who succeeded me as Apothecary, and in that of nurse Catharine Moore, who attended me, that on the twentieth of the same month, two days after the arrival of Edmonds, I was confined to my bed by an attack of typhus fever; on the twenty-fourth, six days after, my disorder had made such progress, that Dr. Lemieux called in Drs. Rowand and Painchaud in consultation, and resigned me to the attendance and treatment of the latter, as appears by the certificates of those two gentlemen hereto annexed. The same man makes oath that he saw me in the evening leave the same room in company with Jane Hamilton, without a candle, swears also that I bore a bad character in the Hospital. If after this man's shameless perjury, the Commissioners could still place any reliance on his deposition, I might appeal to the whole tenor of the evidence in which my character is advantageously established by all the respectable witnesses whom the Commissioners called before them, as well as by those whom Dr. Lemieux produced, and whose evidence is as favorable to me as it is to him.

The base wickedness of Edmonds and his impudent perjury furnish strong presumption against the veracity of the other persons who have made affidavits against me, and render it unnecessary in my opinion, to notice charges and statements of minor importance as they affect my character, and almost all founded on hearsay. It may be sufficient that I invite the attention of the Commissioners to the absurdity of an order alleged to have been given by Jane Hamilton to Mary Fitzgerald to make the bed which had been the scene of her shame, instead of making it herself, a proceeding which would argue a shameless and impudent arrogance in crime, which one cannot believe even in a woman of licentious life; and the malice evinced by the notice of a gesture, unbecoming perhaps, but which, even if true, could not be considered criminal since it was said to have been done openly in the presence of several persons. I mean the allusion of Eliza Morton to the fact that one day in the kitchen I passed my arm round Jane Hamilton's waist, a freedom which I should certainly have avoided most carefully, had my conduct with that person been such as represented.

I might also notice the essences and perfumes which she says I distributed, but which the Commissioners well know are not found in the Surgery, (*apothicaverie*,) as well as the character for debauchery which Catharine Donnelly says I bore, to her knowledge, before she entered the Hospital, but I will not exhaust the patience of the Commissioners. The Reverend Mr. McMahon unveils the character of Mary Fitzgerald. Eliza Morton, Edmond's wife, whose connexion with such a man should discredit her evidence, turns out to be something more than suspected (in the inquiry into the conduct of Mr. Cutter, her associate and accomplice,) of sharing in the abstraction of the Hospital stores. Finally, Ca-

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

tharine Donnelly, who is still in Mr. Cutter's service, by acting as her master's agent in the attempt to bribe Mary Mitron, has shewn how worthy she is of credit as a witness.

I have, &c.,

(Signed)

J. T. C. BEAUBIEN,
Apothecary, M. & E. H.

 QUEBEC, April 4th, 1851.

I, the undersigned, certify that Mr. Thélesphare Cléophas Beaubien was sick and unable to leave his room in the autumn of 1849, that is to say, from the 24th-25th September, and that he left the Hospital on the same day on which he was first able to leave his room.

(Signed,)

JOS. PAINCHAUD,
Vist. Phy., M. & E. H.

A true copy.

N. Casault,
S. T. C., M. & E. H.

I certify that Thélesphare Cléophas Beaubien, Apothecary to the Marine and Emigrant Hospital, was ill of typhus fever on the 24th or 25th of September, 1849; and that I saw him often in consultation with Dr. Painchaud.

(Signed,)

4th April, 1851.

ALEX. ROWAND,
M. D. E.

(True copy.)

N. Casault,
S. T. C. M. and E. H.

 MARINE HOSPITAL,
QUEBEC, May 1st, 1851.

To the Commissioners of the
Marine and Emigrant Hospital.

GENTLEMEN,

The inquiry into my conduct as House Physician to the Hospital being terminated, I may be permitted to review and analyze it, without apology or preamble.

I am desirous of adding to the documents which I have already filed in the course of the inquiry, the following papers, which I consider to be necessary to my defence, and to the defence of those persons who were included with me in the charges.

1. An affidavit sworn by Bridget Rooney, 20th March, 1851, before J. B. Trudelle, Esq., J. P.
2. An affidavit made by Thomas Buens, 25th February, 1851, before Edward Rousseau, Esq., J. P.
3. Two certificates dated 28th March, 1851. One from Dr. Painchaud, the other from Dr. A. Jackson.
4. Two extracts from the Register of deaths, dated 25th October, 1850, made by Rev. Mr. Richardson, Catholic Chaplain, one concerning Catharine Costello, the other of Ann Sheely.
5. Eleven certificates and recommendatory letters in favor of Jane Hamilton, partly written in Ireland, partly in Canada.

Appendix
(R. R.)

18th July.

Of the six persons who furnished Dr. Marsdett with affidavits against Mr. Beaubien and me, four were examined anew before you, in the course of the inquiry.

I shall not dwell upon the radical and striking discrepancies which exist between their testimony as given before you, and the affidavits as drawn up by Dr. Marsden, as I am desirous of noticing and examining the charges in succession, and answering them as far as I am able. I must invite your attention, however, to the circumstance, that parties examined by you touching matters of which they had personal knowledge, confessed that things to which they had sworn positively in their affidavits, had come to their knowledge only by report or hearsay, and that the facts deposed by them before you, contained the whole sum of their personal knowledge in the matter, and consequently all that they could lawfully depose as being of their personal knowledge; and I do this to show how little reliance can be placed on the testimony of persons who make a mockery of an affidavit, and disregard the solemn obligation of an oath.

The first affidavit is that of Richard Edmonds, who endeavors to prove that male genital organs were constantly exposed to view in my room, and that he had seen them from the outside. Eliza McNaulty, Bridget Sweeny, and Mr. Belloumin Godbout clear away that charge by their positive affirmation on oath that they were so exposed no more than one day, and (in this sustained by M. Victor Pelletier,) that they were not visible from without.

With respect to the other organs of generation which Edmonds may have seen in the Hospital garret, Dr. Painchaud and Mr. Godbout testify that they belong to the Hospital, and were there before I entered it as House Surgeon. If they have any bearing on the inquiry at all, its effect must be to apologise for my possession of such things. Everything which I advanced on this head in my letter of the 8th January last, is fully sustained by the result of the inquiry.

I might make the same remark respecting the funerals with which I did not interfere, for the plain reason that it formed no part of my duty to do so. And I beg to refer the Commissioners to the 7th Rule for the Steward's duty, and also to the testimony of John Hielstrip, Mr. Godbout and Mr. Pelletier, who all concur in saying I never interfered with them in any degree; finally, to that part of Edmonds' own deposition, in which he admits that I gave no orders to the porter to take out one of the two bodies which I had understood to be in one coffin; but that, on the contrary, I directed Mr. Cutter to be informed that one of them ought to be removed; and to the fact that he did not in your presence sustain his assertion that I was present when the child Scales was buried.

As to Kate Henderson, the ill-will and the falsehood of all who mention her in their affidavits appear in their description of her. This pretended lady, who was superior to her condition, and whose poverty alone, they said, had reduced to seek refuge in the Hospital, had been brought thither by the venereal disease; had a character of more than doubtful morality before her admission; behaved indecently while there; had by the Visiting Physicians been lodged in a passage apart, so that she might have no intercourse with the other patients; and even when she left the Hospital was still laboring under the disease for which she had been admitted. I ask then, Gentlemen, whether I, a physician, fully cognizant of her disease, could become guilty of what is laid to my charge by this girl; and are not her chaste apprehensions for her virtue and her jewelery pure inventions of her own, or of those who tell her story? I refer the Commissioners to the testi-

Appendix
(R. R.)

18th July.

mony of Catherine Moore, of Mary Fitzgerald, of Messrs. Godbout and Pelletier, of Drs. Painchaud, A. Jackson, and J. Hall, as well as to the certificates annexed, being those of Drs. Painchaud and Jackson, which confute not only Edmonds' story concerning Henderson, but also those of Eliza Morton, his wife and Catherine Donnelly. I might very well have omitted all mention of Kate Henderson, as nearly all that is said of her rests on hearsay, but I choose not to leave a shadow of doubt on the minds of the Commissioners.

I am conscious that it is futile to sift with such minuteness every item of testimony the credibility of which is so thoroughly destroyed by a single fact. Turio Edmonds stated on oath that he had seen Jane Hamilton and Mr. Beaubien in criminal connexion. This was, he stated, within a fortnight after his arrival in the Hospital; now, two days after he entered the Hospital, Mr. Beaubien was confined to his bed by typhus fever, and so continued till the first of November. On that day he went into the country, and there remained a fortnight, as may be seen by the certificates of Drs. Painchaud and Rowand, and by the testimony of Catherine Moore and Mr. Godbout. This impudent, bare-faced perjury ought of itself to shew sufficiently, in my opinion, the base plot laid for our ruin and the falsehood and malice of our accusers. What was to be expected from such persons, who, to effect my ruin, have carried their baseness to the length of perjuring themselves?

Whatever I have remarked concerning Richard Edmonds' evidence, relative to interments, will apply equally well to John McDonald's, but in the testimony of the latter there is more falsehood. The corpse of Catherine Costello, aged eighteen months, was retained, he says, by my order, three or four days; then, he continues, resolved not to obey the barbarous order which I gave him, to bury it behind the Hospital, without a coffin, he put it into a coffin with another person, and thus sent it to the graveyard.

Two deaths only occurred in the Hospital from 19th October to 6th November, 1850; those of Catherine Costello and Anna Sheely. Both these persons were interred separately, according to the statement of Mr. Richardson during the inquiry, and according to the proof furnished by the two certificates which I produce. I have said, and I repeat it, that the only order which I ever gave to the porter on the subject of any interment was comprised in the words, "Yes," or "No," when, either before or after the *post mortem* examination of the body, he came by the Steward's order, to ask me whether he might put the body into the coffin. Had care not been taken to include Mr. Beaubien in the charges made against me, he would prove that such were the only orders that I ever gave, and that I took no concern in the burial of persons who died in the Hospital.

The absurdity of certain statements of Mary Fitzgerald's, and the loose and general terms in which they are all expressed, might have justified me in omitting to notice them, but my prospects for life are at stake, and I may well be forgiven if I enter into details which are futile and irrelevant. This woman swears that Jane Hamilton bore a bad character in the Hospital, that she made no secret of the reports in circulation about her, and often talked them over with the patients. Nevertheless, of twenty-eight witnesses whom you examined, nearly every one bore witness to Jane Hamilton's good character. How happens it that nobody knows or says any harm of her except Mr. Cutter's confidants? Had her bad conduct and character been as notorious as they pretend, how happens it that neither Commissioners, Visiting Physicians nor Chaplains, knew anything about it? How happens it that so immoral and shameless a woman repelled the infamous proposals and attempts of Mr. Cutter? This is acknow-

ledged by the person who undertook to make the base proposal. How happens it that she would have left the Hospital in the spring of 1850 to escape from the insults of Mr. Cutter, which came to my knowledge and that of the Catholic Chaplain, and to which we jointly put an end?

I am not afraid to make the assertion: Mary Fitzgerald repeated, on oath, the lesson taught her by Cutter and Dr. Marsden, or even by another, whose name I do not choose to mention. They it was who prompted her to say that justice was not to be had from French Canadians; and that, ignorant of European manners and customs, we often heedlessly wounded the feelings of the patients. This latter charge, an ebullition of national antipathy, I might hold to be met by the whole tenor of the enquiry, by the evidence of all who were under my charge in the Hospital, and by Richard Edmonds himself. I shall cite none but the flattering testimonial of Dr. Douglas, whom I have a right to look on as no friend of mine. I might have proved that Mary Fitzgerald was a prostitute of many years' standing—a woman of the most depraved morals, and not to be believed on her oath; but Mr. McMahon's letter bearing on her character was in my hands, and spared me any trouble of the kind.

Mary Riley is the only witness whose testimony bears upon a fact capable of seriously injuring my character. She is alone with Catherine Donnelly in making a direct attack on my morals; the others have assailed me by implication, nothing positive and tangible: Edmonds and his wife, before you, were compelled, so far, to do me justice. Who, and what is Mary Riley? By her own confession, she is the tool of Mr. Cutter's infamy, the base pandar, who, according to Rev. Mr. Beaubien, Mr. Godbout, Susan Healy, Catherine Moore, and Bridget Rooney's affidavit, hereto annexed, labored to seduce women to his licentious views; a woman of dissolute life, who has had three children by three different fathers; who swears that she has been a wife, and has never been so; who has changed her religion three or four times from interested motives; a drunkard, whose depraved appetite for liquor drove her to drink even the alcohol which had been used to bathe cholera patients; a woman whose drunken habits and dissolute life had procured her dismissal from the Hospital, and who states, nevertheless, on oath, that she left it of her own accord. This is the woman who charges me, on oath, with having been found by her three different times in the operating-room, in the very act of criminal connexion, but who, before you, can remember only two occasions on which she so found me. It is right to remark the cunning choice which Edmonds and this woman have made of the only room in the Hospital into which there is a view from the outside. Had Mr. Beaubien and I been disposed to commit the crime with which we are charged, it is hardly to be presumed that we should have chosen the room for our purpose in which we might be seen, while our bed-rooms open in the same passage at the extremity of the Hospital and opposite to that very operating-room, perfectly removed from every prying eye, and where no one could have thought of watching us. But a place was to be selected for their purpose in which they might say they had seen us without being seen, and that room suited their views. Nothing can come up to the absurdity of the remonstrances which she says she made use of towards Jane Hamilton, and of the acknowledgment which she says she got Hamilton to make in a moment of repentance, coupled as it is with the acknowledgment which you drew from her in the course of the inquiry, that she had herself tried to bring Jane Hamilton to consent to Mr. Cutter's unchaste proposals. She swears besides, that Jane Hamilton bore a bad character in Ireland, was there expelled from an hospital, and that here she is,

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

rough and cruel in her treatment of the patients; facts which are contradicted by the certificates which I produce, by the whole result of the inquiry, and, as to the Irish part of them, further testimony of Susan Healy. What could have influenced that woman to invent her story about me and Jane Hamilton? Her jealousy of the latter, who had no more right, she says, to be kept in the Hospital than she had, and her hatred of me whom she considered as the author of her disgraceful discharge.

Sufficient reasons to discredit the evidence of Eliza Morton might be found in her connexion with Richard Edmonds, but additional grounds are furnished by the fact, proved during the inquiry into Mr. Cutter's conduct, that in his embezzlement of the rations, she was his accomplice and his partner, and were any other incentive needful to be shown up, it exists in the declaration which she makes, that she was unjustly discharged. Her anger once vented, she gave evidence which is far from unfavorable to me. Sarah Garland disproves her assertion, that I sent for her (Morton.) It is absurd to allege that I told her husband that he, she, and John McDonald were the best servants of the Hospital, since all three of them were dismissed by the Commissioners, I may say, at my desire.

She saves us the trouble of disproving what she states in her affidavit, that Jane Hamilton had made away with property belonging to the Hospital, for her own use and that of her friends, as well as her statement relative to my having done the same thing; not that I needed her self-contradiction; the evidence of Catherine Moore and Bridget Sweeny are, I think, conclusive to vindicate me from that charge. I must notice, however, the malice of the construction which she puts upon my prohibition of her visits to Kate Henderson, while she admits before you what Catherine Moore confirms, that I had sent, by Moore herself, to inform her what was the matter with Kate Henderson.

Last comes Catherine Donnelly, then as now servant to Mr. Cutter. The tone of her deposition, the self-possession with which a young girl of twenty describes the liberties which a man has taken with her, would sufficiently establish her character, and render her morals as suspicious as her veracity, even if she were not in Mr. Cutter's service. She says she was aware what characters we bore, even before she entered the Hospital. Mr. Beaubien and I were considered as two libertines. This imputation, clearly disproved by the result of the inquiry, by which it appears that we have both borne unimpeachable characters, would, if true, make against herself. For what are we to think of a young girl, who purposely exposes herself to the insults of two libertines—of a young girl who went to live in the Hospital, knowing, as she says, that another young girl of her age, Mary Lehman, had endured insults from its inmates. The history of Mary Lehman has been already sufficiently detailed during the inquiry into the conduct of Mr. Cutter. This miscreant, not satisfied with abusing the weakness of a young creature, whom he had adopted as his own child solely to seduce her and to gratify his lust, would lay upon others a share of the shame and of the infamy of his conduct, and employs as his agent in the hallowed work another young girl, whom, if not already ruined before, I should not hesitate to affirm that he has ruined. She was an acquaintance of Kate Henderson, who doubtless had her sympathy. She witnessed my harshness towards the patients, but better informed than Edmonds, she has the sense to sustain her accusation by using the name of some one who is some where in the United States. It would be a waste of time to dwell on the testimony of a woman who has shown herself unable to resist a seduction, the object of which was to render her the tool she is in the hands of her suborners. Catherine Donnelly is the

Appendix
(R. R.)

18th July.

person who, deputed by Mr. Cutter, offered money to Mary Mitron to induce her to give evidence against me.

It is not difficult now to understand why Mr. Beaubien has been joined with me in the charges, and why recourse has been had to perjury to blacken him equally with myself. He resided and was in daily official contact with me; his evidence would have completely cleared me; but I cannot imagine with what view Jane Hamilton was joined in the charges—without question the best nurse in the establishment, and a person who is proved by the result of the inquiry, to be not only of irreproachable character, but worthy of the highest praise, which is indeed abundantly bestowed on her by the ministers of a religion different from her own, unless it were Mr. Cutter's desire to revenge himself for her contempt of his proposals.

I come now to the charges exhibited by the Board of Trade. And here again it is evident that, not only Mr. Beaubien and myself, but also the Commissioners are the victims of a plot of which some one in the Hospital must be the inventor and the director.

The explanations which I have already given on the subject of the Will having been satisfactory to His Excellency, I might spare any allusion to it; but I cannot avoid answering the charge of having been an accessory to the false entry which Mr. Cutter made in the Book of Deposits, availing himself, for that purpose, of a blank left before my initials, which I had written there in order to attest the deposit, and not the re-delivery of the money to the depositor. You have yourselves ascertained that I certified nothing but the deposit, and the perversion of which I am accused by Mr. Cutter, as being accessory to it, together with himself, and which he says is our common concern, falls back on him and covers him with infamy. The criminal who divulges his own knavery solely to have the satisfaction of implicating another, has sunk to a depth of moral degradation, of which society happily offers but few examples, and this cool audacity of wickedness would be proof sufficient were other proofs wanting of the total worthlessness of the evidence of such an accuser.

As to attempts at religious conversion of the patients, not only does the inquiry clear me of that charge, but I venture to aver that nothing of the kind has ever happened in the Hospital, at least to my knowledge, since I entered it as House Physician. Two-thirds of the servants, who are alleged to be all Catholics, and are accused of participating in the said attempts, are actually Protestants. If any sect has reason to complain, it certainly is the Catholics, who, although furnishing the majority of the patients, at least since I have been connected with the Hospital, as may be seen in the annexed table, have nevertheless but few of their religion among the servants who belong to it.

I think I have fully and satisfactorily answered the charges brought against me by Mr. Cutter, by the Board of Trade, and by Dr. Marsden, and that I have fully proved to you that those charges had their origin in any thing rather than my criminality. I have the consciousness of my innocence, and the conviction that with all the facts before you, you acknowledge it, and that I have respected as a sacred trust the morals and the religion of patients and servants, and the property both of the establishment and of the patients themselves. Still young, and at the outset of my career, a member of an honourable profession, and filling under Government a situation both honourable and confidential, although innocent, I felt humiliated on being attacked by the combined efforts of malice and treachery. Almost faster than I could parry them, came on the attacks of hatred and prejudice. I saw no

Appendix
(R. R.)

18th July.

bounds to the efforts of revenge, which every day assumed new shapes—every day more deeply plotted my destruction.

Witnessing the peccation and the immoral scenes acted in the Hospital, I felt that I had a duty to fulfil; and notwithstanding my repugnance to the office of an accuser, I laid before you the serious complaints which certain sailors had laid against the Superintendent on leaving the Hospital, with those facts annexed which were the result of my own observation.

I did not call for an inquiry. Having the facts before you, and those of so grave a character, it was for you to decide whether an inquiry was necessary. You thought it was: and you know, Her Majesty's Government knows, whether it proved more or less than I alleged.

Mr. Cutter, who at first stood merely on the defensive, was excited by an unseen prompter, to accuse me of precisely those crimes and the disgusting immorality which marked his own case.

The same invisible prompter directed the proceedings of the Board of Trade, and urged them to set up vague charges, the odium and the disgrace of which must necessarily, as a result of the inquiry, fall back upon their own heads if they persist in screening the hidden accuser.

The press was set to work in the cause, and that evidently by the same invisible hand.

The Visiting Physicians were set in motion also, by the same unseen power, and all the parties concerned in the work of accusation, moved by this invisible prompter, pressed forward unwittingly and passively to defeat, for the benefit of [the unseen] one. Lastly, Dr. Marsden, obeying the same power which had set so many others in motion lends his hand in aid of Mr. Cutter's dirty work, doubtless because he has fallen from sight and light as he has done. He produces before you a mass of charges, duly scrolled and sworn to.

Now what but this hand, pointing the dagger in the dark, arming with it every hand, could have enlisted such a person, entirely unconnected with the Hospital, as a fiery volunteer in the cause? Why has he undertaken with untiring fanaticism to stand forth as the champion and avenger of religion and morality, which he affirms are daily outraged in this establishment? Such a part is not consonant with his natural character. Is he not, in fact, notorious, before you and the whole world for his immorality? Does not the public know, that although a married man, he is the fancy-man and the bully of a house of ill-fame? Has he not been seen walking, without shame, through the streets of the city, with the ignoble mistress of the bawdy-house which he patronises?

In order to find my accusers, he had to band himself with the off-scourings of the streets, to secure whom, he paraded them in his own carriage. If it were needful for my exculpation, if above all, common decency did not forbid it, I might allege with circumstances not to be denied or disproved, the moral degradation of this man, the foremost among my accusers. But there is a bound, beyond which self-respect and respect for others, forbid the honourable man to pass, even to secure the triumph of truth and justice, but in the very extremity of need. Happily, and by the favour of Providence, I come forth from the inquiry in a position demanding no such sacrifice.

Mr. Beaubien and I are therefore the victims of a plot hatched in the impure and fermenting filth of depraved hearts, whose poisonous fumes make virtuous modesty sicken and wither; and he who undertook to manipulate the mixture—all in the cause of religion and morality—is Doctor William Marsden.

It is fit that I apologise to you, Gentlemen, if after tearing the veil from the basest of conspirators, I

have given too free a course to my indignation, and by the use of terms perhaps too energetic, have put slander out of countenance, slander, be it remembered, which has pursued me open mouthed for six months with a fury of which I did not think men capable.

Permit me to request that you will be pleased to submit this my defence to His Excellency at the same time when you submit to him the other documents relative to the inquiry.

I have, &c., &c.,

(Signed,) C. E. LEMIEUX,
House Surgeon, M. & E. H.

A true copy.

(Signed,) N. CASAULT,
S: T. C. M. & E. H.

List of servants employed in the Marine Hospital, during the month of June, 1850:

Names.	Religion.
Jorham Moorehead,	Protestant.
John Kelstrip,	Protestant.
Jane Hamilton,	Protestant.
John McDonald,	Protestant.
Eliza Edmonds,	Protestant.
Joseph Neale,	Protestant.
Richard Edmonds,	Protestant.
Eliza McNaulty,	Protestant.
Joseph Cross,	Protestant.
Catherine Moore,	Catholic.
Sarah Garland,	Catholic.
Marianne McCarty,	Catholic.
Dennis Driscoll,	Catholic.

These servants remained throughout the summer at the Hospital, as long as their services were required. In the month of October they were the same, with the exception of Driscoll, Neale, Cross, and Edmonds.

(Signed,) C. E. LEMIEUX,
H. S. M. & E. H.

True copy.

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

A Table, showing the number of Protestants, Catholics, and persons belonging to other sects, admitted into the Marine Hospital, from 1847 to 1850 inclusive:

Years.	Prot.	Dissent.	Cath.	Total.
1847,	1403	549	3021	4973
1848,	482	180	368	1030
1849,	595	176	724	1495
1850,	423	164	629	1216
Total,	2903	1069	4742	8714

(Signed,) C. E. LEMIEUX,
H. S. M. & E. H.

Province of Canada, }
District of Quebec. }

Bridget Rooney, servant of Mr. M. Marragh, master joiner, born in Ireland, and now of the City of Quebec, being duly sworn on the Holy Evangelists of Almighty God, deposes and saith:

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July

That she has known Mary Riley in Ireland, in the Poor House of Manor Hamilton, where said Mary Riley was employed as a nurse. That it is to the knowledge of the said deponent that the said Mary Riley, being a Roman Catholic, became a Protestant in the said Poor House of Manor Hamilton. That the said Mary Riley, on arriving at the Marine Hospital at Quebec, gave herself as a Catholic, but on leaving the same Hospital became again a Protestant. That it was of notoriety in the said Poor House of Manor Hamilton Hospital, that the said Mary Riley was not a married woman, though she had three children, bearing three different names, and supposed to have three different fathers. The eldest of about ten years of age, called Robert Sweeney; the second, aged about six years, Mary Dolan, and the third, five years of age, called James McGowan.

The deponent further saith that she came with those three children to Quebec, where she, the deponent, hath seen them, and one of which, she is told the eldest, Robert Sweeney, is under the care of the Lord Bishop of Quebec, and cannot sign.

(Signed,) BRIDGET ^{her} ROONEY, _{mark}

Quebec, 20th March, 1851.

Sworn before me,

(Signed,) J. BTE. TRUDELLÉ,
J. P.

A true copy.

N. Casault,
S. T. C. M. and E. H.

Province of Canada, }
District of Quebec. }

Thomas Burns, a sailor, formerly employed in the bark "John Karr," now residing in the City of Quebec, after having been a patient in the Quebec Marine Hospital since the thirteenth of November last to the seventeenth of February instant, being duly sworn on the Holy Evangelists, deposeseth and saith:

That on Tuesday, the eighteenth of this month of February, eighteen hundred and fifty-one, he, the said Thomas Burns, called at the office of Archibald Campbell, Esq., N. P., on business. That the said deponent was leaving the office when the said Archibald Campbell, Esq., called him back, and wanted to know if he, the deponent, had been a patient in the Quebec Marine Hospital. That the deponent answered him he had. That the said A. Campbell, Esq., conducted the deponent in a private room, and wished to see the deponent's papers of discharge. That the said deponent gave them to the said A. Campbell, and took them in his hands, but who did not look at them. That the said A. Campbell, Esq., told to the deponent that he wanted to have him, the deponent, as a witness. That the said A. Campbell made many enquiries about the Quebec Marine Hospital, and that he asked from the deponent if he, the deponent, had heard something very hard against the officers of the Quebec Marine Hospital. That the deponent answered he had known of the patients having been deprived of a part of their rations, but that the said patients were all perfectly satisfied since the whole conducting of the establishment was in the hands of Dr. Lemieux. That the said A. Campbell, Esq., asked from the deponent if it was not true that Dr. Lemieux did try by all means to convert Protestants to be Catholic. That the deponent answered,

he did not hear of the like. That the said A. Campbell, Esq., appeared much surprised by the deponent informing him that he, the said deponent, a Scotchman, was a Catholic, as well as his own father. That the said A. Campbell, Esq., asked from the deponent this other question: "On your conscience, is it not a disagreeable thing to be amongst the Catholics?" That the deponent's answer was: "I will rather be amongst them than amongst the countrymen. I never found most decent and honest men as long as I have been amongst them." That Arch. Campbell, Esq., added nothing more, and that the deponent went away.

The present declaration being read to him, the deponent declareth and saith it is perfectly correct, and nothing but the truth; and requested to sign, he, the deponent, signs of his own hand.

(Signed,) THOMAS BURNS.

Sworn at the City of Quebec,
this 25th day of February,
1851, before me,

(Signed,) Ed. ROUSSEAU,
J. P.

True copy.

(Signed,) N. Casault,
S. T. C. M. and E. H.

I, the undersigned, one of the Visiting Physicians of the Marine and Emigrant Hospital, certify that I had medical charge of a young girl named Catherine Henderson. This girl had syphilis, and was placed on the landing on the top of the stairs, so that she could be privately examined and attended to. When I ceased to attend, on the 15th of September, 1850, she was still an inmate of the Hospital.

(Signed,) ALFRED JACKSON,
V. P. M. and E. H.

Quebec, 28th March, 1851.

True copy.

(Signed,) N. Casault,
S. T. C. M. and E. M.

QUEBEC, 28th March, 1851.

I, the undersigned, a Visiting Physician to the Marine and Emigrant Hospital, certify that at the commencement of the month of July last, an Emigrant girl was admitted into the Hospital, and placed in Fever ward No. 73. The House Physician had classed her disorder as "Febricula;" but, not finding even the slightest symptoms of fever present, I was on the point of sending her into another ward, when it was made known to me that her disorder was syphilis: she was accordingly placed under the charge of my colleague, Dr. Jackson, and lodged apart, at the top of the great staircase, near the garret, with a screen around her bed. As to the girl's name, I am quite unable to give it, not being in the habit of inquiring the names of my patients: it is sufficient that they are entitled to be received into the Hospital. However, as I am informed by M. Victor Pelletier, then acting Apothecary, and by the nurse, who still fills the same situation, and as both these parties make oath that the girl to whom

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

19th July.

I allude was called Catherine Henderson, I am almost certain that all this is correct.

(Signed,) JOS. PAINCHAUD,
V. P. M. & E. H.

A true Copy.

(Signed,) N. CASAULT,
S. T. C. M. & E. H.

EXTRACT from the Register of Baptisms and Burials of the Marine Hospital, for the year one thousand eight hundred and fifty.

On the twenty-fifth of October, one thousand eight hundred and fifty, I, the undersigned, Priest, interred in the burial-ground belonging to the Marine Hospital the body of Catherine Costello, deceased, on the twenty-third of October, aged one year and a half.

At the said Hospital. —

Present—Thomas Buckley and Louis Nolia, who were unable to sign.

(Signed,) W. RICHARDSON, Pt.

Which extract I, the undersigned, Priest, performing the religious service of the said Marine Hospital, certify to be a true and exact copy of the original register in my possession.

(Signed,) W. RICHARDSON, Pt.

ST. ROCHES, QUEBEC, 4th April, 1851.

A true copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

EXTRACT from the Register of Baptisms and Burials of the Marine Hospital, for the year one thousand eight hundred and fifty.

On the twenty-fifth of October, one thousand eight hundred and fifty, I, the undersigned, Priest, interred in the burial-ground of the Marine Hospital, the body of Anne Sheely, a native of Ireland, deceased the day before in the said Hospital, aged twelve years.

Present—Thomas Buckley and Louis Nolia, who were unable to sign.

(Signed,) W. RICHARDSON, Pt.

Which extract I, the undersigned, Priest, performing the religious duty of the Marine Hospital, certify to be a true and exact copy of the original register in my possession.

(Signed,) W. RICHARDSON, Pt.

A true copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

CERTIFICATES OF JANE HAMILTON.

I certify that Jane Hamilton served as nurse in the Fever Hospital of this town for nine months,

during which period she conducted herself honestly, soberly, and quietly.

(Signed,) THOMAS DAVIS,
M. D. and Surgeon, Med. Officer,
Manor Hamilton Fever Hospital.

Dated at Manor Hamilton,
the 6th April, 1849.

True copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

I have known Jane Hamilton for some time, and believe her to be a proper, well-conducted woman, quiet and orderly. She is a member of the Established Church.

Manor Hamilton, 6th April, 1849.

(Signed,) JOHN HAMILTON,
Curate of the Union of Manor Hamilton.

True copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

We believe Jane Hamilton, late of this parish, to be a woman of very good character. We have known her for the last six years.

(Signed,) JOHN HAMILTON,
Curate of the Union of Manor
Hamilton, Dist. Kilmore.

(Signed,) THOMAS DAVIS,
M. D. and M. R. C. S.

10th December, 1849.

True copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

I certify Jane Hamilton has always acquitted herself to my entire satisfaction, as a faithful and highly intelligent nurse, whenever she may have been called upon to act under my orders.

(Signed,) A. ROWAND.

St. Louis street, 10th March, 1851.

True copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

QUEBEC, 1st March, 1851.

I certify that Jane Hamilton has discharged her duty as a nurse in the Marine and Emigrant Hospital, from the 31st May, 1849, to this date, in a manner worthy of the highest praise.

(Signed,) A. C. ROBITAILLE,
Visiting Physician.

A true copy.

(Signed,) N. CASAULT,
S. T. C. M. and E. H.

The bearer, Jane Hamilton, has been employed in the Marine and Emigrant Hospital as nurse, since

Appendix
(R. R.)

18th July.

Appendix
(R. R.)

18th July.

the 1st June last. She is a kind and faithful nurse, and is very active, honest, and trustworthy.

Marine and Emigrant Hospital,

Quebec, April 10th, 1850.

(Signed,) ISAAC H. CUTTER,
Steward M. and E. H.

True copy.

(Signed,) N. CASAUET,
S. T. C. M. and E. H.

—
Quebec, 25th February, 1851.

Jane Hamilton has been a nurse in the Marine Hospital since the summer of 1849. We never had a better in the Hospital. The Typhus ward was always her charge. I have had many opportunities of ascertaining her character and good conduct. She is extremely gentle and zealous in attending on the sick. She has attained middle age, is perfect and invariably sober, and her moral appear irreproachable. The late Steward, Cutter, said something to me to her disadvantage last autumn, but he alleged nothing in the least derogatory to her morals. His charge against her was, that she had accused him of falsifying his accounts.

(Signed,) JOS. PAINCIAUD,
Vic. Phy. Mar. and Emigt.
Hospital, Quebec.

True copy

(Signed,) N. CASAUET,
S. T. C. M. and E. H.

—
Quebec, 18th December, 1850.

I knew Jane Hamilton during ten months or thereabouts when I had charge of the Marine Hospital in the capacity of Chaplain. During that period, her perfect neatness and cleanliness, her zeal in the discharge of her duties, her ready and cheerful attention to the patients, on whom she lavished the most tender care, were truly striking. Moreover, the patients themselves bore witness to her excellence, and I think that their testimony justifies me in attesting her honesty and trustworthiness.

(Signed,) E. BONNEAU, Pt.
Ass. Pt. of St. Patrick's.

True copy.

(Signed,) N. CASAUET,
S. T. C. M. and E. H.

Appendix
(R. R.)

18th July.

Having often had occasion to visit the Marine Hospital since Jane Hamilton has been employed there, and having had charge during one month of the Catholic patients in the establishment, whom I visited daily, I willingly add my testimony to that of the Rev. Mr. Bonneau, having frequently been struck with the zeal and intelligence with which she discharged her duty.

(Signed,) C. F. CAZEAU,
Vicar-General.

Archbishop's Palace, 19th Dec., 1850.

True copy.

(Signed,) N. CASAUET,
S. T. C. M. and E. H.

—
St. Roch's, 1st April, 1851.

The undersigned certifies that, during seven months that he has had charge of the Marine Hospital as Chaplain, Jane Hamilton has proved herself to be honest, worthy to be trusted, and truly zealous in the performance of all her duties.

(Signed,) W. RICHARDSON, Pt.,
Chaplain, M. and E. H.

True copy.

(Signed,) N. CASAUET,
S. T. C. M. and E. H.

The undersigned certifies, that during five months since Jane Hamilton was admitted into the Marine Hospital as nurse, she has performed all her duties with the strictest regularity. Moreover, having passed a month and a half in the Hospital during the prevalence of the cholera, and being on foot night and day to administer the consolations of religion to the members of his Church, the undersigned was enabled to see and judge with his own eyes how matters were conducted, and, at the same time, to remark whatever irregularities existed. During that period, he has had the fullest reason to approve of the conduct of Jane Hamilton. He does not hesitate; he feels himself bound in justice to bear witness to her good morals, her regularity, and her faithfulness in the fulfilment of her duties.

(Signed,) N. BEAUBIEN, Pt.,
Curé of St. Vallier,
Late Chaplain to the Marine
Hospital.

Marine Hospital, 19th Feb. 1851.

True copy.

(Signed,) N. CASAUET,
S. T. C. M. and E. H.

RETURN

TO AN ADDRESS from the Legislative Assembly to his Excellency, the Governor General, dated the 5th ultimo, praying His Excellency to cause to be laid before the House, "A Tabular Return of the several Companies formed in this Province, " under the authority of two several Acts, passed in the second Session of the present " Parliament, chapters 56 and 84, authorizing Joint Stock Companies to construct " Roads and other Works ;—the amount of Capital subscribed in each, whether for " Roads or other Works ; and the extent of Road contemplated by each Company."

By Command,

J. LESLIE,
Secretary.

Provincial Secretary's Office,
Toronto, 18th July, 1851.

RETURN relative to the " Bytown and Aylmer Union Turnpike Company."

Name of Company.	Amount of Capital subscribed.	Extent of Road.
Bytown and Aylmer Union Turnpike Company,	400 Shares of £ 5 each, £ 2,000,	From the Union Suspension Bridge to the Steamboat landing at Aylmer.

Note.—The above return is made from the copy of the Deed of Association deposited by the Company in the Office of the Provincial Secretary; the Registrar of the County of Ottawa not having replied to the circular letter addressed to him on the 9th June last.

REGISTRY OFFICE,
SHEFFORD, 20th June, 1851.

HON. J. LESLIE,
Provincial Secretary.

SIR,—Agreeable to your request, I transmit you the following Return, by which you will ascertain the only Instrument of Association which has been enregistered in this Office, under the provisions of the 3rd Section of the Act 12 Vict. cap. 56.

Name of Association	Amount of Capital.	
Farnham West Bridge Company	£ 275	Bridge across Yamaska River.

I have the honour to be, Sir,

Your obedient servant,

H. S. FOSTER,
Registrar.

Appendix (S. S.)

Appendix (S. S.)

13th July.

18th July.

TABULAR RETURN of Companies who have enregistered in the Registry Office for the County of Quebec Instruments of Association under the provisions of the 3rd Section of the Act 12 Vict., chap. 56.

Names of Companies.	Objects contemplated.	Extent of Works contemplated.	Amount of Capital subscribed.
"The Carouge Pier and Wharf Company."— (Directors Malcolm Cameron, John Egan, Arthur Ritchie, William Stubbs, and John Supple.)	Construction of Piers and Wharves on the Beach at or near the mouth of the River Cap Rouge in the Parishes of St. Foy, and St. Augustine, in the District of Quebec, and in deep water of the River St. Lawrence in front of the same;—for keeping, piling, storing, warehousing, and preserving Timber, Deals, Staves and other Lumber and Produce.	Three or more Warves or Piers of from 100 to 200 feet in length by 40 feet to 80 in breadth.	Capital Stock £11,000 currency. (No information of Amount subscribed.)

C. M. MONTIZAMBÉRT,
Registrar.

Quebec, 25th June, 1851.

TABULAR RETURN of Instruments of Association, under the provisions of the 3rd Section of the Act 12 Vict. cap. 56, enregistered in the Registry Office of the County of Beauharnois, up to date, in compliance with a request of His Excellency, the Governor General, through the Provincial Secretary.

Whether Road, or other Works.	Designation of Company.	Capital Subscribed.	Extent of Road contemplated.	Date of Instrument.	Date of Enregistration.
Plank Road.....	Huntingdon and Lake St. Francis Plank Road Company	356 Shares, Amount £1780, cy.	Eight miles or there about, from Huntingdon Village to Lake St. Francis, or River St. Lawrence.	Dated 29th September, 1849, Act de dépôt made before Mr. F. Lighthall, N.P. and Colleague, 27th February, 1850.	7th March, 1851.

Registry Office, Durham, Ormstown, 16th June, 1851.

D. K. LIGHTHALL,
Registry Office, Beauharnois.

RETURN of Companies formed in the County of Dundas under Provincial Act, 12 Vict., chap. 84, authorizing Joint Stock Companies to construct Roads and other Works.

Name of Company.	For what purpose formed.	Amount of Capital subscribed in the County of Dundas.			Extent of Road.	Remarks.
		£	s.	d.		
Williamsburgh Road Company.	To construct a Gravelled or Plank Road from West Williamsburgh to North Williamsburgh.	1400	0	0	6½ miles	Company formed 1st May, 1850. Registered 5th August, 1850.
		Total	£ 1400	0			0

ALEXANDER McDONELL,
Registrar.

Register Office, County of Dundas,
16th June, 1851.

REGISTRY OFFICE, COUNTY OF CARLETON,
BYTOWN, 19th June, 1850.

SIR,—I have been honoured by receipt of your letter of 12th instant, and, in reply, to acquaint you that two Companies (only) have been formed in this County, under the Act 12th Vict., Chap. 84, and as these Associations are formed for the same Road and same portion thereof, and the parties I believe having had recourse to the Courts of Law, I have deemed it advisable to send copies of the documents recorded in this

Appendix
(S. S.)
18th July.

Appendix
(S. S.)
18th July.

Office, which will afford the information called for, and put you in possession of the matter at issue, should any reference be made to His Excellency the Governor General, on the subject.

I have the honour to be, Sir,
Your obedient servant,

GEO. T. BURKE,
Registrar, County Carleton.

To the Honourable,
J. Leslie, &c., &c.

Be it remembered, That on this twenty-first day of April, in the year of our Lord One Thousand Eight Hundred and Fifty-One:—We the undersigned Stockholders met at the Town of Bytown in the County of Carleton, in the Province of Canada, and resolved to form ourselves into a Company to be called The Bytown and Nepean Road Company, according to the provisions of a certain Act of the Parliament of this Province, intituled “An Act to authorize the formation of Joint Stock Companies for the construction of Roads and other Works in Upper Canada,” for the purpose of constructing a Plank or Macadamized Road from the Town of Bytown in the County of Carleton, to Bell’s Corners at the junction of the Richmond and Ramsay Roads in the Township of Nepean in the said County of Carleton, and we do hereby declare that the Capital Stock of the said Company shall be Three Thousand Pounds, to be divided into Six Hundred shares at the price or sum of Five Pounds each, and we the undersigned Stockholders do hereby agree to take and accept the number of shares set by us opposite to our respective names, and we do hereby agree to pay the calls thereon, according to the provisions of the said in part recited Act, and of the Rules, Regulations, Resolutions and By-laws of the said Company, to be made or passed in that behalf; and we do hereby nominate Andrew Dickson, Esq., of Pakenham, Alexander Campbell, Esq., of Kingston, Nathaniel Burwash, Esq., of Bytown, Daniel Hilliard of Pakenham, merchant, and William Forbes of Fitzroy, yeoman, to be the first Directors of the said Company.

Names.	Number of Shares.	Amount.
Andrew Dickson,	two hundred	£ 1000
A. Campbell,	two hundred	1000
N. Burwash,	twenty	100
Daniel Hilliard,	fifty	250
William Forbes,	fifty	250
Robert Lees,	eighty	400

True Copy.

GEO. T. BURKE,
Registrar, County Carleton.

Be it remembered, That on this nineteenth day of May, in the year of our Lord One Thousand Eight Hundred and Fifty-One: We the undersigned Stockholders met at Bytown, in the County of Carleton, in the Province of Canada, and Resolved to form ourselves into a Company to be called The Bytown and West Carleton Road Company, according to the provisions of a certain Act of the Parliament of this Province, intituled “An Act to authorize the formation of Joint Stock Companies for the construction of Roads and other Works in Upper Canada,” for the purpose of constructing a Macadamized Road from the western limits of Bytown to Bell’s Corners, being on lot number thirty-five in the fourth Concession of the Township of Nepean, Rideau front, in the County aforesaid, a distance of about nine miles, following, as far as it is practicable and preferable, the site and course of the present highway, and we do hereby declare, that the Capital Stock of the said Company shall be Five Thousand Three Hundred and Sixty Pounds currency, to be divided into One Thousand and Seventy-Two Shares, at the price or sum of Five Pounds each, and we the undersigned Stockholders do hereby agree to take and accept the number of Shares set by us opposite to our respective signatures, and we do hereby agree to pay the calls thereon, according to the provisions of the said in part recited Act, and of the Rules, Regulations, Resolutions and By-laws of the said Company: and we do hereby nominate John McKennon, Hamnet Hill, Nicholas Sparks, John Bower Lewis, and Chester Chapman, to be the first Directors of the said Company.

True Copy.

GEO. T. BURKE,
Registrar, County Carleton.

Appendix
(S. S.)
18th July.

Appendix
(S. S.)
18th July.

Names.	Number of Shares.	Amount.
		£ s. d.
Municipality of Nepean,—Chester Chapman, Reeve.	two hundred	1000 0 0
John McKinnon,	fifty	250 0 0
Hamnet Hill,	fifty	250 0 0
Charles Forest,—by his Att'y G. W. Baker,	sixty	300 0 0
Geo. B. Lyon,	fifty	250 0 0
T. B. Lewis,	fifty	250 0 0
N. Sparks,	one hundred	500 0 0
Chester Chapman,	two	10 0 0
Andrew Main,	fifty	250 0 0
Edw. Malloch,	one hundred	500 0 0
Simon Fraser,	fifty	250 0 0
John Thomson,	fifty	250 0 0
Alex. McIntosh,	five	25 0 0
Peter Christie,	five	25 0 0
Municipality of Nepean,—Chester Chapman, Reeve.	two hundred	1000 0 0
Joseph Aumond,	fifty	250 0 0
	1072 Shares	£5360 0 0

True Copy.

GEO. T. BURKE,
Registrar County Carleton.

COUNTY OF RENFREW REGISTER OFFICE,
MacNab, 19th June, 1851.

HONOURABLE SIR,—In reply to your favour of the 12th instant, requesting a Tabular Return of the several Companies formed in the County of Renfrew, under the Provincial Act, 12 Vict. cap. 84, authorising Joint Stock Companies to construct Roads and other works,—

On the 21st day of January, 1851, a number of Persons met at the Village of Cobden, in the County of Renfrew, in the Province of Canada, and resolved to form themselves into a Company, to be called the Horton and Ross Plank and Macadamized Road Company, which said road to commence from the River Ottawa, on lot No. 24, in the seventh Concession of the Township of Horton and ending on lot No. 27, sixth Concession of the Township of Ross, being a distance of two miles or upwards.

The Capital Stock declared to be £300
Divided into sixty shares, the whole has been subscribed, say..... 300

Cobden, February 15, 1851.

Received of the Stockholders of the Horton and Ross Plank and Macadamized Road Company, the sum of eighteen pounds, being six per cent. of the Capital Stock of said Company, subject to the order of the Directors of the same.

(Signed)

JOHN RANKIN,
Treasurer and Secretary.

Director's Names :
SPENCER ALLEN,
JASON GOULD,
JOHN RANKIN,
JOHN MERTON,
D. F. McLAREN.

The above appears to be the only work, under the above Act, that is recorded in the books of this office.

I am, Sir,
Yours respectfully,

JAMES MORRIS,
Registrar, County of Renfrew.

RETURN showing the several Joint Stock Companies formed and registered in the County of Lanark, under the Provincial Act, 12 Vict., cap. 84, from the passing of the said Act to the 16th day of June, 1851.

Name of Company, and for what purpose formed.	Length of Road Contemplated.	When Registered.	Amount of Capital subscribed.
Drummond and Bathurst Plank Road Company, to construct a Plank and Gravelled Road from the Town of Perth to Balderson's Corners,	About six miles.	11th December, 1850.	£2000 currency.

JAMES BELL,
Registrar, County of Lanark.

Perth, 17th June, 1851.

Appendix
(S. S.)

18th July.

Appendix
(S. S.)

18th July.

TABULAR STATEMENT of the only Company registered in the Registry Office for the County of Grenville, as formed under the authority of the Provincial Act, 12 Vict., cap. 84, authorising Joint Stock Companies for the construction of Roads and other works in Upper Canada.

Name of Company.	Amount of Capital subscribed in the County of Grenville.	For what purpose formed.	Extent of the Road.
The Brockville and North Augusta Plank Road Company.	Cannot be stated, inasmuch as part only of the subscribers reside in the County of Grenville; the remainder of them reside in the County Leeds. The whole amount subscribed is £3000.	For the construction of a Road.	The Road intended to be made is to extend from the main road between Brockville and Prescott, at the division line between lots Nos. 8 and 9, in the first Concession of Elizabethtown, in the County of Leeds, to North Augusta, in the County of Grenville. Distance not specified, but I suppose it to be from twelve to fourteen miles in length.

JOHN PATTON,
Registrar, County of Grenville.

Prescott, 23rd June, 1851.

MEMORANDUM.

The Registrar of the County of Leeds has neglected to furnish a statement of the Joint Stock Companies formed in that County, although called upon to do so by this Department, on the 12th June and 10th July, 1851.

J. LESLIE,
Secretary.

Provincial Secretary's Office,
Toronto, 18th July, 1851.

REGISTRY OFFICE, COUNTY OF FRONTENAC;
KINGSTON, 16th June, 1851.

SIR,—I have the honour to acknowledge the receipt of your letter of the 12th instant, requesting a return of the several Companies formed in the County of Frontenac under the Provincial Act 12 Vict., ch. 84, for authorizing Joint Stock Companies for the Construction of Roads or other Works, &c.

In reply I beg to state that I am not aware of more than one such Company as yet in this County, incorporated under the said Act, viz. the Kingston and Bath Road Company. The Amount of Capital subscribed is £2,500, (two thousand five hundred pounds,) and the extent of the Road contemplated to be improved and macadamized, is six and three-fourth miles, and is to be erected within the limits of the Township of Kingston on the present travelled road leading to Bath from the City of Kingston.

I have the honour to be, Sir,

Your obedient Servant

JAMES DURAND,
Registrar

To
The Hon. J. Leslie,
&c., &c.

Appendix
(S. S.)

18th July.

Appendix
(S. S.)

18th July.

RETURN of the several Companies formed in the County of Hastings, under the authority of the Provincial Act, 12 Vict., cap. 84; as well as a Return of such Companies formed under the authority of the old District Council of the Victoria District.

Name of Company.	Capital.	Material and Purpose.	No. of Miles.	Remarks.
<i>Companies formed under the Act.</i>				
	£			
1. Sidney and Rawdon Road Company	2000	Plank and Gravel.....	Ten Miles..	Joins No. 8.
2. Farmers' Union Road Company	2000	Plank, Macadamised and Gravel	3½ of a Mile.	Joins No. 7. N.E.
3. Trent and Frankford Road Company.....	1200	Do. do. do.	9 Miles.	
4. Hastings Joint Stock Plank Road Company	2000	Plank Road	3 Miles	From West Belleville till it joins or intersects No. 8.
5. Canniff's Mills Joint Stock Plank Road Company.....	1000	Plank Road	2½ Miles.....	
6. Front of Sidney Road Company.....	3000	Plank or Stone Road	10 Miles.....	From Bellville to the Trent.
<i>Companies formed under By-law of District Council, but not registered.</i>				
7. Belleville to Canniff's Mills	2500	Plank, double track	3 Miles	Tolls for 12 years; then to give up the property in good repair to the County.
8. Victoria Road Company	2500	Plank.....	9 Miles	Tolls for 20 years.—
			50½ Miles.	County a right to assume after 6 years by paying 12 per cent. over cost, and giving six months notice. At the end of 20 years the Road to be delivered in good condition to County authorities. All the Roads but one lead into Belleville.

G. BENJAMIN,
Registrar.

RETURN of Road Companies in the County of Durham, formed under the Act, 12 Vict., cap. 84.

Name of Company.	When formed.	Name of Township.	Extent of Road.	Amount of Capital.
Township of Hope Road Company...	27th November, 1850.	..... Hope	Six Miles	£ 1500
Hope Extension Road Company.	17th December, 1850.	..... Hope	Fourteen Miles...	3300

DURHAM REGISTRY OFFICE,
PORT HOPE, June 14, 1851.

I Certify that the above is a correct Return of all the Companies formed under the above mentioned Statutes, in this County.

GEORGE F. WARD,
Registrar.

Cobourg and Monaghan Road and Bridge Company; established 11th July, 1850.—Capital £2000; 400 Shares at £5 each.

“ A Plank or Gravel Road, and Bridge in connection, from Fitzgerald's Point, upon Rice Lake thence across the Township of Monaghan, proceeding northeasterly from said Point to the allowance for road between lots fifteen and sixteen, thence along said allowance to the Otonabee River, to bridge, the Otonabee River, thence northeasterly to the allowance for road between lots eleven and twelve of the Township of Otonabee.”

[Registered 16th August, 1850, at noon.]

Appendix
(S. S.)

18th July.

Appendix
(S. S.)

18th July.

Trent Navigation and Marmora Tram Road Company; established 18th December, 1850.—
Capital £5000; 1000 Shares at £5 each.

“ For the purpose of acquiring by purchase from the Government of this Province, that portion of the Public Works, on the River Trent, in this County, commencing at the foot of the Rice Lake, and on down the river to the foot of the slide at Heely’s Falls, including the dam and slide at Heely’s Falls, and the lock, dam and slide at Crook’s Rapids, and also the lands, buildings and hydraulic power thereunto appertaining; and also, for the purpose of constructing a Tram Road from the River Trent, above Heely’s Falls aforesaid, through the northern part of the Township of Seymour, and the southern part of the Township of Belmont and Marmora, to the banks of Crow River, at the Works of the Marmora Iron and Foundry Company, in the Township of Marmora aforesaid; the said Tram Road to extend a distance of nine miles along the height of land to the west of Crow River; the same to be made of wood and iron.”

[Registered 4th January, 1851, at two P. M.]

Trent Road Company; established 8th March, 1851.—Capital £5000; 1000 Shares at £5 each.

“ For the purpose of constructing a Gravel or Plank Road, from the mouth of the River Trent, at the western termination of the Trent Bridge, to Mallory’s Corners, on lot number twenty-four, in the third concession of the Township of Percy.”

[Registered 11th March, 1851, at one P. M.]

Trent and Frankford Road Company; established 5th February, 1850.—Capital £1262 10s.;
252½ Shares at £5 each.

“ For the purpose of constructing a Gravel, Macadamized or Plank Road from the mouth of the River Trent to the Village of Frankford, in the Township of Sidney, County of Hastings.”

[Registered 17th April, 1851, at 2 P. M.]

Bloomfield Road Company; established 25th March, 1851.—Capital £1000; 200 Shares at
£5 each.

“ For the purpose of constructing a Gravel Road from the terminus of the Port Hope and Rice Lake Road, at Rice Lake, to Graham’s Tavern, at Bloomfield, on the line between the Townships of Cavan and Monaghan.”

[Registered 28th March, 1851, at noon.]

J. CAMERON,
Deputy Registrar.

Cobourg, County of Northumberland,
14th June, 1851.

A STATEMENT

Appendix
(S. S.)
18th July.

Appendix
(S. S.)
18th July.

A STATEMENT of Companies formed to construct Roads and Bridges in the County of Peterborough.

Name of Company.	Date of		Name of Secretary and Treasurer.	Amount of Stock subscribed.			Amount paid, as per Certificate.			Leading from	Leading to, and Distance in Miles.
	Formation.	Registry.		£	s.	d.	£	s.	d.		
Cobourg and Otonabee Road Company	16th Nov. 1850.	19th Nov. 1850.	John Beatty.....	1000	0	0	60	0	0	The Road being constructed by the Cobourg and Monaghan Road and Bridges Company, to a Bridge crossing the River Otonabee.	The allowance for Road between the twelfth and thirteenth Concessions of the Township of Otonabee: along said allowance, following such deviations as have been allowed, until the junction of said allowance with a certain street named Maria Street, in Peterborough East; being about six miles, more or less.
Peterborough and Monaghan Road Company	24th Jan. 1850.	8th Feb. 1851.	William Bell	1405	0	0	90	0	0	Peterborough	The Boundary line between Cavan and Monaghan, being about six miles, more or less.

CHARLES RUBIDGE,
Registrar.

Registry Office,
Peterborough, 16th June, 1851.

REGISTRY OFFICE,
PETERBOROUGH, 16th June, 1851.

Sir,—On the evening of the 14th, I received your letter, dated the 12th instant, and I now transmit a Statement of the several Companies formed, in the County of Peterborough, for the construction of Roads, with the extent of Road contemplated by each Company.

I have the honour to be,
Sir,

Your most obedient servant,
CHARLES RUBIDGE,
Registrar, County of Peterborough.

Honourable James Leslie,
Provincial Secretary,
&c. &c.,
Toronto.

Appendix
(S. S.)

18th July.

Appendix
(S. S.)

18th July.

A TABULAR RETURN of the several Companies formed in the County of York, under the authority of the Provincial Act 12 Vict., chap. 84, authorizing Joint Stock Companies to construct Roads and other Works, the amount of Capital subscribed in that County, whether for Roads or other Works, and the extent of Road contemplated by each Company.

DATE OF REGISTRY.	TITLE OF COMPANY.	AMOUNT OF CAPITAL.	NATURE AND EXTENT OF WORK.
26th September, 1849 ...	Don Mills Road Company.....	£750 0 0	"For the purpose of constructing a Plank or Gravelled Road from the commencement of the east side of Parliament Street, including a Bridge across the River Don, from thence along the Don Road to the side line between Lots number fourteen and fifteen, in the Second Concession from the Bay, in the Township of York."
5th October, 1849.....	Yorkville and Vaughan Plank Road Company	2,000 0 0	"For the purpose of constructing a Plank Road from the south-east corner of Potter's Field, on Yonge Street, to the division line between the Townships of York and Vaughan."
8th July, 1850	Do do additional subscrip.	500 0 0	
18th March, 1851.....	Do do do	800 0 0	
19th January, 1850	Scarborough, Pickering, and Markham Wharf Company	720 0 0	"For the purpose of constructing a Wharf or Pier on Lot number one, in Concession D, in the Township of Scarborough, at the south-east angle of the said Lot, and adjoining the Town line running between Scarborough and Pickering aforesaid."
2nd February, 1850	Simcoe Street Plank and Gravelled Road Company	1,000 0 0	"For the purpose of constructing a Plank and Gravelled Road from Sydenham Harbour on Lake Ontario, on Simcoe Street, passing through Oshawa, Columbus, and Newtown, north to Orser's Tavern, in the Eighth Concession of Reach Township."
5th February, 1850	East Whimby Plank Road Joint Stock Company	1,000 0 0	"For the purpose of constructing a Plank Road, commencing at a certain point on Simcoe Street, in the Third Concession of the Township of Whitby, running from thence north-easterly until it strikes the side line between Lots numbers eight and nine—then following said side line to the rear of the Fifth Concession—then following the present Road established by the late District Council through the Sixth and part of the Seventh Concessions, till it strikes the side line between Lots eight and nine in said Seventh Concession—then following said side line north to the Township of Reach—thence north and north-westerly until it strikes the Simcoe Street Plank and Gravel Road Company's line."
11th February, 1850.....	Nonquon Road Company	4,500 0 0	"For the purpose of constructing a Plank or Gravelled Road from Sydenham Harbour on Lake Ontario, to Orser's Tavern, on Lot number nineteen, in the Eighth Concession of the Township of Reach."
26th February, 1850.....	Toronto and Guelph Road Company	2,250 0 0	"For the purpose of constructing a Plank or Gravelled Road from the terminus of the Streetsville and Port Credit Road to Georgetown."
21st May, 1850.....	Gore and Vaughan Road Company	965 0 0	"For the purpose of constructing a Plank Road, to commence at the termination of the Albion Plank Road, and thence along the Road between the Township of the Gore of Toronto and Vaughan, in the County of York, in the Province of Canada, for the distance of five miles."
10th December, 1850 ...	Yorkville and Vaughan Branch Plank Road Company	500 0 0	"For the purpose of constructing a Plank Road, commencing at the Toll Bar on the Old Humber Road, at the bottom of Wells' Hill, thence westward along said Humber Road to join the Weston Plank Road, and eventually to Plank Crook-shanks' Lane from the Plank Road above described on the Old Humber Road, down to Queen Street."
10th December, 1850 ...	The Davenport Road Company.....	1,500 0 0	"For the purpose of constructing a Plank or Macadamized Road from Queen Street along the side line between Park Lots numbers eighteen and nineteen, in the First Concession from the Bay in the Township of York and County aforesaid, commonly called Crookshanks' Lane, to the Road known as and called the Davenport Road—thence along the said Davenport Road, westerly, to the Weston Plank Road."
11th December, 1850 ...	The Pickering Harbour and Road Joint Stock Company	5,000 0 0	"For the purpose of constructing a Harbour with the necessary Piers, Wharves, Storehouses, and Planked or other Roads therewith to be connected at Frenchman's Bay, situate in broken front of Lot twenty-three, twenty-four, and twenty-five, and in the First Concession of the Township of Pickering aforesaid."

Appendix
(S. S.)
18th July.

A TABULAR RETURN of the several Companies formed in the County of York, under the authority of the Provincial Act 12 Vict., Chap. 84, authorizing Joint Stock Companies to Construct Roads and other works, &c.—(Continued.)

DATE OF REGISTRY.	TITLE OF COMPANY.	AMOUNT OF CAPITAL.	NATURE AND EXTENT OF THE WORK.
30th December, 1850 ...	The Extension Nonquon Road Company.....	£1,000 0 0	"For the purpose of constructing a Gravelled or Planked, or Macadamized Road, from a point in Lot number Nineteen, in the Eighth Concession of the Township of Reach, where the present Nonquon Road Company's Charter terminates, to the Nonquon Creek, in the Thirteenth Concession of the said Township."
1st March, 1851	Vaughan and King Plank Road Company...	1,500 0 0	"For the purpose of constructing a Plank Road from the Township line, between Vaughan and York, through the Third, Fourth and Fifth Concessions of the said Township of Vaughan, to the Township line between Vaughan and King."
10th April, 1851.....	Don and Danforth Plank Road Company*...	2,000 0 0	"For the purpose of constructing a Plank or Gravel Road from the top of the hill, on the east side of the Don, on the allowance for Road, in rear of the First Concession of the Township of York; thence along that Concession until it intersects the Danforth Road, in the Township of Scarborough; thence in the most direct line along that Road, until it intersects the Markham Plank Road."

REGISTER OFFICE, COUNTY YORK,
Toronto, 17th June, 1851.

SAMUEL RIDOUT,
Register, County York.

*A copy of a Resolution of the Directors of the above named Company, authorizing a further subscription of two hundred Shares of the Capital Stock of the said Company, has been filed with the Registrar of the County of York but the Stock has not yet been subscribed.

A TABULAR RETURN of the several Companies formed in the County of York, under the authority of the Provincial Act 13 and 14 Vict., Chap. 14, intituled "An Act to extend the Acts for the formation of Companies for constructing Roads and other works, to Companies formed for the purpose of acquiring Public Works of like nature."

DATE OF REGISTRY.	TITLE OF COMPANY.	AMOUNT OF CAPITAL.	NATURE AND EXTENT OF WORKS.
15th August, 1850.....	The Toronto Roads Company.....	£75,000 0 0	"For the purpose of purchasing the York County Roads, from the present boundaries of the said City of Toronto: Eastward, the Kingston Road to the Rouge; Northward, the Yonge Street Road and Holland Landing; Westward, the Dundas Street Road to Springfield, and the Lake Shore Road to the River Humber."
31st October, 1851	The Toronto Roads Company	75,000 0 0	"For the purpose of acquiring for ever, by purchase, the public Works hereinafter mentioned, that is to say, the Roads known as the North Toronto Road, to Holland Landing, from the liberties of the City of Toronto to the Northern terminus of said Road; the East York Road, from the River Don, at the East end of the City of Toronto, and including the Don Bridge, to the Eastern terminus of said Road; the West York Road, from the liberties of the said City of Toronto to the Western terminus of said Road; and the Lake Shore Road, from the liberties of the said City of Toronto, to the Western terminus of said Road."
14th October, 1850	The Port Whitby and Lake Scugog, Simcoe and Huron Road Company.....	20,000 0 0	"For the purpose of purchasing from the Government the Public Works at Port Whitby, and Government or Provincial Roads, Bridges, &c., leading from thence to Sturgeon Bay, on Lake Huron, together with the Branch Road, leading from the Fourth Concession of Reach to Lake Scugog, and completing in a proper manner the Works, Roads and Bridges, &c., throughout the entire line."

REGISTER OFFICE, COUNTY OF YORK,
Toronto, 17th June, 1851.

SAMUEL RIDOUT,
Register, County York.

Appendix
(S. S.)
18th July.

Appendix (S. S.)

18th July.

Appendix (S. S.)

18th July.

RETURN OF COMPANIES FORMED IN THE COUNTY OF HALDIMAND, UNDER THE AUTHORITY OF THE ACT 12 VICT., CAP. 84.

DESIGNATION.	AMOUNT OF CAPITAL.	AMOUNT PAID IN, AND TREASURER'S CERTIFICATE.	DATE OF REGISTRATION.	EXTENT OF ROAD, &c., CONTEMPLATED.
Indiana Bridge Company.....	£1,500	25 per cent.	7th September, 1850	" Across the Grand River, in the Township of Seneca."
The Brantford and Buffalo Joint Stock Rail-road Company.....	150,000	6 per cent.	4th June, 1851	{ "From the Niagara River, near Fort Erie, in the Township of Bertie, to intersect the Great Western Rail-road at or near the Town of Brantford, passing through the Town of Brantford."

AGNEW P. FARRELL,
Registrar.

Registry Office,
Cayuga, 17th June, 1851.

RETURN OF COMPANIES FORMED IN THE COUNTIES OF LINCOLN AND WELLAND, AND FYLED IN THE OFFICE OF THE REGISTRAR OF SAID COUNTIES, UNDER THE PROVISIONS OF 12 VICT., CHAP. 84.

No. 1.—Articles of Association of "The Chippawa and Niagara Falls Plank Road Company,"—filed, 17th May, 1850. From Chippawa Bridge, in the Township of Stamford, a distance of two miles or more, in the vicinity of the Niagara Falls; Plank. Capital, £1,445.

No. 2.—"The St. Catharines and Pelham Turnpike Company,"—fyled, 30th October, 1850. A Macadamized and Gravel Road from the St. Catharines and Hamilton Road, near Thomas Nugent's, in the Town of St. Catharines, to a stake planted near the barn of William Freeman Swayze, in the Township of Pelham, County of Welland; no distance mentioned.—Capital, £4,000.

No. 3.—"The St. Catharines, Thorold, and Suspension Bridge Road Company,"—fyled, 2nd May, 1851. A Macadamized and Plank Road from the Niagara Falls Suspension

Bridge, in the Township of Stamford, by the way of the Village of Thorold, to the Town of St. Catharines, in the Township of Grantham; fyled, 2nd May, 1851. Capital £3,000.

JOHN POWELL,
Registrar Lincoln and Welland.
Niagara, 17th June, 1851.

Return of Joint Stock Companies formed in the Counties of Lincoln and Welland.

No. 4.—"The Niagara and Ten Mile Creek Road Company,"—Plank, Macadamized, and Gravelled Road from the Town of Niagara to the Queenston and Hamilton Macadamized Road, at the Ten Mile Creek; distance, about eight miles; County of Lincoln. Capital, £3,830. Fyled, 25th June, 1851.

JOHN POWELL,
Registrar Lincoln and Welland.
Register Office, Lincoln and Welland,
Niagara, 25th June, 1851.

Appendix (S. S.)
18th July.

COUNTY OF WENTWORTH.

A TABULAR RETURN of the several Companies formed in the above County, as recorded in the Registry Office for the said County, under the Act, 12 Victoria, chapter 84, authorizing Joint Stock Companies to construct Roads and other works; and the amount of Capital subscribed.

Title of Company.	Date when formed.	Date of Registry.	Names of Parties.	Number of Shares.	Amount.	
					£	s. d.
The Brantford Road Company, for the purpose of acquiring, upon such terms as may be agreed upon, the Macadamized, Plank and Gravel Road, from the City of Hamilton to the Western boundary of the County of Wentworth, including the Brantford Bridge.....	14th October, 1850.	15th October, 1850.	{ John Lovejoy Charles Merigold Henry Yardington William Walker A. B. Bennett.....	2481 2481 25 10 3	12405 12405 125 50 15	0 0 0 0 0
The Brantford and Paris Plank and Gravel Road Company, for the purpose of constructing a Road from the limits of the Town of Brantford, to intersect the Paris and Dundas Road, near the Village of Paris.....	27th November, 1851.	2nd December, 1851.	{ Aramah Huntington..... Asa Wulverton Henry Moyle John Henry Moore James Moore George S. Wilkes	5000	£25000	0 0
				100 100 50 50 50 50	500 500 250 250 250 250	0 0 0 0 0 0
				400	£2000	0 0

ALEXANDER STEWART,
Registrar County of Wentworth.

A TABULAR RETURN of the several Companies formed in the County of Halton, under the authority of the Provincial Act, 12 Victoria, cap. 84, authorizing Joint Stock Companies to construct Roads and other works; the amount of Capital subscribed, &c.

Road to extend from Dundas to Phelan's Corner, at the Junction of the Western Plank Road, as near the line of the Governor's Road as possible.
Capital Stock, £10,000; in 200 shares, at £5 each.—Stock subscribed..... £10,000 0 0

Paid in previous to the Registration of the Instrument..... £600 0 0

Paris and Dundas Road Company.
Instrument dated the 7th July, 1849, formed under the Act, to authorize the formation of Joint Stock Companies for the construction of Roads, &c.:

Nelson and Nassagaweya Road Company.
Instrument dated 24th January, 1850, formed under the Act to authorize the formation of Joint Stock Companies for the construction of Roads and other works, &c.—Road from Port Nelson (in the Township of Nelson), and to continue through the said Township, and the Township of Nassagaweya, on or near the road allowance between the third and fourth concessions to the boundary line between the Township of Nassagaweya and the Township of Eramosa.
Capital Stock of Company, £3,000, in 600 shares, at £5 each.—
Capital Stock subscribed..... £3000 0 0
Paid in, previous to the Registration of the Instrument... £180 0 0

Dumfries and Beverly Road Company.
Instrument of formation, dated the 8th August, 1849, under the Act, to authorize Joint Stock Companies for the formation of Roads, &c.—Road made on the allowance left for a road by the Government, between the second and third concessions of the Township of Beverly, thence westerly through a part of the Township of Dumfries to Phillips' Bridge, on the Grand River.
Capital Stock £4000, in 800 shares of £5 each.—Capital subscribed, £4000 0 0
Paid in before Registering the Instrument of formation... £240 0 0

Paris and Ayr Road Company.
Formed the 26th November, 1849, under the Act to authorize the formation of Joint Stock Companies for Roads, &c.—Road from the Paris and Dundas Road, in the Upper Village of Paris, to the Village of Ayr.
Capital Stock £2,000 in 400 shares of £5 each.—Capital subscribed... £2000 0 0
Paid in previous to the Registering of the Instrument of Association..... £123 4 8

Bronte and Acton Road Company.
Instrument of formation of Company, dated 20th November, 1850, under the Act, to authorize the formation of Joint Stock Companies, &c.
Capital Stock, £3000, in 1200 shares of £5 each.—Capital subscribed, £3000 0 0
Paid previous to registering Instrument of Association... £180 0 0
Road to extend from Bronte to the Village of Acton.

Bronte and Acton Road Company.
Instrument dated 17th February, 1851, under the Act to authorize the formation of Joint Stock Companies for the construction of Roads and other works, &c.
Road leading north-west from the Town of Bronte, through the Village of Palermo, to the new survey of the Township of Trafalgar, thence

south-west to the line of road between the first and second concessions of the new survey of the Township of Trafalgar, thence along the line of road between the first and second concession of the new survey of the Township of Trafalgar to the road leading into the Village of Milton, thence along the road leading through the Village of Milton to M. Teitzel's store, thence north-west to the base line of Esquering—thence along the line of road between the second and third concessions of the Township of Esquering to the Township of Erin.
Capital Stock, £1000, in 200 shares at £5 each.—Capital subscribed... £1000 0 0
Paid in previous to registering Instrument..... £60 0 0

Dundas and Waterloo Macadamized Road Company.
Date of Instrument of formation, 15th October, 1850, under the Act to authorise the formation of Joint Stock Companies for the construction of Roads and other works, as amended by a certain other Act of the Parliament of this Province, intituled "An Act to extend the Acts for the formation of Companies for constructing Roads and other works to Companies formed for the purpose of acquiring Public Works, of the like nature."—for the purpose of acquiring from the Government of this Province the Dundas and Waterloo Macadamized Road from the limits of the Corporation of the Town of Dundas to the Waterloo line, and to the limit of the Corporation of the Village of Galt.
Capital Stock of said Company, £26000; in 5200 shares of £5 each.
Capital Stock subscribed..... £26000 0 0
Paid in before registration..... £1560 0 0

Recapitulation of Capital subscribed by the several Companies.
Paris and Dundas Road Company..... £10000
Nelson and Nassagaweya..... 3000
Dumfries and Beverly Road Company..... 4000
Paris and Ayr Road Company..... 2000
Bronte and Acton Road Company..... £19000 0 0
Bronte and Acton Road Company..... 3000
Paris and Ayr Road Company..... 1000
Dundas and Waterloo Road Company..... 4000 0 0
Dundas and Waterloo Road Company..... 26000 0 0
£49000 0 0

NOTE.—One of the Bronte and Acton Road Companies has, I think, been suppressed by the action of the Municipal Council of the United Counties of Wentworth and Halton.
NOTE.—The Dundas and Waterloo Road Company, being formed under different Acts of Parliament to the other Companies, it may not be intended that the same should be placed in this Schedule.
Register Office Dundas, County of Halton,
July, 14, 1851.
THOMAS RACEY, Registrar.

Appendix
(S. S.)
18th July.

"Sem Wisler, to be the first Directors of the said Company." To which document there are 106 names signed, subscribing for 246 shares, which, at £5 each share, amount to a capital of £1,230, and on which amount there is paid the sum stated in the receipt attached to the above said document, of which the following is a correct copy: "I hereby certify that the first instalment of six per cent. on £1,200, being the Capital Stock of the Elora and Saugeen Road Company, has been received by me."

(Signed:)
"JAS. PHILIP,
"Treasurer.

"Elora, 8th July, 1850."

Extent of Road contemplated by the said Company, is four miles and three-quarters of a mile.

I have the honour to be,
Sir,
Your obedient servant,

H. W. PETERSON,
Register, County Waterloo.

To the Honourable
James Leslie,
Provincial Secretary,
Toronto, Canada West.

REGISTER OFFICE,

County of Waterloo, (U. C.) Guelph, June 16, 1851.

Sir,—In compliance with your request under date of the 12th June instant, I have the honour herewith to transmit to you all the information in my possession in regard to "The Elora and Saugeen Road Company," and which is the only company formed in the County of Waterloo under the Provincial Act, 12 Vict., cap. 84, of which there is a Record in this office, and which Record is in the words following—that is to say: "Be it remembered, that on this first day of June, in the year of our Lord one thousand eight hundred and fifty, We, the undersigned Stockholders, met at the Village of Elora, in the County of Waterloo, in the Province of Canada, and resolved to form ourselves into a company, to be called 'The Elora and Saugeen Road Company,' according to the provisions of a certain Act of the Parliament of this Province, intituled 'An Act to authorise the formation of Joint Stock Companies, for the construction of Roads and other Works in Upper Canada,' for the purpose of constructing a Plank or Gravelled Road from Card's Corner, four miles from the Town of Guelph, in the said County, to Hirst's Tavern, on the Road to Elora, a distance of about four miles and three-quarters of a mile; and we do hereby declare that the Capital Stock of the said Company shall be twelve hundred pounds—to be divided into two hundred and forty shares, at the price or sum of five pounds each: and We, the undersigned Stockholders, do hereby agree to take and accept the number of shares set by us opposite to our respective signatures; and we do hereby agree to pay the calls thereon, according to the provisions of the said in part recited Act, and of the Rules, Regulations, Resolutions, and By-Laws of the said Company, to be made or passed in that behalf; and we do hereby nominate Charles Allan, Andrew Geddes, John Smith, James Stocks, and

TABULAR RETURN of the several Companies formed in the County of Norfolk, under the authority of the Provincial Act, 12 Vict., cap. 84. authorising Joint Stock Companies to construct Roads and other Works, &c.

COMPANIES FORMED.	AMOUNT OF CAPITAL SUBSCRIBED IN THE COUNTY.	FOR WHAT PURPOSE.	EXTENT OF ROAD CONTEMPLATED BY EACH COMPANY.
"Normandale and Fredericksburg Plank Road and Harbour Company"	Three thousand pounds.	{ For construction of Road, &c. } "from the Pier in Normandale, to Mr. W. L. Sovereign's Hotel, in Fredericksburg."	Not mentioned; suppose 15 miles.
"Port Dover and Otterville Road Company."	{ Four thousand eight hundred and seventy pounds.	{ "For the purpose of constructing a Plank, Gravel, or Macadamized Road from Port Dover, in the County of Norfolk, to Otterville, in the County of Oxford, through the Town of Simcoe and the Village of Fredericksburg."	Not mentioned; suppose 28 miles.

(Certified.)
F. S. WALSH,
Registrar.

County of Norfolk, Registry Office,
Simcoe, 18th June, 1851.

Appendix
(S. S.)
18th July.

Appendix
(S. S.)

18th July.

NAMES OF JOINT STOCK COMPANIES, Fyled in the Registry Office, County of Oxford, 12 Vict., Chap. 84.

Appendix
(S. S.)

18th July.

- No. 1.—Woodstock and Huron Gravel and Plank Road Company, Capital £1,500, divided into 300 shares, fyled 21st August, 1849.
- 2.—Ingersoll and Port Burwell Road Company, Capital £9,250, divided into 1,850 shares, fyled 8th February, 1850.
- 3.—Norwich, Burford and Brantford Plank and Gravel Road Company, Capital £3,000, divided into 600 shares, fyled 14th May, 1850.
- 4.—County of Oxford Macadamized, Gravel and Plank Road Company, Capital £10,000, divided into 2000 shares, fyled 12th October, 1850.
- 5.—Ingersoll and Brantford Joint Stock Company, Capital £6,100, divided into 1,220 shares, fyled 29th October, 1850.
- 6.—Silsonbury Plank Road Company, Capital £2,000, divided into 400 shares, fyled 8th January, 1851.
- 7.—Woodstock and Norwich Plank and Gravel Road Company, Capital £1,000, divided into 200 shares, fyled 5th May, 1851.

JAMES INGERSOLL,
Registrar.

REGISTRY OFFICE,
Woodstock, 16th June, 1851.

A RETURN of the several Companies formed in the County of Middlesex, under the authority of the Provincial Act, 12th Vict., Chap. 84.

NAME OF ROAD.	EXTENT OF ROAD.	AMOUNT OF CAPITAL SUBSCRIBED.
The London Proof Line Road Company.....	Thirteen and a half miles	Six Thousand Pounds.
The Ingersoll and Port Burwell Road Company...	.....	Nine Thousand Two Hundred and Fifty Pounds.

H. BURWELL,
Register of Middlesex.

To the Honourable
J. LESLIE,
Secretary of the Province.
&c. &c. &c.
London, 14th June, 1851.

REGISTRY OFFICE, CHATHAM,
Counties of Kent and Lambton, 18th June, 1851.

SIR:—I have the honour to inform you in reply to your favour of the 12th instant, that there are no Joint Stock Companies recorded in my Office under the authority of the Act 12 Vict., Chap. 84, in the County of Kent, and only one in the County of Lambton, entitled "The Port Sarnia Plank Road Company," amount of Capital £3,150, comprising 630 shares, at £5 each—the whole amount subscribed, and the Road to comprise nine miles of the Main Road, from Port Sarnia to London.

I have the honour to be, Sir,
Your most obedient servant,

H. GLASS,
Registrar.

The Honourable
J. LESLIE,
Provincial Secretary.

RETURN

To AN ADDRESS from the Legislative Assembly to His Excellency, the Governor General, dated the 28th May last, praying His Excellency to cause to be laid before the House "a Return showing the Emoluments of Office of the several "Registrars in Upper Canada, for the past year, and particularizing, as far as "can be conveniently done, the various sources of such Emoluments, with the "dates of their respective appointments to office."

By Command,

J. LESLIE,
Secretary.

Provincial Secretary's Office,
Toronto, 18th July, 1851.

RETURN of Registrar County of Stormont for the year 1850.

DATE OF APPOINTMENT.	INSTRUMENTS, RECORDS, &C.	AMOUNT.		
		£	s.	d.
3d, July 1846.	Deeds and Memorials.....	102	0	0
	Judgments.....	3	2	6
	Searches.....	25	0	0
		130	2	6

JOHN McLEAN,
Registrar,
County of Stormont.

A RETURN of the Registry Office for the County of Glengarry, from 1st January to the 31st December, 1850.

AMOUNT OF RECORDS.		MEMORIALS			
TOWNSHIPS.	{ Charlottenburgh.....	55			
	{ Kenyon.....	40			
	{ Lancaster.....	34			
	{ Locheil.....	48			
	Less 7 Discharges of Mortgages.....	177			
		7			
		170			
	170 Memorials average at 7s. 6d. each.....		£	s.	d.
	7 Discharges of Mortgages at 5s. each.....		63	15	0
	9 Certificates of Judgment at 2s. 6d. each.....		1	15	0
			1	2	6
			£66	12	6

Date of Commission,

1837.

ALEXANDER FRASER,

Registrar,

County of Glengarry.

Registry Office,
Williamstown, 17th. June. 1851.

Appendix
(T. T.)

18th July.

REGISTER OFFICE,
COUNTY OF FRONTENAC,
KINGSTON, 16th June, 1851.

SIR,—I have the honour to acknowledge the receipt of your letter of the 14th current, requesting a Return of the emoluments of my office as Registrar of the County of Frontenac for the year 1850, with a view to lay the same before the Legislative Assembly, now sitting; and in compliance I beg to transmit herewith, on the other side, a Statement for the half year ending on the thirty-first of December last, from the time I took possession of the said office, viz: the 1st July, 1850;—and from enquiry made of the former Deputy Registrar, I find that the emoluments for the previous half year ending the 1st July, realized nearly the same amount, being at or near the sum of two hundred and fifty pounds per annum.

I also beg to observe that I keep a book wherein I enter every Conveyance as it comes in, and the amount of the Fees for the same; as also an account of the amount of all the Searches made respecting Titles, &c., so that I can vouch for the account rendered being correct. The date of my commission was the 21st May, 1850, and I officially took possession in July last.

I have the honour to be,

Sir,

Your most obedient servant,

JAMES DURAND,

Registrar.

To the Hon. J. Leslie,

&c. &c. &c.

Toronto,

A STATEMENT, showing the number of Deeds and other Conveyances of different kinds, registered in the Office for the County of Frontenac, in each Township, from the 1st day of July to the 31st day of December, 1850, say six months from the time I took possession of said Office, with the amount of Fees received for the same; and also the Fees for Searches, Judgments, and other Documents of different import.

City of Kingston, various Conveyances, in all..	75
Township of Kingston do. do. ..	74
Pittsburgh, including Howe Island, do. ..	34
Portland do. do. ..	18
Wolfe Island do. do. ..	7
Loughborough do. do. ..	17
Storrington do. do. ..	14
Hinchinbrooke do. do. ..	3

Making in all two hundred and forty-two Conveyances of various kinds registered in this County, from July 1st to 31st December, 1850, for which I received Fees to the amount of. . . . £100 2 0

Amount of Searches into various Titles, including copies of Instruments and Certificates, &c. 22 13 0
Fees for the registration of twenty Judgments, at 2s. 6d. 2 10 0

Provincial currency. . . . £125 5 0

Total amount of Fees received in the Office of Registrar for the County of Frontenac, for the half year ending 31st December, 1850, one hundred and twenty-five pounds five shillings currency.

JAMES DURAND,
Registrar.

No Conveyances registered in the following Townships:—

1. Barrie, no Conveyance.
2. Bedford do.
3. Olden do.
4. Oso do.
5. Clarendon do.
6. Kennebec do.
7. Palmerston do.

The above seven Townships unproductive.

REGISTER OFFICE,
PICTON, June 17, 1851.

SIR,—I have the honour to acknowledge the receipt of your letter of the 14th instant, directing me to transmit to you a Return shewing the emoluments of my office as Register for the County of Prince Edward for the year 1850, particularizing the various sources of such emoluments, with the date of my appointment; and to inform you in reply, that there were in the year 1850,—

Deeds, Mortgages, and Wills registered, 364, averaging about 8s. 6d. each, amounting to	£154 0 0
12 Certificates of Judgment, 2s. 6d. .	1 10 0
Searches, say	5 0 0

Making in all, as near as I can judge, one hundred and sixty pounds ten shillings, £160 10 0

My commission appointing me Registrar of the County of Prince Edward is dated 17th day of June, 1846.

I have the honour to be,

Sir,

Your obedient servant,

JOHN P. ROBLIN,

Registrar Prince Edward.

Hon. James Leslie,
&c. &c. &c.

BELLEVILLE, July 1, 1851.

SIR,—In answer to yours of the 14th ultimo, requesting Returns of the emoluments of my office for the year 1850, I beg to forward the same as you request.

546 Deeds and Mortgages, at an average of 10s.	£278 0 0
74 Judgments and other Documents, at 2s. 6d.	9 5 0
Searches	22 15 0
	£305 0 0

Paid a Deputy	£50 0 0
Stationery and other expenses	15 0 0
	65 0 0
	£240 0 0

Being under the impression that you desired to know what the emoluments of the office produced me, I have also given the amount which I have to pay out of the same.

I was appointed under commission by the Earl of Cathcart in August, 1846:

I have the honour to be,

Sir,

Your obedient servant,

G. BENJAMIN,

Registrar County Hastings.

Hon. Jas. Leslie,
Provincial Secretary.

Appendix
(T. T.)

18th July.

Appendix
(T. T.)

Appendix
(T. T.)

RETURN of Emoluments of the Registrar for the County of Peterborough, for the year 1850.

18th July.

18th July.

Sources from which Emoluments arise.	Amount.	Total Amount.
	£ s. d.	£ s. d.
By recording 578 Memorials of Deeds, Mortgages, Wills, and other Instruments affecting land	275 12 4	
By Searches, Certificates, and Abstracts of Title	26 3 6	
By Recording Certificates of Judgment at 2s. 6d. each	5 17 6	
By Do. Certificates of Discharges of Mortgage.....	10 5 0	
By Administering Oath of Allegiance and giving Certificate to a Presbyterian Minister.....	0 5 0	
By 3 Certificates for Maps lodged in the Office by Private individuals	0 7 6	
	£ 318 10 10	£ 318 10 10

Date of Appointment to the Office of Registrar, 9th of December, 1841.

PETERBOROUGH, 17th June, 1851.

CHAS. RUBIDGE,

Registrar, County of Peterborough.

A RETURN of the Emoluments of the Registry Office for the County of Durham, and the various sources from which the same is derived, between the first day of January and the thirty-first day of December, A.D., 1850, both days inclusive.

Amount received for the Registry of Deeds of Bargain and Sale, Quit Claim and Release.	Ditto for Mortgages and Assignments thereof.	Ditto for Discharges of Mortgages.	Ditto for Wills.	Ditto for Judgments.	Ditto for Discharges of Judgments.	Ditto for Searches.	Total Amount of Receipts.	Amount paid to Deputy.	Total amount of Registrar's Income.	Date of Appointment to Office.
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	Tenth day of April, 1847.
248 17 6	95 0 0	15 0 0	7 0 0	3 15 0	0 7 6	30 0 0	400 0 0	60 0 0	340 0 0	

DURHAM REGISTRY OFFICE,

PORT HOPE, June 17th, 1851.

I certify that the above is a correct Return as nearly as can be ascertained from the books in this Office.

GEO. F. WARD,

Registrar,

County of Durham.

RETURN of the Emoluments of the Registry Office for the County of Northumberland, for the year 1850.

Name.	Date of Commission.	Emoluments.
George S. Boulton, Registrar	3rd July, 1846	£ 313 13 9, from which £ 25 for Rent of Office, and £ 50 paid Deputy, should be deducted.

COBBOURG, 16th June, 1851.

J. W. BOULTON,

Registrar.

REGISTER OFFICE, COUNTY OF YORK,

TORONTO, June 16, 1851.

SIR,—I have the honour herewith to enclose, in compliance with your letter of the 14th instant, a Return showing the emoluments of my office as Registrar for the year 1850, in obedience to the commands of His Excellency the Governor General.

I have the honour to be,

Sir,

Your most obedient servant,

SAML. RIDOUT,

Registrar, County York.

To the Hon. James Leslie,
Secretary of the Province,
&c. &c. &c.

Appendix
(T. T.)
18th July.

RETURN showing the Emoluments of the Office of the Registrar for the County of Dundas, during the year 1850, with the date of his Appointment to Office.

Appendix
(T. T.)
18th July.

NAME OF REGISTRAR AND DATE OF APPOINTMENT.	Am't of Fees for Registration			Probable am't of Fees for Searches.			TOTAL.		
	£	s.	d.	£	s.	d.	£	s.	d.
Alexander McDonell..... Sd July, 1837.	61	15	0	4	0	0	65	15	0

ALEXANDER McDONELL,
Registrar.

Register Office, County of Dundas,
17th June, 1851.

RETURNS of Emoluments of Registrar of the United Counties of Prescott and Russell for the year of 1850, made in compliance with the letter of the Honourable James Leslie, Provincial Secretary, dated the fourteenth day of June, 1851.

Fees received for registering Deeds, Mortgages, and Wills	£	s.	D.
Fees received for registering Judgments	57	6	7½
Fees received for registering discharges of Mortgages	0	10	0
Fees received for Searches and Certificates on same.....	1	5	0
	4	7	3
Total	£63	8	10½

Date of my first appointment, twenty-sixth day of October, 1842.

Date of my renewed appointment, made under Act 9 Victoria, chap. 34, the third day of July, 1846.

G. D. REED,
Registrar for the United Counties of
Prescott and Russell.

L'Original, 18th June, 1851.

RETURN of Emoluments of Office of Registrar for the County of Carleton for the year 1850.

Sources:

Recording Memorials of Sales, Mortgages, and Assignments	£	s.	D.
Recording Certificates of Release do. do.	142	10	0
Recording Judgments of Courts	7	10	0
Searching and other Miscellaneous Work	2	15	0
	23	0	0
Total.....	£175	15	0

Date of present commission, 14th July, 1845.

Date of former commission, County of Lanark, March, 1824.

GEO. T. BUBKE,
Registrar County Carleton.

RETURN, showing the Emoluments of the Registrar of the County of Lanark for the year 1850, and the date of his appointment to Office.

Fees for Registering, and Affidavits, and Certificates.....	£	s.	D.
Fees for Searches.....	147	18	9
Fees for Copies and Certificates of former Registrations	7	6	9
Fees for filing Surveyor's Affidavits	2	3	6
Fees for registering Certificates of Judgment and Discharges	0	7	6
	1	12	6
Total.....	£159	4	0

Appointed to office, 2nd day of March, 1850.

JAMES BELL,
Registrar.

Register Office,
Perth, 17th June, 1851.

Appendix
(T. T.)

COUNTY OF RENFREW REGISTRY OFFICE,
MACNAB, 19th June, 1851.

Appendix
(T. T.)

18th July. HONOURABLE SIR,—

18th July.

In reply to your favour of the 14th instant, I herewith forward to you the various Sources of Emolument in my favour as Registrar of the County of Renfrew, for the year 1850.

Townships.	Deeds registered by way of Bargain and Sale.	Deeds registered by way of Assignment.	Deeds registered by way of Mortgage.	Last Will and Testament.
	£ s. D.	£ s. D.	£ s. D.	£ s. D.
Admaston	0 15 6	... ..	... ..	0 7 6
Bagot	0 19 0	... ..	... ..	... ..
Bromley	3 9 0	0 19 3	... ..	... ..
Horton	12 5 1	1 10 0	2 6 0	... ..
MacNab	4 1 7	1 7 9	0 10 0	... ..
Pakenham	12 17 3	0 9 6	3 10 10	... ..
Pembroke	3 12 0	... ..	... ..	0 9 9
Ross	2 0 0	... ..	0 18 0	... ..
Stafford	2 1 0	0 10 0	... ..	... ..
Westmeath	4 9 9	... ..	1 5 0	0 8 6
	46 10 2	4 16 6	8 9 10	1 5 9
Searches .....	... ..	... ..	... ..	8 9 10
Certificates .....	... ..	... ..	... ..	4 16 6
Certificate of Judgment Court Queen's Bench, and Registrar.....	... ..	... ..	... ..	46 10 2
Release of Mortgage, Pakenham .....	... ..	... ..	... ..	2 3 0
				0 13 0
				0 5 0
				0 2 6
Total of Emolument for the year 1850.....	... ..	... ..	... ..	£64 5 9

My appointment to the Registrarship of the County of Renfrew bears date the 3rd day of July, in the year of our Lord one thousand eight hundred and forty-six, and recorded on the 15th day following.

I am, Sir,

Yours respectfully,

JAMES MORRIS,
Registrar for the County of Renfrew.

MEMORANDUM.

The Registrar of the County of Leeds has neglected to furnish a statement of his Emoluments, as required by this address, although called upon to do so by this Department, on the 12th June and 10th July, 1851.

J. LESLIE,
Secretary.

Provincial Secretary's Office,
Toronto, 18th July, 1851.

RETURN, shewing the Emoluments of the Register of the County of Grenville, during the year 1850.

	£ s. D.
Amount of Fees for registering Deeds and other Instruments other than Judgments	126 2 3
Amount of Fees for registering Judgments	0 17 6
Amount of Fees for Searches in the office, and for Certificates respecting such Certificates, and for certified copies of Instruments on record	9 6 8
Amount of Fees for Proceeding under the Act 10 and 11 Viet., chap. 18, to extend the provisions of the Marriage Act	0 5 0
Total—One hundred and thirty-six pounds eleven shillings and fivepence.....	£136 11 5

JOHN PATTON,
Register County of Grenville.
Prescott, 23rd June, 1851.

REGISTER OFFICE,

Counties of Lennox and Addington

June 18, 1851.

SIR,—I have the honour to acknowledge the receipt of your letter of the 14th instant, requiring me to transmit a Return of the emoluments of my office as Registrar of the Counties of Lennox and Addington for the year 1850, together with the date of my appointment to said office.

In reply, I have the honour to state that the whole amount of income derived from the registration of Deeds, Mortgages, Wills, Judgments, Discharges, and Searches, in the said office in the year 1850, was £172 18s. 0d., and that my appointment to the said office by Earl Cathcart, bears date the 29th day of December, 1846.

I have the honour to be,

Sir,

Your most obedient servant,

ISAAC FRASER,
Registrar
Counties of Lennox and Addington.

Hon. J. Leslie,
Provincial Secretary.

Appendix
(T. T.)
18th July.

Appendix
(T. T.)
18th July.

A RETURN, shewing the Emoluments of the Register Office for the County of York, for the year 1850, sources of Emoluments, &c.

Name of Officer.	Date of Appointment.	Gross Emoluments for the year 1850, in currency.	Amount received by Registrar.	Amount received by Deputy.	Amount paid Clerks, Office Servant, and other Disbursements.	Sources of Emoluments.
Samuel Ridout	14th May, 1827	£1603 13 11	£514 0 0	£507 0 0	£582 13 11	{ Fees under the Register Act, 9 Vict., chap. 34..

SAML. RIDOUT,
Registrar, County York.

Toronto, 16th June, 1851.

RETURNS of the Register Office for the County of Simcoe, for the year 1850, shewing the Emoluments of the Office (for that period), and particularizing the various sources of such Emoluments, with date of appointment to Office.

Name of Officer.	Name of Office.	Date of Appointment.	Emoluments of Office.	Various sources of Emolument.		
				Received for Searches.	Received for Registry of Judgments.	Received for Registry of Deeds, Wills, and other Instruments.
George Lamb.....	Registrar of the County of Simcoe	1st Appointment. 20th August, 1847, by Sir Peregrine Maitland, under Privy Seal. 2nd Appointment. 3rd July, 1846, by His Excellency the Right Honorable Earl Cathcart, under Great Seal.	£391 19 9	£19 8 4½	£4 7 6	£368 3 10½

I certify that the above is a true and correct statement of the Emoluments of the office of the Registrar of the County of Simcoe for the year 1850, from the 1st January to the 31st December inclusive, and that the various sources from which such Emolument is derived, is as above set forth.

GEORGE LAMB,
Registrar, County Simcoe.

18th June, 1851.

RETURN OF FEES derived from the Office of Register of the Counties of Lincoln and Welland, for the year 1850. £365 10s. 0d.

This amount is derived from fees upon the Registration of Deeds, Mortgages, Judgments, Releases of Mortgages, Releases of Judgments, and Searches per Statute.

Date of appointment to the Office of Register of the County of Lincoln, 9th August, 1844.

Upon the change of the County of Lincoln to that of Lincoln and Welland, another appointment or commission was issued, dated 3rd May, 1846.

JOHN POWELL,
Registrar Lincoln and Welland.

Register Office, Counties of Lincoln and Welland,
Niagara, June 17, 1851.

RETURN from the Register Office of the County of Haldimand of the Emoluments, &c., for 1850.

Amount of Fees derived from	Total Emolument for 1850.			Date of Appointment.
	£	s	d	
Deeds, &c.,.....	117	0	10	} 9th day of August, 1844.
Mortgages	21	2	3	
Leases	1	1	6	
Releases	2	18	0	
Judgments	1	0	0	
Wills	3	19	3	
	£ 147	1	10	

AGNEW P. FARRELL,
Registrar,
Register Office, Cayuga.

17th June, 1851.

Appendix
(F. T.)
18th July.

Appendix
(T. T.)
18th July.

COUNTY OF WENTWORTH,

A RETURN shewing the Emoluments of the Registrar for the above County for the year 1850.

	Particulars.			Total.		
	£	s.	d.	£	s.	d.
1186—Memorials and Certificates of Discharges of Mortgages—viz. Memorials from 7s. to 10s., and Discharges of Mortgages from 2s. 6d. to 5s. Amounting in all to	490	11	9			
Searches at 1s. 6d., and Certificates at 2s. 6.—about	40	10	0			
107—Certificates of Judgments, @ 2s. 6d.	13	7	6			
3—Clergyman's Certificates, @ 5s.	0	15	0			
Total .....	...	...	...	£ 545	4	3

Date of appointment as Registrar 8th November, 1844.

HAMILTON,
14th July, 1851.

ALEX. STEWART, Registrar,
County Wentworth.
HAMILTON, 14th July, 1851.

SIR,—I have the honor to enclose herewith, the return required by your letter of the 14th instant, and regret that it has been delayed so long.

I have the honor to be, Sir,
Your most obedient servant,

ALEX. STEWART,
Register County of Wentworth.

The Hon. JAMES LESLIE, Provincial Secretary.

A RETURN furnished by Thomas Racey, Registrar of the County of Halton, shewing the Emoluments of the Register Office of said County, for the year 1850, and particularizing as far as can be conveniently done, the various sources of such Emoluments, with the date of appointment of such Registrar.

The gross amount of fees received for the year 1850, may be estimated at..... £384 12 6 Cy.
From this may be deducted salary to the Deputy Registrar.....£65 0 0
Office rent, fuel, and stationery, besides the Township Registrar books, furnished by Government..... 18 10 0

83 10 0

Remaining..... £301 2 6

PARTICULARS.

By the receiving book, in which every instrument to be registered is entered, it appears that 959 instruments were received for Registry for the year 1850. Each instrument may be estimated to average 7s. 6d. currency, making thereby the sum of £359 12 6
Amount of Searches, the fees actually received estimated at..... 25 0 0
£384 12 6

PARTICULAR DESCRIPTION OF INSTRUMENTS REGISTERED.

Releases of Mortgages.....79 }
Judgments.....11 } 959 Instruments.
Satisfactions.....5 }
Common Deeds.....864 }

Appointment to office as Registrar of the County. The office bears date the 1st May, 1833. This is the 1st Commission.

Second appointment, in pursuance of the Act of Parliament, intituled, "An Act to consolidate and amend the Registry Laws of that Part of the Province, which was formerly called Upper Canada:" the Commission bears date the 3rd July, 1846.

Register Office, Dundas, County of Halton, July 14, 1851. THOMAS RACEY, Register.

NOTE.—I have kept no regular account of fees received. I keep a cash book in which the amount of fees received from each person is entered, but this is intermixed with sums received in payment of account, &c., and much of the business of the office is done by booking the fees, particularly with professional men. T. R.

REGISTER OFFICE, COUNTY OF WATERLOO,
GUELPH, 18th June, 1851.

SIR,—In obedience to your request of the 14th June, instant, by command of the Governor General, I have the honor to transmit to you herewith, a Return showing the Emoluments of my office as Register of the County of Waterloo for the year 1850:—

Fees for registering Deeds of Bargain and Sale, Mortgages on Real Estate, Wills, Probates of Wills, Releases of Mortgages, Certificates of Judgments, Satisfaction of Judgments, and Certificates of Naturalization.....£388 18 0
Searches..... 30 4 6
Certificates..... 10 17 6
£430*

The 3rd day of July, 1846, I was appointed to office.

I have the honor to be, Sir,
Your most obedient servant,

The Honorable JAMES LESLIE,
Provincial Secretary, &c., Toronto.

H. W. PETERSON, Register.

* Out of this sum I pay a Deputy.

Appendix
(T. T.)

ABSTRACT STATEMENT of fees received at the Registry Office, County of Oxford, 1850.

Appendix
(T. T.)

18th July.

937 Certificates and Memorials registered, average 8s. 6½d.....	£399	18	6
41 Judgments, " " 2s. 6d.....	10	2	6
Supposed Searches,.....	36	0	2
	£446	1	2
Less paid Assistant.....	150	0	0
Proceeds.....	£296	1	2

18th July.

Date of Commission Gazetted, 11th July, 1846.

JAMES INGERSOLL,
Register.

Registry Office, Woodstock, 16th June, 1851.

RETURN of the Emoluments of the Office of Register of the County of Norfolk in Canada for the year, 1850.

Emoluments of Office.	Currency.			Sources from which the Emoluments were derived.	Dates of Appointment.
	£	s.	d.		
Fees received on account of the duties of the said Office for the year 1850.....	274	1	2	The Fees allowed by the Statutes for the performance of the duties of the said Office for the said year.—which said duties consisted of the certifying of 514 Deeds, and of the same No. of Memorials, and also of the like No. of Records, (only the certificates on the Deeds being charged for) and the entering and registering of the said 514 Memorials, and making the necessary alphabetical and other entries and references relating to the same respectively.—The registering of 35 Judgments, with sundry Discharges of Judgments—Making searches in the Registry and giving certificates of the same when required—Granting certificates to Ministers of religious denominations to enable them to perform Marriages, and administering the Oath of Allegiance to sundry persons, &c.	4th day of April, 1810.
Fees outstanding on do, for do.	30	18	4½		3rd " July, 1846.
Total Fees for the year.....	£ 277	19	6½		16th " Feby., 1848.

(Certified)

F. S. WALSH,
Register.

REGISTRY OFFICE, County of Norfolk,
June, 1851.

A RETURN of the Emoluments of the Register Office for the County of Middlesex, from the 1st day of January, to the 31st day of December, inclusive, for the year 1850; made in pursuance of a letter from the Hon. J. Leslie, Secretary of the Province, dated the 14th day of June, A. D., 1851.

For recording Memorials of Deeds, &c.	£	s.	d.
For recording Certificates of Judgment	628	0	0
Duties under 10th and 11th Vict. Chap. 18.	15	2	6
For recording Certificates of Naturalization, under 12th Vict., chap. 197	1	5	0
	2	2	6
Less Deputy Register's Salary, Office Expenses, Fuel, Stationery, &c.	646	10	0
	119	19	7
	£	528	10 5

Register Office, Co. of Middlesex,
LONDON, 16th June, 1851.

H. BURWELL,
Register of Middlesex.

To The Hon. J. Leslie,
Secretary of the Province,
&c., &c., &c.,
Toronto.

GODERICH, 24th June, 1851.

SIR,—In reply to your letter of the 14th instant, I have the honor to state for the information of His Excellency the Governor General, that the Emoluments of my office as Registrar for the United Counties of Huron, Perth and Bruce, were for the past year £185 15s., derived as follows:

From the registration of Deeds and Mortgages.....	£182	5	0
From the registration of Certificates of Judgment.....	3	10	0
	£185	15	0

Appendix
(T. T.)
18th July.

Appendix
(T. T.)
18th July.

As the return of the Emoluments of the past year would not give any criterion on which to form a calculation for the present or future years, I trust I may be excused for giving the receipts of a few previous years, together with those of the present year as far as they have gone:—

In 1846	.. .. .	£ 44 13 6	
1847	.. .. .	90 3 0	Increase. £45 9 6
1848	.. .. .	123 1 9	" 32 18 9
1849	.. .. .	158 13 10	" 35 12 1
1850	.. .. .	185 15 0	" 27 1 2
1851	.. .. .	173 2 4	"

Supposing the present year to continue at the same rate, it would yield nearly £360, or an increase in 1850 of £194. That such a result is more than probable, is shewn by a comparison of the first six months of the past with the six months of the present year.

6 months, 1850	.. .. .	£108 7 4	
June 24, 1851	.. .. .	173 2 4	Increase £64 15 0

I have the honor to be, Sir,
Your obedient servant,

JOHN GALT.

The Honorable JAMES LESLIE,
&c., &c., &c.
Toronto.

RETURN of Emoluments of the Registrar of the Counties of Kent and Lambton for the year 1850, as required by the Secretary's letter, dated 14th June, 1851.

Name of Registrar.	Date of Registrar's Appointment.	Amount of Fees received for Searches.	Amount of Fees received for the Registry of Deeds, &c.	Gross Amount of Fees for Searches and Registry.	Expenses of Registry Office.	Net Amount of the Emoluments of the Registrar.
Henry Glass.....	1849, January 13th	44 12 3	362 4 4½	406 16 7½	185 0 0	221 16 7½

N. B.—The above return will not agree in regard to the Amount of the Emoluments of the said Registrar of the Counties of Kent and Lambton with the Return forwarded to the Blue Book department for the said year 1850, because there was a large amount included in the said Return to the Blue Book Department which is not mentioned in the above return, because the fees as yet have not been paid.

H. GLASS,
Registrar.

RETURN from the Registrar of the County of Essex, shewing the emoluments of that office during the year 1850, and the various sources thereof.

Date of first Appointment 13th April, 1831.	Fees received on the Enregistration of Deeds.	Fees received on the Enregistration of Mortgages.	Fees received on the Enregistration of Wills.	Fees received on the Enregistration of discharge of Mortgages.	Fees received on the Enregistration of Judgments.	Fees received on the Enregistration of discharge of Judgments.	Fees received for Searches.	Total.
Date of second Appointment, 3rd July, 1846.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
	117 15 9	16 13 0	5 11 3	1 17 6	1 10 0	0 10 0	5 15 0	149 12 6

SANDWICH, June 17th, 1851.

JAMES ATKIN,
Registrar, County of Essex.

FIRST REPORT.

THE STANDING COMMITTEE on Railways and Telegraph Lines,—beg leave to make their FIRST REPORT:—

THE subject of Railway Extension has recently engaged much of the public attention.

The readiness with which the Municipalities in Upper Canada have come forward in aid of the several lines of Railroad designed to pass through their respective localities, and the promised assistance of Government, give every assurance of their speedy commencement. Your Committee have therefore directed their attention to the establishment of a general and uniform system for the construction and management of all Railroads hereafter to be undertaken in Canada.

On examining the Railway Charters now existing, and the various Bills referred to Your Committee, it has been found that there is no uniformity in their provisions, and that they vary as to the powers conferred and the liabilities imposed upon the several Companies.

As these great undertakings necessarily infringe much upon private rights and interests, it is of obvious importance that they should be regulated by some general law, so that every person in the country may be advised of the powers and privileges conferred by a Railway Charter. With this view your Committee have prepared a series of Clauses, which they beg to submit to Your Honourable House, and which, if approved, may form the basis of a General Railway Act. After this Act has passed the Legislature, its enacting Clauses may, by a simple reference to it, become incorporated with and form a portion of every Railway Charter hereafter granted, unless when otherwise specially provided in the particular Act of Incorporation.

After a full consideration of the subject, Your Committee have come to the conclusion that the interests of the Province will be best consulted by the construction of a grand Trunk Line of Railway, extending from Quebec to Windsor on the River Detroit, and connecting with any line which may be constructed between Halifax and Quebec. This great line is considered by the people of Canada as a Provincial undertaking, and should be taken up as such,—as it will in the opinion of Your Committee, in conjunction with our magnificent chain of Water Communication, secure for Canada a large portion of the Trade and Commerce of Western America. The magnitude of the proposed line of Railway and the consequent expense of construction is such that its completion will be postponed for an indefinite period, if left to private enterprise, even though assisted by Government under the provisions of the Guarantee Act. Your Committee are therefore glad to learn that the Government are prepared to act promptly, and efficiently in the matter, and to pledge the credit and resources of the Province in aid of the construction of the line.

It has been found that British Capitalists object much to the terms of the Guarantee Act (12 Vict. chap. 29) as pledging the credit of the Province for the support of Railway schemes to an almost unlimited extent, and that the Act operates prejudicially upon the value and negociability of the Provincial Debentures in the English market.

It has also been ascertained, that the Bonds of a Railway Company, although the interest may be guaranteed by the Province, will not be favourably received in England, and will not command the same price as Provincial Debentures. Your Committee therefore recommend that the said Act be amended so as to limit its operation to the Main Trunk Line, and to enable the Government to issue at any time Debentures for such an amount as they may deem expedient in aid of the line, instead of merely guaranteeing the interest after half the road has been completed, as at present provided.

Your Committee have on inquiry ascertained, that the only Railways which have any claim for the Provincial Guarantee, are the Great Western, the St. Lawrence and Atlantic, and the Northern or Toronto and Lake Simcoe Railways, and they accordingly recommend that the rights of those lines should be protected in any amendments of the said Act.

The statute 13 and 14 Vict., chap. 72, allowing Joint Stock Companies to be formed for the construction of Railways without special Acts of Incorporation, has been brought under the notice of Your Committee. It is obvious that this Act, if continued, must greatly injure the progress and success of the principal Railroad undertakings in the Province. No Company will be found willing to risk their capital in an extensive line of Railway so long as a private association have the right, without giving notice or granting compensation, to select the most favourable part of their route for the construction of a parallel and competing road, which, after using the longer line to suit its convenience, may divert the trade just at the least expensive and most profitable portion of the line.

It may occasionally happen, too, that the Act may be used for the purpose of putting an end to a *bona fide* Railway enterprise, by five persons joining together to build a rival road, without capital, and perhaps without any real intention of prosecuting the work. Besides, although the principle of this Act has been beneficially applied to the improvement of the common roads of the country, Your Committee are of opinion

Appendix
(U. U.)

21st July.

that the great powers necessarily vested in Railway Companies should not be entrusted to any number of individuals, however respectable, without the previous sanction of the Legislature.

Your Committee therefore unanimously recommend, that so much of the said Act as extends the original Act to the incorporation of Railroad Companies, be repealed.

There is no subject relating to Railways of more importance than the choice of gauge. On this much disputed question, Your Committee have made extensive inquiries, and accumulated a mass of evidence, which they hope soon to complete and submit to your Honourable House, together with their own opinions on the subject.

From a desire to encourage Railway enterprise, Acts of Incorporation have hitherto been granted without previous proof of capital being paid up or subscribed, or of any responsible Association being really in existence. As serious inconvenience may arise from the continuance of this practice, Your Committee would suggest the propriety of inserting, in any general Railway Act that may be passed, some judicious, but not too stringent, regulations on the subject.

Your Committee would not, however, recommend that these regulations should apply to any Acts of Incorporation that may be granted during this Session.

All which is respectfully submitted.

ALLAN N. MACNAB,

Chairman.

21st July, 1851.

Appendix
(U. U.)

21st July.

CLAUSES on which to frame a Bill for consolidating in one Act certain provisions usually inserted in Acts authorising the making of Railways.

I. That this Act shall apply to every Railway which shall, by any Act which shall hereafter be passed, be authorised to be constructed, and this Act shall be incorporated with such Act; and all the clauses and provisions of this Act, save so far as they shall be expressly varied or excepted by any such Act, shall apply to the undertaking authorised thereby, so far as the same shall be applicable to such undertaking, and shall, as well as the clauses and provisions of every other Act which shall be incorporated with such Act, form part of such Act, and be construed together therewith as forming one Act.

II. That in citing this Act, in any special Railway Act and in other Acts of Parliament, and in legal instruments, it shall be sufficient to use the expression, "The Railway Clauses Consolidation Act."

III. That for the purpose of making any incorporation of this Act with special Acts hereafter to be passed, it shall be sufficient in any such Acts to enact that the clauses of this Act, with respect to the matter so proposed to be incorporated, describing such matter as it is described in this Act, in the words introductory to the enactment with respect to such matter, shall be incorporated with such Acts, and thereupon all the clauses and provisions of this Act, with respect to the matter so incorporated, shall, save so far as they shall be expressly varied or excepted by such Acts, form part thereof, and such Acts shall be construed as if the substance of such clauses and provisions were set forth therein with reference to the matter to which such Acts shall relate.

IV. The power given by the special Act to construct the Railway, and to take lands for that purpose, shall be exercised subject to the provisions and restrictions contained in this Act, and compensation shall be made to the owners and occupiers of, and all other parties interested in any such lands so taken or injuriously affected by the construction of the Railway, for the value and for all damages sustained by reason of such exercise, as regards such lands, of the powers by this or the special Act, or any Act incorporated therewith, vested in the Com-

pany; and, except where otherwise provided by this Act or the special Act, the amount of such compensation shall be ascertained and determined in the manner provided by this Act.

V. Any Company desirous to obtain a special Act for the construction of a Railway, shall be held to deposit with the Secretary of the Province, previous to the application to the Legislature, a copy of their stock-book, showing the number of their subscribers, and the actual *bonâ fide* amount of the subscriptions, and that at least one quarter of the intended capital has been actually subscribed, the truth whereof shall be supported by the affidavit or solemn affirmation, as the case may be, of two of the Directors or shareholders of the Company, and the Company shall also at the same time deposit with the said Secretary a certificate of the cashier of any chartered Bank in this Province of the deposit therein of a sum equal to ten per cent. upon the amount of subscriptions, with authority to the Secretary to control the withdrawal of the said deposit for such time as the Secretary may think proper, not longer than six months after the Railway shall have been actually commenced and proceeded with.

VI. No Bill for a special Act for the allowance or establishment of a Railway shall be received by the Legislature unless and until there shall be deposited with the Clerks of both branches, a certificate from the Secretary of the Province, that the Company applying has complied in all respects with the requirements of the next preceding clause.

INTERPRETATION.

VII. And with respect to the construction of this Act, and of any Special Act, and of other Acts to be incorporated therewith, be it enacted as follows:

1. The expression "the special Act," used in this Act shall be construed to mean any Act which shall be hereafter passed, authorising the construction of a Railway, and with which this Act shall be so incorporated as aforesaid; and the word "prescribed," used in this Act in reference to any matter herein stated, shall be construed to refer to such matter as the same shall be prescribed or provided for in the special Act; and the sentence in which such word shall occur shall be construed as if, instead of the word "prescribed,"

Appendix
(U. U.)

21st July.

the expression "prescribed for that purpose in the special Act" had been used; and the expression "the lands" shall mean the lands which shall, by the special Act, be authorised to be taken or used for the purpose thereof; and the expression "the undertaking" shall mean the Railway and works, of whatever description, by the special Act authorised to be executed.

2. The following words and expressions, both in this and the special Act, shall have the meanings hereby assigned to them, unless there be something in the subject or context repugnant to such construction; (that is to say)

The word "Lands" shall include all real estate, messuages, lands, tenements and hereditaments of any tenure:

The word "Lease" shall include any agreement for a lease:

The word "Toll" shall include any rate or charge or other payment payable under this Act or the special Act for any passenger, animal, carriage, goods, merchandize, articles, matters or things conveyed on the Railway:

The word "Goods" shall include things of every kind conveyed upon the Railway:

The expression "Superior Courts" shall mean the Courts of Chancery, Queen's Bench and Common Pleas in Upper Canada, and the Superior Court in Lower Canada, as the case may be:

The word "County" shall include any Riding or like division of a County, or any division thereof into separate Municipalities:

The word "Highways" shall mean all public roads, streets, lanes, and other public ways and communications:

The word "Sheriff" shall include Under Sheriff or other legal competent Deputy; and where any matter in relation to any lands is required to be done by any Sheriff or Clerk of the Peace, the expression "the Sheriff," or the expression "Clerk of the Peace," shall in such case be construed to mean the Sheriff or Clerk of the Peace of the District, County, Riding, Division, or place where such lands shall be situate; and if the lands in question, being the property of one and the same party, be situate not wholly in one District, County, Riding, Division, or place, the same expression shall be construed to mean the Sheriff or Clerk of the Peace of any such District, County, Riding, Division, or place where any part of such lands shall be situate:

The word "Justice" shall mean Justice of the Peace acting for the District, County, Riding, Division, City or place where the matter requiring the cognizance of any such Justice shall arise, and who shall not be interested in the matter; and where such matter shall arise in respect of lands being the property of one and the same party, situate not wholly in any one District, County, Riding, Division, City or place, shall mean a Justice acting for the District, County, Riding, Division, City or place where any part of such lands shall be situate, and who shall not be interested in such matter; and where any matter shall be authorised or required to be done by two Justices, the expression "two Justices" shall be understood to mean two Justices assembled and acting together:

Where under the provisions of this Act or the Special Act any notice shall be required to be given to the owner of any lands, or where any act shall be authorised or required to be done with the consent of any such owner, the word "owner" shall be

understood to mean any Corporation or person who under the provisions of this Act, or the Special Act, or any Act incorporated therewith, would be enabled to sell and convey lands to the Company.

The expression "the Company" shall mean the company or party which shall be authorised by the Special Act to construct the Railway.

The expression "the Railway" shall mean the Railway and works by the Special Act authorised to be constructed.

The word "clause" shall mean any separate section of this Act, or any other Act therein referred to, distinguished by a separate number.

The word "shareholder" shall mean every subscriber to or holder of stock in the undertaking, and shall extend to and include the personal representatives of the shareholder.

3. The Interpretation Act of this Province shall, in so far as the provisions thereof shall apply hereto, be deemed to form part hereof in the particulars not provided herein.

INCORPORATION.

VIII. Every Company established under any Special Act shall be and is hereby declared to be, a body corporate under such name as shall be declared in the Special Act, and shall be and is hereby invested with all the powers, privileges and immunities which are or may be necessary to carry into effect the intentions and objects of this Act and of the Special Act therefor, and which are incident to such Corporation as are expressed or included in the Interpretation Act of this Province.

POWERS.

IX. The Company shall have power and authority;

1. To receive, hold, and take all voluntary grants and donations of land or other property which shall be made to it, to aid in the construction, maintenance and accommodation of the Railway, but which shall be held and used for the purpose of such grants or donations only.

2. To purchase, hold and take of any corporation or person any land or other property necessary for the construction, maintenance, accommodation and use of the Railway, and also to alienate, sell or dispose of the same.

3. To take, use, occupy and hold, but not to alienate except by way of lease, so much of the public beach or of the land covered with the waters of any river or lake in this Province as may be required for the Railway, doing no damage to, nor causing any obstruction in the navigation of the said rivers or lakes: provided that the lease shall be conditioned not to extend beyond the time during which such beach or land is required for the Railway.

4. To make, carry or place the Railway across or upon the lands of any Corporation or person whomsoever on the line of the Railway, or within the distance from such line as may be stated in the Special Act, although the name of such party be not entered in the book of reference hereinafter mentioned, through error or any other cause, or although some other party be erroneously mentioned as the owner of or entitled to convey, or be interested in such lands.

5. To construct, maintain and work the Railway across, along, or upon any stream of water, water

Appendix
(U. U.)

21st July.

Appendix
(U. U.)

21st July.

course, canal, highway or railway which it shall intersect or touch; but the stream, water course or canal so intersected or touched, shall be restored by the Company to its former state, or to such state as not unnecessarily to have impaired its usefulness.

6. To make, complete, alter and keep in repair the Railway with one or more sets of rails or tracks to be worked by the force and power of steam, or of the atmosphere, or of animals, or by mechanical power, or by any combination of them.

7. To erect and maintain all necessary and convenient buildings, stations, depots, wharves and fixtures, from time to time to alter, repair or enlarge the same, and to purchase and acquire stationary or locomotive engines and carriages, waggons, floats and other machinery and contrivances necessary for the accommodation and use of the passengers, freights and business of the Railway.

8. To make branch Railways, if required and provided by the Special Act, and to manage the same, and for that purpose to exercise and possess all the powers, privileges and authorities necessary therefor, in as full and ample a manner as for the Railway.

9. To turn and change the course of any river not being a navigable river, or of any brook, stream or water course requisite or convenient for the Railway.

10. To erect a bridge across any navigable river or stream, or any tide water, for the sole and exclusive travel on the Railway, provided such bridge shall be so constructed as not unnecessarily to obstruct or impede the navigation of such river, stream or water.

11. To construct, erect and make all other matters and things which shall be necessary and convenient for the making, extending and using of the Railway, in pursuance of and according to the meaning and intent of this Act, and of the Special Act.

12. To take, transport, carry and convey persons and goods on the Railway, to regulate the time and manner in which the same shall be transported, and the tolls and compensation to be paid therefor, and to receive such tolls and compensation.

13. To borrow from time to time, either in this Province or elsewhere, such sums of money as may be expedient for completing, maintaining and working the Railway, and at a rate of interest not exceeding eight per cent. per annum, and to make the bonds, debentures or other securities granted for the sums so borrowed, payable either in currency or in sterling, and at such place or places within this Province or without as may be deemed advisable, and to sell the same at such prices or discount as may be deemed expedient, or as shall be necessary, and to hypothecate, mortgage or pledge the lands, tolls, revenues and other property of the Company for the due payment of the said sums and the interest thereon, but no such debenture shall be for a less sum than twenty-five pounds.

14. To enter into and upon any lands of Her Majesty without previous license therefor, or of any Corporation or person whatsoever lying in the intended route or line of the Railway.

15. To make surveys, examinations or other necessary arrangement on such lands necessary for fixing the site of the Railway, and to set out and ascertain such parts of the lands as shall be necessary and proper for the Railway.

16. To take, remove and use for the necessary construction, maintenance and repair of the Railway, any earth, gravel, stone, sand, timber or other mate-

rials necessary therefor, on or upon the lands taken, or upon or out of the lands of any person adjoining or lying convenient to the line of the Railway.

17. To fell or remove any trees standing in any woods, lands or forests, where the Railway shall pass, to the distance of six rods from either side thereof.

18. To cross, intersect, join and unite the Railway with any other Railway at any point on its route, and upon the lands of such other Railway, with the necessary conveniences for the purposes of such connection; and the owners of both Railways may unite in forming such intersection, and grant the facilities therefor; and in case of disagreement upon the amount of compensation to be made therefor, or upon the point or manner of such crossing and connection, the same shall be determined by arbitrators to be appointed by a Judge of the Superior Courts in Lower Canada or Upper Canada as the case may be.

PLANS AND SURVEYS.

X. Plans and surveys shall be made and corrected as follows:

1. Surveys and levels shall be taken and made of the lands through which the Railway is to pass, together with a map or plan thereof, and of its course and direction, and of the lands intended to be passed over and taken therefor, so far as then ascertained, and also a book of reference for the Railway, in which shall be set forth a general description of the said lands, the names of the owners and occupiers thereof, so far as they can be ascertained, and every thing necessary for the right understanding of such map or plan; and the map or plan and book of reference shall be examined and certified by the person performing the duties formerly assigned to the Surveyor General or his deputies, who shall deposit copies thereof in the office of the Clerks of the Peace in the Districts or Counties through which the Railway shall pass, and also in the Office of the Secretary of the Province, and shall also deliver one copy thereof to the said Company; and all persons shall have liberty to resort to such copies, and to make extracts or copies thereof, as occasion shall require, paying to the said Secretary of the Province, or to the said Clerks of the Peace, at the rate of *six pence* for every hundred words; and the said triplicates of the said map or plan and book of reference so certified, or a true copy thereof certified by the Secretary of the Province or by the Clerks of the Peace, shall be, and is and are hereby declared to be, good evidence in any Court of Law and elsewhere.

2. Any omission, misstatement or erroneous description of such lands, or of such owners or occupiers thereof, in any map or plan or book of reference, may be corrected by two Justices on application made to them, after giving ten days' notice to the owners of such lands, for the correction thereof, and the parties shall certify the same accordingly if it shall appear to them that such omission, misstatement or erroneous description arose from mistake; and the certificate shall state the particulars of any such omission, and the manner thereof, and shall be deposited with the said Clerks of the Peace of the Districts or Counties, respectively, in which such lands shall be situate, and be kept by them respectively along with the other documents to which they relate; and thereupon such map or plan, or book of reference shall be deemed to be corrected according to such certificate; and it shall be lawful for the Company to make the Railway in accordance with such certificate.

3. If any alterations from the original plan or survey be intended to be made in the line or course

Appendix
(U. U.)

21st July.

Appendix
(U. U.)

21st July.

of the Railway, a plan and section in triplicate of such alterations as shall have been approved of by Parliament, on the same scale and containing the same particulars as the original plan and survey, shall be deposited in the same manner as the original plan, and copies or extracts of such plan and section as shall relate to the several Districts or Counties in or through which such alterations shall have been authorised to be made, shall be deposited with the Clerks of such several Districts and Counties.

4. Until such original map or plan and book of reference, or the plans and sections of the alterations, shall have been deposited as aforesaid, the execution of the Railway or of the part thereof affected by the alterations, as the case may be, shall not be proceeded with.

5. The Clerks of the Peace shall receive and retain the copies of the original plans and surveys, and copies of the plans and sections of alterations, and copies and extracts thereof respectively, and shall permit all persons interested to inspect any of the documents aforesaid, and to make copies and extracts of and from the same, under a penalty for default of currency.

6. The copies of the maps, plans, and books of reference, or of any alteration or correction thereof, or extracts therefrom, certified by any such Clerk of the Peace, which certificate such Clerk of the Peace shall give to all parties interested when required, shall be received in all Courts of Justice or elsewhere as good evidence of the contents thereof.

7. No deviation of more than one mile from the line of the Railway or from the places assigned thereto, in the said map or plan and book of reference or plans or sections shall be made, nor into, through, across, under or over any part of the lands shewn in such map or plan and book of reference, or plans or sections, or within one mile of the said line and places, save in such instances as are provided for in the Special Act.

8. Provided that the Railway may be carried across or upon the lands of any person on the line, or within the distance from such line as aforesaid, although the name of such person be not entered in the book of reference, through error or any other cause, or although some other person be erroneously mentioned as the owner of or entitled to convey, or be interested in such lands.

9. The lands which may be taken without the consent of the proprietor thereof, shall not exceed thirty yards in breadth, except in such places where the Railway shall be raised more than five feet higher, or cut more than five feet deeper than the surface of the line, or where offsets shall be established, or where stations, depots or fixtures are intended to be erected, or goods be delivered, and then not more than two hundred yards in length by one hundred and fifty yards in breadth, without the consent of the person authorised to convey such lands; and the places at which such extra breadth is to be taken, shall be shewn on the map or plan, or plans or sections, so far as the same may be then ascertained, but their not being so shewn shall not prevent such extra breadth from being taken, provided it be taken upon the line shewn or within the distance aforesaid from such line.

10. The extent of the public beach or of the land covered with the waters of any river or lake in this Province, taken for the Railway, shall not exceed the quantity limited in the next preceding clause.

LANDS AND THEIR VALUATION.

XI. The conveyance of lands, their valuation and the compensation therefor, shall be made in manner following:

Appendix
(U. U.)

21st July.

1. All corporations and persons whatever, tenants in tail or for life, *grèves de substitution*, guardians, curators, executors, administrators, and all other trustees whatsoever, not only for and on behalf of themselves, their heirs and successors, but also for and on behalf of those whom they represent, whether infants, issue unborn, lunatics, idiots, *femes couvertes*; or other persons, who are or shall be scised, possessed of or interested in any lands, may contract for, sell and convey unto the Company all or any part thereof; and any contract, agreement, sale, conveyance and assurance so to be made, shall be valid and effectual in law to all intents and purposes whatsoever, any law, statute, usage or custom to the contrary thereof in anywise notwithstanding, and such corporation or person, so conveying as aforesaid, is hereby indemnified for what he shall respectively do by virtue of or in pursuance of this Act.

2. Provided, that any contract or agreement made by any party authorised by this Act to convey lands, and made before the deposit of the map or plan and book of reference, and before the setting out and ascertaining of the lands required for the Railway, shall be binding at the price agreed upon for the same lands, if they shall be afterwards so set out and ascertained within one year from the date of the contract or agreement, and although such land may, in the mean time, have become the property of a third party; and possession of the land may be taken and the agreement and price may be dealt with, as if such price had been fixed by an award of arbitrators as hereinafter provided, and the agreement shall be in the place of an award.

3. All corporations or persons who cannot in common course of law sell or alienate any lands so set out and ascertained, shall agree upon a fixed annual rent as an equivalent, and not upon a principal sum, to be paid for the lands; and if the amount of the rent shall not be fixed by voluntary agreement or compromise, it shall be fixed in the manner herein prescribed, and all proceedings shall in that case be regulated as herein prescribed; and for the payment of the said annual rent, and every other annual rent agreed upon or ascertained, and to be paid for the purchase of any lands, or for any part of the purchase money of any lands, which the vendor shall agree to leave unpaid, the Railway and the tolls thereon shall be, and are hereby made liable and chargeable, in preference to all other claims and demands thereon whatsoever, the deed creating such charge and liability being duly registered in the Registry Office of the proper County.

4. Whenever there shall be more than one party proprietor of any land as joint tenants or tenants in common, or *par indivis*, any contract or agreement made in good faith with any party or parties proprietor or being together proprietors of one-third or more of such land, as to the amount of compensation for the same or for any damages thereto, shall be binding as between the remaining proprietor or proprietors as joint tenants or tenants in common and *par indivis*; and the proprietor or proprietors who have so agreed, may deliver possession of such land, or empower the entry upon the same, as the case may be.

5. After one month from the deposit of the map or plan and book of reference as aforesaid, and from notice thereof in at least one newspaper published in each of the Districts and Counties through which the Railway is intended to pass, application may be made to the owners of lands or to parties empowered to convey lands, or interested in lands which may suffer damage from the taking of materials or the exercise of any of the powers granted for the Railway, and thereupon agreements and contracts may be made with the said parties touching the said

Appendix
(U. U.)

21st July.

lands or the compensation to be paid for the same, or for the damages, or as to the mode in which the said compensation shall be ascertained, as shall seem expedient to both parties, and in case of disagreement between them, or any of them, then all questions which shall arise between them, shall be settled as follows, that is to say :

6. The deposit of a map or plan and book of reference, and the notice of such deposit, given as aforesaid, shall be deemed a general notice to all such parties as aforesaid of the lands which will be required for the said Railway and works.

7. A notice served upon the party, containing a description of the lands to be taken, or of the powers intended to be exercised with regard to any lands, describing them ; a declaration of readiness to pay some certain sum, or rent as the case may be, as compensation for such lands or for such damages, and the name of a person to be appointed as the Arbitrator of the Company, if their offer be not accepted ; and such notice shall be accompanied by the certificate of a sworn Surveyor for either Province, as the case may be, disinterested in the matter and not being the Arbitrator named in the notice, that the land, if the notice relate to the taking of land, is shewn on the said map or plan and is required for the Railway, or is within the limits of deviation hereby allowed ; that he knows the land, or the amount of damage likely to arise from the exercise of the powers ; and that the sum so offered, is in his opinion, a fair compensation for the land, and for the damages as aforesaid.

8. If the opposite party be absent from the District or County in which the lands lie, or be unknown, then upon application to a Judge of the District or Circuit Court, as the case may be, accompanied by such certificate as aforesaid, and by an affidavit of some officer of the Company that the opposite party is so absent, or that after diligent enquiry the party on whom the notice ought to be served cannot be ascertained, the Judge shall order a notice as aforesaid, but without the certificate, to be inserted three times in the course of one calendar month in some newspaper published in the said District or County.

9. If within ten days after the service of such notice, or within one month after the first publication thereof as aforesaid, the opposite party shall not notify to the Company his acceptance of the sum offered by them, or notify to them the name of a person whom he appoints as Arbitrator, then the Judge shall, on the application of the Company, appoint a sworn Surveyor for Upper or Lower Canada, as the case may be, to be sole Arbitrator for determining the compensation to be paid as aforesaid.

10. If the opposite party shall, within the time aforesaid, notify to the Company the name of his Arbitrator, then the two Arbitrators shall jointly appoint a third, or if they cannot agree upon a third, then the Judge shall, on the application of the party or of the Company. (previous notice of at least one clear day having been given to the other party.) appoint a third Arbitrator.

11. The Arbitrators, or any two of them, or the sole Arbitrator, being sworn, before some Justice of the Peace for the County in which the lands lie as aforesaid, faithfully and impartially to perform the duties of their office, shall proceed to ascertain the said compensation in such way as they or he, or a majority of them, shall deem best, and the award of such Arbitrators, or any two of them, or of the sole Arbitrator, shall be final and conclusive: Provided, that no such award shall be made or any official act be done by such majority, except at a meeting held at a time and place of which the other Arbitrator

shall have at least one clear day's notice, or to which some meeting at which the third Arbitrator was present, shall have been adjourned ; and no notice to either of the parties shall be necessary, but they shall be held sufficiently notified through the Arbitrator they shall have appointed, or whose appointment they shall have required.

12. Provided, that if in any case where three Arbitrators shall have been appointed, the sum awarded be not greater than that offered, the costs of the Arbitration shall be borne by the opposite party, and deducted from the compensation, but if otherwise, they shall be borne by the Company, and in either case they may, if not agreed upon, be taxed by the Judge aforesaid.

13. The Arbitrators, or a majority of them, or the sole Arbitrator, may examine on oath or solemn affirmation the parties, or such witnesses as shall voluntarily appear before him or them, and may administer such oath or affirmation ; and any wilfully false statement made by any witness, under such oath or affirmation, shall be deemed wilful and corrupt perjury, and punishable accordingly.

14. The Judge by whom any third Arbitrator or sole Arbitrator shall be appointed, shall, at the same time, fix a day on or before which the award shall be made, and if the same be not made on or before such day, or some other day to which the time for making it shall have been prolonged, either by the consent of the parties or by the order of the Judge, as it may be for reasonable cause shewn, on the application of such sole Arbitrator or of one of the Arbitrators after one clear day's notice to the others, then the sum offered by the Company as aforesaid shall be the compensation to be paid by them.

15. If the Arbitrator appointed by such Judge, or if any Arbitrator appointed by the parties, shall die before the award be made, or be disqualified, or refuse or fail to act within a reasonable time, then, upon the application of either party, such Judge being satisfied by affidavit, or otherwise of such disqualification, refusal or failure, may, in his discretion, appoint another Arbitrator in the place of him by the Judge previously appointed, and the Company and party may each appoint an Arbitrator in the place of their Arbitrator deceased or otherwise not acting as aforesaid, but no recommencement or repetition of prior proceedings shall be required in any case.

16. Any such notice for lands as aforesaid, may be desisted from, and new notice given with regard to the same or other lands, to the same or any other party, but in any such case the liability to the party first notified for all damages or costs by him incurred in consequence of such first notice and desistment shall subsist.

17. The Surveyor or other person offered or appointed as Valuator, or as Arbitrator, shall not be disqualified by reason that he is professionally employed by either party, or that he has previously expressed an opinion as to the amount of compensation, or that he is related or of kin to any member of the Company, provided he is not himself personally interested in the amount of the compensation ; and no cause of disqualification shall be urged against any Arbitrator appointed by the Judge after his appointment, but shall be made before the same, and its validity or invalidity shall be summarily determined by the Judge ; and no cause of disqualification shall be urged against any Arbitrator appointed by the Company or by the opposite party, after the appointment of a third Arbitrator ; and the validity or invalidity of any cause of disqualification urged against any such Arbitrator, before the appointment of a third

Appendix
(U. U.)

21st July.

Appendix
(U. U.)

21st July.

Arbitrator, shall be summarily determined by any such Judge, on the application of either party, after one clear day's notice to the other, and if such cause be determined to be valid, the appointment shall be null, and the party offering the person so adjudged to be disqualified, shall be held to have appointed no Arbitrator.

18. No award made as aforesaid shall be invalidated from any want of form or other technical objection, if the requirements of this Act shall have been complied with, and if the award shall state clearly the sum awarded, and the lands or other property, right or thing for which such sum is to be the compensation; nor shall it be necessary that the party or parties to whom the sum is to be paid be named in the award.

19. Upon payment or legal tender of the compensation or annual rent so awarded or agreed upon as aforesaid to the party entitled to receive the same, or upon the deposit of the amount of such compensation in the manner hereinafter mentioned, the award or agreement shall vest in the said Company the power forthwith to take possession of the lands, or to exercise the right, or to do the thing for which such compensation or annual rent shall have been awarded or agreed upon; and if any resistance or forcible opposition shall be made by any person to their so doing, the Judge may, on proof to his satisfaction of such award or agreement, issue his warrant to the Sheriff of the District or County, or to a Bailiff, as he may deem most suitable, to put the said Company in possession, and to put down such resistance or opposition, which the Sheriff or Bailiff, taking with him sufficient assistance, shall accordingly do: Provided that such warrant may also be granted by any such Judge, without such award or agreement, on affidavit to his satisfaction that the immediate possession of the lands or of the power to do the thing mentioned in the notice, is necessary to carry on some part of the said Railway with which the said Company are ready forthwith to proceed; and upon the said Company giving security to his satisfaction, and in a sum which shall not be less than double the amount mentioned in the notice, to pay or deposit the compensation to be awarded within one month after the making of the award, with interest from the time at which possession shall be given, and with such costs as may be lawfully payable by the Company.

20. The compensation for any lands which might be taken without the consent of the proprietor, shall stand in the stead of such lands; and any claim to or incumbrance upon the said lands, or any portion thereof, shall, as against the Company, be converted into a claim to the compensation, or to a like proportion thereof, and they shall be responsible accordingly whenever they shall have paid such compensation, or any part thereof, to a party not entitled to receive the same, saving always their recourse against such party: Provided that if the Company shall have reason to fear any claims or incumbrances, or if any party to whom the compensation or annual rent, or any part thereof shall be payable shall refuse to execute the proper conveyance and guarantee, or if the party entitled to claim the same cannot be found, or be unknown to the Company, or if for any other reason the Company shall deem it advisable, it shall be lawful, if the lands be situated in Upper Canada, for them to pay such compensation into the office of either of the Superior Courts for Upper Canada, with the interest thereon for six months, and to deliver to the Clerk of the Court an authentic copy of the conveyance, or of the award or agreement if there be no conveyance, and such award or agreement shall thereafter be deemed to be the title of the Company to the land therein mentioned; and a notice, in such form and for such time as the said Court shall ap-

point, shall be inserted in some newspaper published in the District or County in which the lands are situate, and in the City of Toronto, which shall state that the title of the Company, that is, the conveyance, agreement or award, is under this Act, and shall call upon all persons entitled to the land, or to any part thereof or representing or being the husbands of any parties so entitled, to file their claims to the compensation or any part thereof, and all such claims shall be received and adjudged upon by the Court, and the said proceedings shall forever bar all claims to the lands, or any part thereof, including dower, as well as all mortgages or incumbrances upon the same; and the Court shall make such order for the distribution, payment or investment of the compensation, and for the securing of the rights of all parties interested as to the right and justice, and according to the provisions of this Act, and the special Act, and to law, shall appertain; and the costs of the proceedings, or any part thereof, shall be paid by the Company, or by any other party as the Court shall deem it equitable to order; and if such order of distribution as aforesaid be obtained in less than six months from the payment of the compensation into Court, the Court shall direct a proportionate part of the interest to be returned to the Company, and if from any error, fault or neglect of the Company, it shall not be obtained until after the six months are expired, the Court shall order the Company to pay to the proper claimants the interest for such further period as may be right.

21. That if the lands so taken be situate in Lower Canada, and if the said Company shall have reason to fear any such claim, mortgage, hypothec or incumbrance, or if any party to whom the compensation or annual rent, or any part thereof, shall be payable, shall refuse to execute the proper conveyance and guarantee, or if the party entitled to claim the compensation or rent cannot be found, or be unknown to the Company, or if for any other reason the Company shall deem it advisable, it shall be lawful for them to pay such compensation into the hands of the Prothonotary of the Superior Court for the District in which such land is situate, with the interest thereon for six months, and to deliver to the said Prothonotary an authentic copy of the conveyance, or of the award, if there be no conveyance, and such award shall thereafter be deemed to be the title of the said Company to the land therein mentioned, and proceedings shall thereupon be had for the confirmation of the title of the said Company, in like manner as in other cases of confirmation of title, except that, in addition to the usual contents of the notice, the Prothonotary shall state that the title of the Company (that is, the conveyance or award,) is under this Act, and shall call upon all persons entitled to the lands, or any part thereof, or representing or being the husband of any party so entitled, to file their oppositions for their claims to the compensation, or any part thereof, and all such oppositions shall be received and adjudged upon by the Court; and the judgment of confirmation shall forever bar all claims to the land or any part thereof, (including dower not yet open,) as well as any mortgage, hypothec or incumbrance upon the same; and the Court shall make such order for the distribution, payment or investment of the compensation, and for the security of the rights of all parties interested, as to right and justice, and the special Act, and according to the provisions of this Act and to law, shall appertain; and the costs of the said proceedings, or any part thereof, shall be paid by the Company, or by any other party, as the Court shall deem it equitable to order; and if judgment of confirmation be obtained in less than six months from the payment of the compensation to the Prothonotary, the Court shall direct a proportionate part of the interest to be returned to the Company,

Appendix
(U. U.)

21st July.

Appendix
(U. U.)

21st July.

and if from any error, fault or neglect of the Company, it shall not be obtained until after the six months are expired, the Court shall order the Company to pay the Prothonotary the interest for such further period as may be right.

22. If the said Railway shall pass through any land belonging to or in possession of any tribe of Indians in this Province, or if any act occasioning damage to their lands shall be done under the authority of this Act or the special Act, compensation shall be made to them therefor, in the same manner as is provided with respect to the lands or rights of other individuals; and whenever it shall be necessary that Arbitrators shall be chosen by the parties, the chief officer of the Indian Department within this Province, is hereby authorised and required to name an Arbitrator on behalf of the Indians, and the amount which shall be awarded in any case, shall be paid, where the lands belong to the Indians, to the said chief officer, for the use of such tribe or body.

23. Whenever it shall be necessary for the Company to occupy any part of the lands belonging to the Queen's Majesty, or which may at any time heretofore have been especially set apart and reserved, or which are designated or commonly known as Crown, Clergy or School Lands, or lands reserved for Military purposes, they shall first apply for and obtain the license or consent of Her said Majesty, under the hand and seal of the Governor for the time being, and having obtained such license and consent, they may at any time or times enter into or upon, have, hold, use, occupy and enjoy any of the said lands for the purposes of the Railway.

XII. HIGHWAYS AND BRIDGES

SHALL BE REGULATED AS FOLLOWS:

1. The Railway shall not be carried along any existing highway but merely cross the same in the line of the Railway, unless leave be obtained from the proper Municipal authority therefor; and no obstruction of such highway with the works shall be made without turning the highway so as to leave an open and good passage for carriages, and, on completion of the works, replacing the highway, under a penalty of _____ for any contravention; but, in either case the rail itself, provided it does not rise above or sink below the surface of the road more than one inch, shall not be deemed an obstruction.

2. No part of the Railway which shall cross any highway, without being carried over by a bridge, or under by a tunnel, shall rise above or sink below the level of the highway more than one inch: and the Railway may be carried across or above any highway within the limits aforesaid.

3. The space of the arch of any bridge erected for carrying the Railway over or across any highway shall at all times be, and be continued of the open and clear breadth and space, under such arch, of not less than twenty feet, and of a height from the surface of such highway to the centre of such arch of not less than twelve feet; and the descent under any such bridge shall not exceed one foot in twenty feet.

4. The ascent of all bridges erected to carry any highway over any Railway shall not be more than one foot in twenty feet increase over the natural ascent of the highway; and a good and sufficient fence shall be made on each side of every bridge, which fence shall not be less than four feet above the surface of the bridge.

5. Sign boards stretching across the highway crossed at a level by any Railway, shall be erected and kept up at each crossing at such height as to leave sixteen feet from the highway to the lower edge of the signboard, and having the words "Railway Crossing" painted on each side of signboard, and in letters not less than six inches in length; and for every neglect to comply with the requirements of this section, a penalty not exceeding _____ currency shall be incurred.

XIII. FENCES.

1. Fences shall be erected and maintained on each side of the Railway, of the height and strength of an ordinary division fence, with openings, or gates, or bars therein and farm crossings of the road, for the use of the proprietors of the lands adjoining the Railway; and also cattle guards at all road crossings, suitable and sufficient to prevent cattle and animals from getting on the Railway; and until such fences and cattle guards shall be duly made, the Company shall be liable for all damages which shall be done by their trains or engines to cattle, horses or other animals on the Railway; and after the fences or guards shall be duly made, and while they are duly maintained, no such liability shall accrue for any such damages unless negligently or wilfully done; and if any person shall ride, lead or drive any horse or other animal upon such Railway and within the fences and guards other than the farm crossings, without the consent of the Company, he shall for every such offence forfeit a sum not exceeding _____ and shall also pay all damages which shall be sustained thereby to the party aggrieved; and no person other than those connected with, or employed by, the Railway, shall walk along the track thereof, except where the same shall be laid across or along a highway.

2. Within six months after any lands shall be taken for the use of the Railway, and if thereunto required by the proprietors of the adjoining lands respectively, but not otherwise, the lands shall be, by the Company, divided and separated, and kept constantly divided and separated from the lands or grounds adjoining thereto, with a sufficient post or rail, hedge, ditch, bank or other fence sufficient to keep off hogs, sheep and cattle, to be set and made on the lands so taken, and which the Company shall, at their own costs and charges, from time to time, maintain, support and keep in sufficient repair.

XIV. TOLLS

SHALL BE ESTABLISHED AS FOLLOWS:

1. Tolls shall be from time to time fixed and regulated by the by-laws of the Company, by the Directors, if made thereunto authorised by the by-laws, or by the shareholders at any general meeting, and shall and may be demanded and received for all passengers and goods transported upon the Railway or in the steam vessels to the undertaking belonging, and which shall be paid to such persons and at such places near to the Railway, in such manner and under such regulations as the by-laws shall direct; and in case of denial or neglect of payment of any such tolls, or any part thereof, on demand, to such persons, the same may be sued for and recovered in any competent Court, or the agents or servants of the Company may, and they are hereby empowered to seize the goods for or in respect whereof such tolls ought to be paid, and detain the same until payment thereof; and in the meantime the said goods shall be at the risk of the owners thereof; and all or any of the said tolls may, by any by-law, made at any

Appendix
(U. U.)

21st July.

Appendix
(U. U.)

21st July.

general meeting, be lowered and reduced and again raised as often as it shall be deemed necessary for the interest of the undertaking: Provided that the same tolls shall be payable at the same time and under the same circumstances upon all goods and persons, so that no undue advantage, privilege or monopoly may be afforded to any person or class of persons by any by-laws relating to the tolls.

2. In all cases a fraction in the distance over which goods or passengers shall be transported on the Railway shall be considered as a whole mile; and for a fraction of a ton in the weight of any goods, a proportion of the tolls shall be demanded and taken, according to the number of quarters of a ton contained therein, and a fraction of a quarter of a ton shall be deemed and considered as a whole quarter of a ton.

3. The Directors shall, from time to time, print and stick up, or cause to be printed and stuck up, in the office, and in all and every of the places where the tolls are to be collected, and in every passenger car, in some conspicuous place there, a printed board or paper exhibiting all the tolls payable, and particularizing the price or sum of money to be charged or taken for the carriage of any matter or thing.

XV. GENERAL MEETINGS.

The Shareholders shall always have power to assemble together at general meetings for purposes connected with or belonging to the undertaking, and may at any general meeting remove and elect Directors, and remove any officers under them, make, revoke, amend or change any by-laws, rules or orders, the method of calling general meetings and their time and place of assembling only excepted, for the regulation of the undertaking and Railway, and for the well governing of all persons travelling, or the transport of goods carried on the Railway, and by such by-laws to impose fines and forfeitures for the breach of such by-laws, rules or orders, not exceeding the sum of _____ pounds for every offence. Provided, that no by-laws shall be binding, unless they shall have been approved of by the Governor in Council, nor until after their publication in the Canada Gazette for at least fifteen days.

XVI. DIRECTORS: THEIR ELECTION AND DUTIES.

1. A Board of Directors of the undertaking to manage its affairs, the number whereof shall be stated in the special Act, shall be chosen annually by a majority of the Shareholders voting at such election, and if such election shall not be held on the day appointed by the by-laws, it shall be the duty of the Directors to notify and cause such election to be held within thirty days after the day so appointed; and on the day so notified, no person shall be admitted to vote except those who would have been entitled to vote had the election been held on the day when, by such articles or by-laws, it ought to have been held; and vacancies in the Board of Directors shall be filled in such manner as may be prescribed by the by-laws: and no person shall be a Director unless he be a Stockholder, owning stock absolutely in his own right, and qualified to vote for Directors at the election at which he shall be chosen.

2. The method of calling general meetings, and the time and place of the first meeting of Stockholders for the appointment of Directors shall be determined and settled in the special Act.

3. The number of votes to which each Shareholder shall be entitled on every occasion when the

votes of the members are to be given, shall be in the proportion to the number of shares held by him, unless otherwise provided by the special Act; and all Shareholders, whether resident in this Province or elsewhere, may vote by proxy, if they shall see fit; Provided that such proxy do produce from his constituent an appointment in writing, in the words or to the effect following, that is to say:

"I, _____, of _____, one of the Shareholders of the _____, do hereby appoint _____ of _____ to be my proxy and in my absence to vote or give my assent to any business, matter or thing relating to the said undertaking, that shall be mentioned or proposed at any meeting of the Shareholders of the said Company, or any of them, in such manner as he the said _____ shall think proper. In witness whereof I have hereunto set my hand and seal, the _____ day of _____, in the year _____."

4. The votes by proxy shall be as valid as if the principals had voted in person; and every matter or thing proposed or considered in any public meeting of the Shareholders shall be determined by the majority of votes and proxies then present and given as aforesaid, and all decisions and acts of any such majority shall bind the Company, and be deemed the decisions and acts of the Company.

5. The Directors first appointed, or those appointed in their stead in case of vacancy, shall remain in office until the next annual election of Directors at the time appointed by the by-laws therefor, at which time an annual general meeting of the Shareholders shall be held to choose Directors for the ensuing year, and generally to transact the business of the Company: Provided always, that the said Directors, in case of the death, absence, resignation or removal of any of them, may appoint others in their stead; but if such appointment be not made, such death, absence, resignation or removal shall not invalidate the acts of the remaining Directors.

6. The Directors shall, at their first or at some other meeting after the day appointed for the annual general meeting, elect one of their number to be the President of the Company, who shall always, when present, be the Chairman of and preside at, all meetings of the Directors, and shall hold his office until he shall cease to be a Director or until another President shall be elected in his stead; and they may in like manner elect a Vice-President, who shall act as Chairman in the absence of the President.

7. The Directors at any meeting, at which not less than a quorum to be settled by the Special Act shall be present, shall be competent to use and exercise all and any of the powers vested in the said Directors, but no one Director shall have more than one vote at any meeting except the Chairman, who shall, in case of a division of equal numbers, have the casting vote, and the Directors shall be subject to the examination and control of the Shareholders at their annual meetings and be subject to all by-laws of the Company, and to the orders and directions from time to time made at the annual or at any special meetings, such orders and directions not being contrary to any express directions or provisions of this Act or the Special Act: And provided also, that the Act of any majority of a quorum of the Directors present at any meeting regularly held, shall be deemed the act of the Directors.

8. No person holding any office, place or employment, in, or being concerned or interested in any contracts under or with the Company, shall be capable of being chosen a Director or of holding the office of Director.

Appendix
(U. U.)

21st July.

Appendix
(U. U.)

21st July.

9. The Directors shall make by-laws for the management and disposition of the stock, property and business affairs of the Company, not inconsistent with the laws of this Province, and for the appointment of all officers, servants and artificers, and prescribing their respective duties.

10. The Directors may from time to time, make such calls of money upon the respective Shareholders, in respect of the amount of capital respectively subscribed or owing by them, as they shall deem necessary, provided that thirty days' notice at the least be given of each call, and that no call exceed the prescribed amount to be determined therefor in the Special Act, nor made at a less interval than two months from the previous call, or a greater amount be called in, in any one year, than the prescribed amount therefor in the Special Act, and every Shareholder shall be liable to pay the amount of the call so made in respect of the shares held by him to the persons and at the times and places from time to time appointed by the Company or the Directors.

11. If before or on the day appointed for payment, any Shareholder do not pay the amount of any call, he shall be liable to pay interest for the same, at the rate of six per centum per annum, from the day appointed for the payment thereof to the time of the actual payment.

12. If at the time appointed for the payment of any call, any Shareholder shall fail to pay the amount of the call, he may be sued for the same, in any Court of Law or Equity having competent jurisdiction, and the same may be recovered with lawful interest from the day on which such call was payable.

13. In any action or suit to recover any money due upon any call, it shall not be necessary to set forth the special matter, but it shall be sufficient to declare that the Defendant is the holder of one share or more, stating the number of shares, and is indebted in the sum of money to which the calls in arrear shall amount, in respect of one call or more upon one share or more, stating the number and amount of each of such calls, whereby an action hath accrued to the said Company by virtue of the special Act.

14. The certificate of proprietorship of any share shall be admitted in all Courts as *prima facie* evidence of the title of any Shareholder, his executors, administrators, successors or assigns to the share therein specified: nevertheless the want of such certificate shall not prevent the holder of any share from disposing thereof.

15. Any persons neglecting or refusing to pay a rateable share of the calls as aforesaid, shall forfeit a sum not exceeding *five pounds* for every one hundred pounds of their respective shares in the undertaking; and all such persons neglecting to pay their rateable calls as aforesaid, for the space of two calendar months after the time appointed for the payment thereof, shall forfeit their respective shares in the undertaking, and all the profit and benefit thereof; all which forfeitures shall go to the Company for the benefit thereof.

16. Provided that no advantage shall be taken of the forfeiture unless the same shall be declared to be forfeited at a general meeting of the Company, assembled at any time after such forfeiture shall be incurred, and every such forfeiture shall be an indemnification to and for every Shareholder so forfeiting against all actions, suits or prosecutions whatever, to be commenced or prosecuted for any breach of contract or other agreement between such Shareholder and the other Shareholders with regard to carrying on the said undertaking.

17. The Directors of the said Company may sell, either by public auction or private sale, and in such manner and on such terms as to them shall seem meet, any shares so declared to be forfeited, and also any shares remaining unsubscribed for in the capital stock of the Company, or pledge such forfeited or unsubscribed shares for the payment of loans or advances made or to be made thereon, or of any sums of money borrowed or advanced by or to the Company.

18. A certificate of the Treasurer of the Company that the forfeiture of the shares was declared, shall be sufficient evidence of the fact therein stated, and of their purchase by the purchaser; and with the receipt of the Treasurer for the price of such shares shall constitute a good title to the shares, and the certificate shall be by the said Treasurer enregistered in the name and with the place of abode, and occupation of the purchasers, and shall be entered in the books required to be kept by the by-laws of the Company, and such purchaser shall thereupon be deemed the holder of such shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity in the proceedings in reference to such sale, and any Shareholder may purchase any shares so sold.

19. Shareholders willing to advance the amount of their shares or any part of the money due upon the respective shares beyond the sums actually called for, may pay the same, and upon the principal moneys so paid in advance, or so much thereof as from time to time shall exceed the amount of the calls then made upon the shares in respect of which such advance shall be made, the Company may pay interest at the legal rate of interest for the time being, as the Shareholders paying such sum in advance and the said Company may agree upon: Provided, such interest shall not be paid out of the capital subscribed.

20. The Directors shall and they are hereby required to cause a true, exact and particular account to be kept and annually made up and balanced on the thirty-first day of December in each year, of the money collected and received by the Company, or by the Directors or Managers thereof, or otherwise, for the use of the Company, and of the charges and expenses attending the erecting, making, supporting, maintaining and carrying on of the undertaking and of all other receipts and expenditures of the Company or the Directors, and at the general meetings of the Stockholders of the undertaking, to be from time to time holden as aforesaid, a dividend shall be made out of the clear profits of the said undertaking, unless such meetings shall declare otherwise; and such dividend shall be at and after the rate of so much per share upon the several shares held by the Shareholders in the stock of the Company, as such meeting shall think fit to appoint or determine: Provided always, that no dividend shall be made whereby the capital of the said Company shall be in any degree reduced or impaired, or be paid thereout, nor shall any dividend be paid in respect of any share, after a day appointed for payment of any call for money in respect thereof until such call shall have been paid.

21. The Directors of the Company may, in their discretion, until the Railroad shall be completed and opened to the public, pay interest at any rate not exceeding six pounds per centum per annum, on all sums called up in respect of the shares, from the respective days on which the same shall be paid, such interest to accrue and be paid at such times and places as the Directors shall appoint for that purpose: Provided always, that no interest shall accrue to the proprietors of any share upon which any call

Appendix
(U. U.)

21st July.

Appendix
(U. U.)

21st July.

shall be in arrear in respect of such shares or any other share to be holden by the same Shareholder during the period which such call shall remain unpaid, nor shall any interest be paid or taken from the Capital subscribed or any part thereof.

22. The Directors shall from time to time appoint such and so many officers as they may deem requisite, and take from them such sufficient security by one or more bond or bonds, in a sufficient penalty or penalties or otherwise from the manager and officers for the time being, for the sake of keeping and accounting of the moneys to be raised by virtue of this Act and the Special Act for the faithful execution by them of their offices respectively, as the Directors shall think proper.

XVII. SHAREHOLDERS, SHARES AND THEIR TRANSFER.

Shares in the undertaking may be, by the parties, sold and disposed of by deed, to be made in duplicate in the form following, one part of which shall be delivered to the Directors, to be filed and kept for the use of the said Company, and an entry thereof shall be made in a book to be kept for that purpose; but no interest on the shares transferred shall be paid by the purchaser until said duplicate shall be so delivered, filed, and entered.

Sales shall be in the form following, varying the names and descriptions of the contracting parties, as the case may require:

"I, A B, in consideration of the sum of
"paid to me by C D, hereby do sell and transfer to
"him share (or shares) of the stock of the
"to hold to him the said C D, his
"Heirs, Executors, Administrators and Assigns, sub-
"ject to the same rules and orders, and on the same
"conditions that I held the same immediately before
"the execution thereof. And I, the said C D, do
"hereby agree to accept of the said share
" (or shares) subject to the same rules, orders and
"conditions.
" Witness our hands and seals, this day of
" in the year of "

XVIII. MUNICIPALITIES.

1. All Municipal Corporations in this Province may subscribe for any number of shares in the Capital Stock of, or lend to or guarantee the payment of any sum of money borrowed by the Company from any Corporation or person, or indorse or guarantee the payment of any debenture to be issued by the Company for money by them borrowed, and shall have power to assess and levy from time to time upon the whole rateable property of the Municipality a sufficient sum for them to discharge the debt or engagement so contracted, and for the like purpose to issue Debentures payable at such times and for such sum respectively, not less than twenty-five pounds Currency, and bearing or not bearing interest, as such Corporation may think meet.

2. Any such debenture issued, indorsed or guaranteed, shall be valid, and binding upon such Corporation, if signed or indorsed, and countersigned by such officer or person, and in such manner and form as shall be directed by any by-law of such Corporation, and the Corporation seal thereto shall not be necessary, or the observance of any other form with regard to the Debenture than such as shall be directed in such by-law as aforesaid.

3. No Municipal Corporation shall subscribe for Stock or incur any debt or liability under this Act or the Special Act, unless and until a by-law to that effect shall have been duly made, and adopted with the consent first had of a majority of the qualified electors of the Municipality, to be ascertained in such manner as shall be determined by the said by-law, after public advertisement thereof containing a copy of such proposed by-law, inserted at least four times in each newspaper printed within the limits of the Municipality, or if none be printed therein, then in some one or more newspaper printed in the nearest City or Town thereto and circulated therein.

4. The Mayor, Warden or Reeve, being the head of such Municipal Corporation, subscribing for and holding Stock in the Company to the amount of £25,000, or upwards, shall be and continue to be *ex officio* one of the Directors of the Company, in addition to the number of Directors authorised by the Special Act, and shall have the same rights, powers and duties as any of the Directors of the Company.

XIX. SHAREHOLDERS.

1. The Stock of the Company shall be deemed personal estate, and shall be transferable in the manner prescribed by the by-laws of the Company; but no shares shall be transferable until all previous calls thereon shall have been fully paid in, or the said shares shall have been declared forfeited for the non-payment of calls thereon.

2. Each Shareholder shall be individually liable to the creditors of the Corporation to an amount equal to the amount unpaid on the Stock held by him, for the debts and liabilities thereof, and until the whole amount of his Stock shall have been paid up; and all the Shareholders shall be jointly and severally liable for all the debts due or owing to any of the labourers and servants of the Company for services performed for them, but shall not be liable to an action therefor before an execution against the Company shall have been returned unsatisfied in whole or in part, and the amount due on such execution shall be the amount recoverable, with costs, against such Shareholders.

3. The original Capital Stock may be increased from time to time to any amount, but such increase must be sanctioned by a vote in person or by proxy, of at least two-thirds in amount of all the Shareholders, at a meeting of them expressly called by the Directors for that purpose, by a notice in writing to each Shareholder, served on him personally, or properly directed to him, and deposited in the Post Office nearest to his place of residence, at least twenty days previous to such meeting, stating the time and place and object of the meeting, and the amount of increase, and the proceedings of such meeting must be entered on the minutes of the proceedings, and thereupon the Capital Stock may be increased to the amount sanctioned by such a vote.

4. The funds of the Company shall not be employed in the purchase of any Stock in their own or in any other Corporation.

XX. ACTIONS FOR INDEMNITY AND FINES AND PENALTIES, AND THEIR PROSECUTION.

1. All suits for indemnity for any damage or injury sustained by reason of the Railway, shall be

Appendix
(U. U.)

21st July.

Appendix
(U. U.)

21st July

instituted within six calendar months next after the time of such supposed damage sustained, or if there shall be a continuation of damage, then within six calendar months next after the doing or committing such damage shall cease, and not afterwards; and the defendants may plead the general issue, and give this Act and the special Act and the special matter in evidence at any trial to be had thereupon, and may aver that the same was done in pursuance of and by authority of this Act and the special Act.

2. All persons by any means or in any manner or way whatsoever, obstructing or interrupting the free use of the Railway, or the carriages, vessels, engines or other works incidental or relative thereto, or connected therewith, shall, for every such offence, be deemed guilty of a misdemeanour, and on conviction thereof, shall be punished by imprisonment in the Provincial Penitentiary, for a term not to exceed five years.

3. All persons wilfully and maliciously, and to the prejudice of the Railway, breaking, throwing down, damaging or destroying the same, or any part thereof, or any of the buildings, stations, depôts, wharves, vessels, fixtures, machinery, or other works or devices incidental and relative thereto, or connected therewith, or doing any other wilful hurt or mischief, or wilfully or maliciously obstructing or interrupting the free use of the Railway, vessels or works, or obstructing, hindering, or preventing the carrying on, completing, supporting and maintaining the Railway, vessels or works, shall be adjudged guilty of a misdemeanour, unless the offence committed shall, under some other Act or Law, amount to a felony, in which case such person shall be adjudged guilty of a felony, and the Court by and before whom the person shall be tried and convicted, shall have power and authority to cause such person to be punished in like manner as persons guilty of misdemeanour, or felons (as the case may be) are directed to be punished by the laws in force in this Province.

4. All fines and forfeitures imposed by this Act, or the special Act, or which shall be lawfully imposed by any by-law, the levying and recovering of which are not particularly herein directed, shall, upon proof of the offence before any one or more Justice or Justices of the Peace for the District, County or place where the act occurred, either by the confession of the parties, or by the oath or affirmation of any one credible witness, which oath or affirmation such Justice or Justices is or are hereby empowered and required to administer without fee or reward, be levied by distress and sale of the offender's goods and chattels, by warrant under the hand and seal or hands and seals of such Justice or Justices; and all fines, forfeitures and penalties, the application whereof is not hereinbefore particularly directed, shall be paid into the hands of the Treasurer of the Company, to be applied to the use thereof, and the overplus of the money so raised, and after deducting the penalty and the expenses of the levying and recovering thereof, shall be returned to the owner of the goods so distrained and sold; and for want of sufficient goods and chattels whereof to levy the said penalty and expense, the offender shall be sent to the Common Gaol for the County or District in which he shall have been convicted, there to remain without bail or mainprize, for such term, not exceeding one month, as the Justice or Justices shall think proper, unless the penalty or forfeiture and all expenses attending the same, shall be sooner paid and satisfied; but every such person or persons may, within four calendar months after the conviction, appeal against the same to the Court of General Quarter Sessions, to be holden in and for the County or District.

5. All contraventions of this Act or of the special Act, by the Company or by any other party, for which no punishment or penalty is herein provided, shall be a misdemeanour, and shall be punishable accordingly; but such punishment shall not exempt the Company, if they be the offending party, from the forfeiture by this Act and the special Act, of the privileges conferred on them, by the said Acts, if by the provisions thereof or by law, the same be forfeited by such contravention.

6. All By-laws, Rules and Orders regularly made, shall be put into writing and signed by the Chairman or person presiding at the meeting at which they were adopted, and shall be kept in the office of the Company; and a printed copy of so much of them as may relate to or affect any party other than the members or servants of the Company, shall be affixed openly in all and every passenger car, and in all and every of the places where tolls are to be gathered, and in like manner as often as any change or alteration shall be made to the same; and the By-laws, Rules and Orders shall be binding upon and observed by all parties, and shall be sufficient in any Court of Law or Equity to justify all persons who shall act under the same; and any copy of the same or of any of them certified as correct by the President or Treasurer, shall be deemed authentic, and shall be received as evidence thereof in any Court, without further proof: Provided nevertheless, that all such By-laws, Rules and Orders shall be submitted from time to time, to the Governor General or person administering the Government of this Province for approval.

7. That copies of the minutes of proceedings and resolutions of the Shareholders of the Company, at any general or special meeting, and of minutes of proceedings and resolutions of the Directors, at their meetings, extracted from the minute-books kept by the Treasurer of the Company, and by him certified to be true copies, extracted from such minute books, shall be *prima facie* evidence of such proceedings and resolutions in all Courts of civil jurisdiction, and all notices given by the Treasurer of the Company, by order of the Directors, shall be deemed notices by the said Directors and Company.

XXI. WORKING OF THE RAILWAY.

1. Every servant of the undertaking employed in a passenger train or at stations for passengers, shall wear upon his hat or cap a badge, which shall indicate his office, and he shall not without such badge, be entitled to demand or receive from any passenger any fare or ticket, or to exercise any of the powers of his office, nor meddle or interfere with any passenger or his baggage or property.

2. The trains shall start and run at regular hours to be fixed by public notice, and shall furnish sufficient accommodation for the transportation of all such passengers and goods as shall within a reasonable time previous thereto, be offered for transportation at the place of starting, and at the junctions of other Railways, and at usual stopping places established for receiving and discharging way-passengers and goods from the trains, and such passengers and goods shall be taken, transported and discharged, at, from and to such places, on the due payment of the toll, freight or fare legally authorised therefor, and the party aggrieved by any neglect or refusal in the premises, shall have an action therefor against the Company.

3. Checks shall be affixed by any agent or servant to every parcel of baggage having a handle, loop, or

Appendix
(U. U.)

21st July.

Appendix
(U. U.)

21st July.

fixture of any kind thereupon, and a duplicate of such check shall be given to the passenger delivering the same; and if such check be refused on demand, the Company shall pay to such passenger, the sum of to be recovered in a civil action; and further, no fare or toll shall be collected or received from such passenger, and if he shall have paid his fare, the same shall be refunded by the Conductor in charge of the train; and any passenger producing such check, may himself be a witness in any suit brought by him against the Company, to prove the contents and value of his baggage not delivered to him.

4. The baggage, freight, merchandize or lumber cars shall not be placed in rear of the passenger cars, and if any such be so placed, the officer or agent directing or knowingly suffering such arrangement, and the Conductor of the train, shall severally be deemed guilty of a misdemeanor, and be punished accordingly.

5. Every Locomotive Engine shall be furnished with a bell, of at least thirty pounds weight, or a steam whistle; and the bell shall be rung, or the whistle sounded at the distance of at least eighty rods from every place where the Railway shall cross any highway, and be kept ringing or be sounded at short intervals, until the engine shall have crossed such highway, under a penalty of for every neglect thereof, to be paid by the Company, who shall also be liable for all damages sustained by any person by reason of such neglect, one-half of which penalty and damages shall be chargeable to and collected by the Company, from the Engineer having charge of such engine and neglecting to sound the whistle or ring the bell as aforesaid.

6. Passengers refusing to pay their fare, may by the Conductor of the train and the servants of the Company, be with their baggage put out of the cars, using no unnecessary force, at any usual stopping place, or near any dwelling house, as the Conductor shall elect, first stopping the train.

7. All persons in charge of a locomotive engine, or acting as the Conductor of a car or train of cars, who shall be intoxicated on the Railway, shall be deemed guilty of a misdemeanor.

8. Any passenger injured while on the platform of a car, or on any baggage, wood or freight car, in violation of the printed regulations posted up at the time in a conspicuous place, inside of the passenger cars then in the train, shall have no claim for the injury, provided sufficient room inside of passenger cars sufficient for the proper accommodation of the passengers was furnished at the time.

XXII. GENERAL PROVISIONS.

1. When and as often as any contractor for the construction of any part of a Railway in progress of construction shall be indebted to any labourer for thirty or any less number of days' labour performed in constructing said Railway, the Company shall become liable to pay such labourer the amount due to him for such labour, and for the recovery of which an action may be maintained by him against the Company, if notice in writing shall have been given by him to the Company within twenty days after the performance of the labour claimed by him, stating the amount, and number of days' labour for which the claim is made, and the time when and the name of the contractor for whom the same were performed; and the notice shall be signed by the labourer or his attorney; and shall be served on an Engineer,

Agent, or Superintendent employed by the Company, and having charge of the section of the road on which such labour was performed, personally or by leaving the same at the office or usual place of business of such Engineer, Agent or Superintendent, with some person of suitable age: Provided always that no such action shall be maintained under the provisions of this section, unless the same have been commenced within thirty days after notice then given as above provided.

2. The Company shall not be bound to see to the execution of any trust, whether express, implied or constructive, to which any of the shares may be subject; and the receipt of the party in whose name any share shall stand in the books of the Company, or if it stands in the name of more parties than one, the receipt of one of the parties named in the Register of Shareholders shall from time to time be a sufficient discharge to the Company for any dividend or other sum of money payable in respect of the share, notwithstanding any trust to which the share may then be subject, and whether or not the Company have had notice of the trusts, and the Company shall not be bound to see to the application of the money paid upon such receipts.

3. Her Majesty's Mail, Her Majesty's Naval or Military Forces or Militia, and all artillery, ammunition, provisions or other stores for their use, and all policemen, constables and others travelling on Her Majesty's service, shall at all times, when thereunto required by Her Majesty's Deputy Postmaster General, the Commander of the Forces, or any person having the Superintendence or command of any Police Force, and with the whole resources of the Company if required, be carried on the Railway, on such terms and conditions, and under such regulations as the Governor in Council shall make; and the Company may be required by the Governor or any person thereunto authorized by him, to place any Electric Telegraph and the apparatus and operators they may have, at the exclusive use of the Government, receiving thereafter reasonable compensation for such service: provided that any further enactments which the Legislature of this Province may hereafter make, for the carriage of the Mail or Her Majesty's Forces, and other persons and articles as aforesaid, or the tolls therefor or in any way respecting the use of any Electric Telegraph or other service to be rendered to the Government, shall not be deemed an infringement of the privileges intended to be conferred by this Act or the Special Act.

4. A true and perfect account of the names and places of abode of the several Shareholders shall be kept and entered in a book to be kept for that purpose, as well as of the several persons who shall from time to time become Proprietors of, or entitled to any shares therein, and of all the other acts, proceedings and transactions of the said Company and of the Directors for the time being.

5. A Map and Profile of the completed Railway and of the land taken or obtained for the use thereof, shall within a reasonable time after completion of the undertaking be made and fyled in the office of the Commissioners of Public Works, and also like maps of the parts thereof located in different Counties shall be fyled in the Registry Offices for the Counties in which such parties shall be respectively; and every such map shall be drawn on such a scale and on such paper as may from time to time be designated for that purpose by the Chief Commissioners of Public Works, and shall be certified and signed by the President or Engineer of such Corporation.

6. An account shall be annually submitted to the three branches of the Legislature, within the first

Appendix
(U. U.)

21st July.

Appendix
(U. U.)

21st July.

fifteen days after the opening of each Session of the Provincial Parliament after the opening of the Railway or any part thereof to the public, containing a detailed and particular account, attested upon oath of the President, or Vice-President in his absence, of the moneys received and expended by the Company, and a classified statement of the passengers and goods transported by them, with an attested copy of the last annual statement; and no further provisions which the Legislature may hereafter make with regard to the form or details of such account or the mode of attesting or rendering the same, shall be deemed an infringement of the privileges hereby granted to the Company.

7. If the construction of the Railway shall not have been commenced, and ten per cent. on the amount of the Capital shall not have been expended thereon, within three years after the passing of the Special Act, or if the Railway shall not be finished and put in operation in ten years from the passing of such Special Act as aforesaid, its corporate existence and powers shall cease.

8. No Corporation formed under this Act shall lay down or use, in the construction or repair of its Road, any iron rail of less weight than pounds to the lineal yard, except for turnouts, sidings and

switches; nor shall the gauge of any such Road be broader or narrower than feet.

9. The Parliament of this Province, may from time to time reduce the tolls upon the Railway, but not without consent of the Company, or so as to produce less than ten per cent. per annum profit on the Capital actually expended in its construction, nor unless, on an examination made by the Commissioners of Public Works of the amount received and expended by the Company, the net income from all sources, for the year then last passed, shall have been found to exceed ten per cent. upon the Capital so actually expended.

10. The Provincial Parliament, may at any time annul or dissolve any Corporation formed under this Act; but such dissolution shall not take away or impair any remedy given against any such Corporation, its Shareholders, Officers or Servants, for any liability which shall have been previously incurred.

11. Nothing herein contained shall affect or be construed to affect, in any manner or way whatsoever, the rights of Her Majesty, Her Heirs and Successors, or of any person or persons, or of any bodies politic, corporate or collegiate, such only excepted as are herein mentioned.

Appendix
(U. U.)

21st July.

EIGHTH REPORT

ON

RAILWAYS AND TELEGRAPH LINES.

THE STANDING COMMITTEE on Railways and Telegraph Lines, beg leave to make their EIGHTH REPORT:—

THEY have considered the Bill for a Charter to construct a Railway through the British Territories in North America to the Pacific Ocean, and are reluctantly obliged to report that, in their opinion, such application is premature, and that the Petitioners have not taken the preliminary steps to entitle them to An Act of Incorporation.

As the project involves the cession to the Company of a large tract of country, it appears to Your Committee, that the consent of the Imperial and Provincial Governments should have been first obtained and these claims, as well as those of the Indian Tribes and the Hudson's Bay Company; to the lands in question, adjusted; so as to leave no room for subsequent dispute.

In addition to this objection, Your Committee have had no evidence laid before them, of the capacity of the Petitioners to commence or prosecute the undertaking. It does not appear that any capital stock has been subscribed for or paid up, or that the Petitioners are in a position to avail themselves of a charter loan, if granted. Your Committee have already reported their opinion that railway charters should only be granted to parties who can show their ability and desire, to proceed with their undertaking at once, and with energy and effect, and they adhere to that opinion.

At the same time, Your Committee feel bound to state their impression that the scheme ought not to be regarded as visionary or impracticable. When the project was first suggested in the United States by Mr. Whitney, its novelty and extent lead many persons to consider it as such, but that gentleman by his untiring energy and ability, has by degrees led the public mind both in his own country and in England to regard it with favor.

Your Committee are strongly inclined to believe, that this great work, will at some future period, (should this Continent continue to advance as heretofore, in prosperity and population) be undertaken by Great Britain and the United States.

The superior advantages of the route to the Pacific Ocean through the British Territory, has been ably urged on the public attention by Allan McDonell, Esquire, and others; and Your Committee indulge a hope that the Imperial Government will be led to entertain the subject as one of national concern, and to combine with it, a general and well organized system of colonization.

Your Committee beg leave to append to their report an instructive paper on this subject prepared by Allan McDonell, Esquire.

Your Committee recommend that if Your Honorable House concur in the rejection of the application, the fee paid by the Petitioners, should be refunded. Your Committee also beg leave to report their Proceedings, and the Evidence taken before them during the present Session.

All which is respectfully submitted.

ALLAN N. MACNAB,
Chairman.

OBSERVATIONS

UPON

THE CONSTRUCTION OF A RAILROAD

FROM

LAKE SUPERIOR TO THE PACIFIC,

BY

ALLAN McDONELL, ESQUIRE, TORONTO.

TO shorten, by a Western passage, the route to the Indies, which is now conducted around the fearful barriers of Cape Horn and Southern Africa, is a design that has long occupied the attention, and aroused the exertion of all maritime nations. England's exploring expeditions to both the Atlantic and Pacific coasts, have pryed into every sinuosity of the shore, from lat. 30° South, to the borders of the Frigid Zone, and in the defeat of her exertions, projects have been forming to pierce the Continent within the limits of a foreign country, and where England would be placed at the mercy of her rivals. Whilst France, Mexico, the United States, and other Powers, meditate the separation of the Continent at the Isthmus of Panama; let England at least enquire whether she has not, within her own territories, superior facilities for accomplishing the same grand purpose which impel them.

Within this past year, three works have been published in England, emanating from different sources, urging the necessity and advantages of a Railway connection between the Atlantic and Pacific Oceans, such Railway to be constructed through the British Possessions. My present object is not to canvas the schemes proposed by any of these several parties or projectors, whereby they would seek to carry out their views, but, if possible, to direct the attention of the Canadian public to the existence of such a project, and the incalculable advantages which must result to this and the Mother Country, could such a connection be accomplished. In one of the pamphlets referred to by Major Smith, the plan proposed by him is to construct such road by convict labour; the others, one by a Mr. Wilson, (who, I believe, was at one time in the employment of the Hudson Bay Company,) and the other by Lieutenant Synge, of the Royal Engineers, I have not met with. That the construction of such a road is feasible and practicable, I have every reason to believe, and will propose to build it upon a plan similar to that proposed by Mr. Whitney, for constructing a like Railway communication through the United States,—which plan is so peculiarly adapted to our country, that it cannot fail of finding as favorable a reception here as it did there. The scheme of building a Railway for hundreds of miles through a country which at present is a wilderness, seems at first sight, absurdly extravagant, as well as utterly impracticable; and so it would be if the plan contemplated, was one to be fully carried out within any short period of time. It must be borne in mind that under the most favorable circumstances, some years would be required for the construction of such a work; with its progress, population must keep in advance, or accompany its advancement.

In determining, therefore, upon the wisdom or practicability of constructing such a road, the whole matter is to be looked at, prospectively,—the question is not how far the present condition of the country and its interests warrant the undertaking, but whether such a state of things will be likely to exist, as will justify it when it shall have been accomplished.

As to the expediency or advantage of constructing such road, I imagine there cannot be a diversity of opinion, if it shall be found to be practicable.

Our portion of the Continent of North America lies directly in the way of the commerce passing between Europe and India—with a ship canal of six hundred and thirty-eight yards around the falls (twenty-one feet in all,) of the Sault de Ste. Marie, we have through our own territories the most magnificent inland navigation in the world, carrying us one-half way across this Continent. By means of a Railway to the Pacific from the head of this navigation, a rapid and safe communication would be formed, by which the commerce of the world would undergo an entire change; every one must perceive at a glance, that such a road would stand unrivalled in the world. Not only are the United States, but the whole of Europe aroused to the importance of securing the immense trade of China, and the East Indies—even in the days of Hernando Cortez it was thought possible and expedient to unite the two oceans by a ship canal across the Isthmus of Panama, and since that time almost every nation has talked of doing so; nor is the project at the present time abated or suspended. Even in the early history of this country, the French perseveringly and anxiously sought for a supposed water communication from the St. Lawrence to the Pacific; with a view to secure, if possible, that important trade which has from the earliest history enriched, beyond calculation, every nation that held it, while each in its turn has fallen from power and affluence as it lost or surrendered it. Without adverting to its effects on other nations, it is sufficient to look to England; she owes more of her grandeur and her power to her commerce with the East Indies, than to almost any other source whatever. At the present time, she is to commerce, what the principle of gravitation is to the material world—that which regulates and upholds all. And yet, should the United States construct a Railway through their territories, she might too soon feel how precarious is her tenure of the sceptre of the seas—it would be wrested from her by her active and energetic rival; she would be driven from her position, and her Indian fleets as effectively forced from the bosom of the ocean, as have been the caravans which formerly carried across the deserts the wealth of India; or, as England snatched from Holland the East Indian trade, so in her turn she may be deprived of it by the United States: such would be—such some day may be—the effect produced by a Railroad through the territories of this latter power. It is therefore incumbent upon England, for her own sake, and it becomes her duty and her interest, to inquire into the practicability of constructing such road through British dominions, whereby our active and enterprising rival will cease to be regarded as such; and a British people will have no competitor for maritime supremacy among nations. If it be practicable to connect the Pacific with the head waters of our inland navigation, it ought not to be

Appendix
(U. U.)
30th August.

delayed. Every facility should be offered for carrying it into effect. It would not only be the means of settling all the lands capable of sustaining population in those regions, but the commercial relations of the world would be altered; the great West would be penetrated—the streams of commerce would be changed from boisterous seas and stormy capes, to flow to our shores upon the Pacific, and through the depths of our Western wilds. With the power of steam through an accessible region and over a peaceful sea, England would be placed at one-fourth of the distance at which she has hitherto stood from the treasures of the East; her merchants would be able to undersell, in their own ports, all the nations of the world. In other words, she would render commerce tributary to them, and Canada would be the great toll-gate through which this enormous traffic must pass. No other route across the Continent of America could compete with this, as will be shown hereafter; at present, I shall simply point out the route proposed:

Liverpool to St. Lawrence, (miles)	2,800
St. Lawrence to British Boundary, Lake Superior	1,150
Lake Superior to Fuca's Straits	1,500
	5,450

The distance from Fuca's Straits to Japan is about 4,000 miles; to Shanghai about 5,000. Vancouver's Island commands the Straits, and abounds with excellent harbours; coal of a superior quality is found there; the Indians mine it and deliver it on board the Hudson Bay Steamers at a mere nominal charge. No part of the Pacific coast affords such capabilities as does this for controlling the whole trade and traffic of the Pacific.

It might be assumed as a certainty, that a cargo from Shanghai, borne by a modern ocean steamer over this placid sea, could be unloaded in fifteen or twenty days, at some one of the harbours at Fuca's Straits, and in from three to five days more, placed for sale or transportation on the banks of Lake Superior. The construction of such a road, in the direction of Fuca's Straits, would shorten the distance to England from China, &c. by sixty or seventy days, and place before us a mart of six hundred millions of people, and enable us geographically to command them. Leaving it to the guidance of commercial interests, who shall tell what may not be the commercial destiny of this country?

This scheme may excite only the curiosity of those who can hardly contemplate it as anything else than an hallucination to amuse for a moment, and then vanish. Nevertheless, such a work will some day be achieved,—if not by a British people, by our neighbours. And let it be remembered, that it is no difficult matter to open a new channel for a new trade, but it is very difficult to change one that is already established.

There is something startling in the proposition of a Railroad to connect the Atlantic and Pacific, and much that will strike the hasty observer as chimerical, but when we have seen stupendous pyramids raised by the hand of man in the midst of a desert of shifting sands; when we know that despite the obstacles of nature and the rudeness of art, a semi-barbarous people, centuries before the Christian era, erected around their empire a solid barrier of wall, carrying it over the most formidable mountains, and across rivers on arches, and through the declensions and sinuosities of valleys to the distance of fifteen hundred miles, let us not insult the enterprize of this enlightened age by denouncing as visionary and impracticable the plan of a simple line of rails over a surface of no greater extent without one half the natural obsta-

Appendix
(U. U.)
30th August.

cles to overcome. To do so would evince a forgetfulness of the vast achievements of this age. As to its feasibility, I am aware many will object to it on that ground. Nevertheless, from all the information obtained, I believe that it is practicable and easy of accomplishment, and that it can be accomplished by individual enterprize; by connecting the sale and the settlement of the lands on its line with the building of the road, population must keep pace with the work and be interested in it, and the labour of grading, &c., must pay in part for the land and make homes for the settlers. The plan or mode of operation by which it is proposed to carry out this great work, is that the Government shall sell, to a chartered company sixty miles wide of the lands from the Lake to the Pacific, at a reduced rate, or at such a rate as the Government shall pay for obtaining the surrender to the Crown, from the various bands of Indians now possessing it. At present it is a wilderness, and although, to a great extent, it is capable of sustaining a large population, yet it must lie waste and unprofitable, whilst thousands of our fellow countrymen are starving and destitute; and so it must remain, without value, and impossible of settlement, unless some move be made which shall create facilities which will afford the means of settling these lands, and thus make them a source of wealth and power to the country. Immediately after such surrender to the Crown, of one hundred or two hundred miles or more, the route upon it would be surveyed and located, preparations made for grading, &c., and proceeding with the work, a large body of workmen or settlers at once placed upon it; when ten miles of the road shall have been completed, in the most substantial and approved manner, and to the satisfaction of a Commissioner appointed by Government, a patent shall issue to the Company for the first half of the road or five miles, or patents to the settlers who may have purchased upon the line, as may be deemed most advisable; the Government thus holding still one-half of the road. Now, if the sale of land could not be made to produce a sufficient amount to return the money expended on the ten miles of road, then the experiment is the loss of the Company, and the Government would not have lost one shilling, but on the contrary, the five miles of road held by it, must be enhanced in value; if, upon the contrary, the land is raised from beyond its present value to an amount exceeding the outlay, then the half held by Government would have imparted to it an equal increase in value from the same causes, and this ought to be a sufficient security for the due performance of the work. Such should be the proceeding throughout the good or available lands upon the route; but as the road for an immense distance may pass through poor and barren lands—in such case, as much of the nearest good lands beyond the line finished as may cover the outlay upon such line or section, may be sold by the Company, and patents issued; and when all shall have been completed, the title of the road should vest in the Company, subject to the control of Government, in regulating and fixing tolls, &c. Should the plan fail, Government can lose nothing, because the lands still remain, and their value will have been added to, even by the failure. Thus it is proposed to establish an entirely new system of settlement, on which the hopes for success are based, and on which all depend. The settler on the line of road would, as soon as his house or cabin was up and a crop in, find employment upon the road; when his crop would have ripened, there would be a market at his door, created by those in the same situation as his was the season before, and if he had in the first instance paid for his land, the money would go back to him, either directly or indirectly, for labor and materials furnished for the work, so in one year the settler would have his home, with settlement and civilization surrounding him, a

Appendix
(U. U.)

30th August.

demand for his labor, a market at his door, and, for any surplus of his produce, a Railroad to communicate with other markets. The settler who might not have the means to purchase land even at the lowest price, say 3s. 9d. per acre, would obtain those means by his labor on the road and a first crop—he too in one year would have his home, with the same advantages and be as equally independent.

Settlers under any other circumstances, placed in a wilderness, remote from civilization, would have no benefit from the sum paid, beyond his title to the land,—his house built and crop in, he finds no demand for his labour, because all around him are in the same condition as himself; when his crop is grown he has no market; his labor, it is true, produces food from the earth, but he cannot exchange it for other different products of industry. A proper and systematic course adopted for inducing immigration from the Mother Country, would relieve her of a surplus population; open the greatest possible extent of wilderness, otherwise forever useless, to settlement and production; making it the means of benefitting and carrying comfort and happiness to thousands of our fellow-subjects in the Mother Country, suffering the worst of evils, caused by a too dense population, whilst at the same time such immigration will benefit this country to an illimitable extent. Perhaps it may be thought that the Government of the country should undertake this work, and dispose of the lands as proposed. Private enterprize far exceeds any operations of the Government in celerity, and is much more economical and effective. If the Government undertook it, the sale of the lands would never meet the disbursement, and the difficulties to be encountered by delays in the transaction of the business at the Seat of Government, would alone retard the work and cause it to linger until it perished. Such a work by Government would absorb the entire legislation of the country, and being subject to changes of management and direction at each session, its progress would be utterly defeated; the management of such a great work, and the amount of money which this plan would place as a stake to be carried off by the successful party in the struggle, would lead to every species of political corruption and bargaining to secure so vast a prize, which of itself would preclude the selection of the men of the character requisite to carry out the plan; each administration would appoint its own partizans as directors, who would exert all the influence that their position, and the immense means at their command would give them, to sustain in power those on whom their offices depended. The only true way of carrying out this work is by private enterprize connected with the sale of the lands, under the protection of Government; or else it must be accomplished by the Imperial Government alone.

The commencement of this work would make it a point of attraction to the whole population of Europe, daily flocking to American shores; most of these are generally without means, nevertheless their labor is the capital which would grade the road, and pay in part for the land. They would not only be interested in the road as a means for their daily bread, but would be sure that its results would benefit their condition, and elevate themselves and families to affluence. Civilization, with all its influences, would march, step by step, with the road, and would draw to it, after the first two years, 100,000 souls annually. Cities, towns and villages would spring up like magic, because the road—the cheap means for the transit of the products of man's labor to a market—would leave a rich reward for that labor, and as it proceeded produce the further means for the completion of all. The Government, in exchange for the substratum of a suffering population of indigent emigrants of the Mother Country would find its broad and fertile

Appendix
(U. U.)

30th August.

western territory sprinkled with hamlets and possessing a class of intelligent and happy husbandmen, the best pride and boast of a free country.

It will be at once perceived, that the plan proposed is based upon the assumption that a great portion of the country through which such Railway might pass, is capable of sustaining a large population, and also of furnishing the means of carrying the work over such portions of the line as should be found barren or unfitted for the abode of civilized man.

I propose now to show that such a description of favorable country exists to an almost unlimited extent, and that westward we have a vast wilderness of land which only requires the application of the labor of the now destitute, to produce abundant means for achieving this great work, richly reward that labor, and open out almost a new world as the inheritance of a British people. I might speculate upon the future, and predict what would be the vast, the mighty results by the accomplishment of this work, but it is my object to give a plain statement, which I believe to be based on facts, of the features of the country. There are two points upon Lake Superior from which such Railway might be commenced, each line striking the same point at the Lac La Pluie, a distance of about 125 miles, thence to the Lake of the Woods. The one starting at Pigeon River, perhaps, is a more direct route, and I believe in many respects the better one; the other starts from the Kaministaquoia, at the mouth of which stands the Hudson's Bay Company's Establishment—Fort William. I will suppose that this latter route is followed, because, without merely asserting my own views and opinions as to its capability of sustaining an agricultural population, I can quote from the published work of another, showing the description and character of country through which I propose to pass, proving that at the moment of leaving the shores of Lake Superior we enter a country capable of providing for men all those necessaries and comforts which civilization requires. The Kaministaquoia is a large and fine river, but at the distance of about thirty miles up, navigation is obstructed by the Kakabeka Falls, a fall of about 140 feet; the banks of the river are clothed with elm, birch and maple; above the falls the river is again navigable, to the height of land which is reached in little over a day's travel by canoes.

The valley of this river is described by Sir George Simpson in his overland journey, and he says:

"One cannot pass through this fair valley without feeling that it is destined sooner or later to become the happy home of civilized men, with their bleating flocks and lowing herds, with their schools and churches, with their full garners and their social hearths. At the time of our visit, the great obstacle in the way of so blessed a consummation, was the hopeless wilderness to the eastward, which seemed to bar forever the march of settlement and cultivation. But that very wilderness, now that is to yield up its long hidden stores, bids fair to remove the very impediments which hitherto it has itself presented. The mines of Lake Superior, besides establishing a continuity of route between the east and west, will find their nearest and cheapest supply of agricultural produce in the Valley of the Kaministaquoia."

Through the valley to the height of land, there exist no obstructions which cannot be readily overcome—from this height of land descending to the level of the beautiful Lake of the Thousand Islands, thence to Lac La Pluie and the Lake of the Woods. In reference to this portion, Sir George Simpson says: "The river which empties Lac La Pluie into the Lake of the Woods, is decidedly the finest stream on the whole route in more than one respect:

Appendix
(U. U.)

30th August.

from Fort Francis (situated on Lac La Pluie) downward a stretch of nearly a hundred miles, it is not interrupted by a single impediment, while yet the current is not strong enough to retard an ascending traveller, nor are the banks less favorable to agriculture than the waters themselves to navigation; resembling the Thames near Richmond—from the very bank of the river there rises a gentle slope of green sward, crowned in many places with a plentiful growth of birch, poplar, beech, elm, and oak; is it too much for the eye of philanthropy to discern through the vista of futurity this noble stream, connecting as it does, the fertile shores of two spacious lakes, with crowded steamboats on its bosom, and populous towns upon its borders? The shores of this latter lake are not less fertile than the other, producing rice in abundance and bring maize to perfection." The Lake of the Woods is connected again by a magnificent river 300 miles in length (the Winnipeg) with the lake of that name lying to the north-west of the Lake of the Woods—these lakes, with others, being wholly within our own boundaries—the Lake of the Woods is about 80 miles long by 40 broad; Lake Winnipeg is 280 long, and 100 broad. The country in which these lakes are situated is called the Assiniboin, across which flows the Red River, emptying into Lake Winnipeg; upon this river is established the Colony founded by Lord Selkirk. From the western side of the Lake of the Woods, the Winnipeg River or Lake Winnipeg, comprising a distance of near 300 miles, any point may be taken, and running directly west not a single obstruction offers for carrying a Railroad to the very foot of the Rocky Mountains, a distance of 800 miles, carrying us through this magnificent country—the Assiniboin, watered by the river of its own name, and by the Red River, each flowing for hundreds of miles; further westward still we pass through the Saskatchewan country, through which flows the river of that name for 600 miles, navigable for large boats, &c.

Loaded carts traverse this immense country in every direction, and as a proof of how easily all this is accomplished, Sir George Simpson travelled over 600 miles of these plains in 13 days, with 50 horses and loaded carts, and frequently caravans of 200 and 300 carts are traversing these plains, bearing the hunters with their families and equipages, in pursuit of the buffalo, thousands of which animals are destroyed merely for their hides. Sir George Simpson says he has seen ten thousand carcasses lying putrid and infecting the air for miles around in one bed of the valley of the Saskatchewan. The valley of that river alone is equal to the extent of all England; it abounds in mineral, and, above all the blessings and advantages that can be conferred upon a country like this, is, that coal is abundant and easily obtained; it crops out in various parts of the valley. Speaking of some portions of this country, through which he was travelling, he says:—"The scenery of the day had been generally a perfect level; on the east, north and south, there was not a mound or tree to vary the vast expanse of green sward, whilst to the west were the gleaming bays of the winding Assiniboin, separated from each other by wooded points of considerable depth." Again—"The rankness of the vegetation savoured rather of the torrid zone, with its perennial spring, than of the northern wilds, brushing the luxuriant grass with our knees, and the hard ground of the surface was beautifully diversified with a variety of flowers, such as the rose, hyacinth, and tiger lily." Of the Red River settlement (in the Assiniboin country) he says: "The soil is a black mould, producing extraordinary crops, the wheat produced is plump and heavy; the soil frequently producing 40 bushels to the acre—grain of all kinds is raised in abundance;

Appendix
(U. U.)

30th August.

beef, mutton, pork, butter, cheese and wool, are productions which likewise abound; thus showing that to the foot of the Rocky Mountains, lies a country capable of being rendered the happy homes of millions of inhabitants, when facilities of communication shall be offered which can lead to it." To these statements of Sir George Simpson, might be added those of many others, in corroboration, were it necessary.

That the Rocky Mountains will present a formidable barrier to the construction of a Railway to the Pacific, cannot be denied; nevertheless I imagine that at the present day, there can scarcely be found any one so bold or rash as to assert, that obstructions will be found to exist which neither the science, skill, nor energy of man can overcome. Let immigration once reach the eastern slopes of the Rocky Mountains, and speedily would vanish all the most formidable obstacles which may now appear to present themselves.

Even now, there are several passes known through those mountains, whereby it may be practicable to carry steam to the western side. The goods and merchandize required by the Hudson Bay Company for carrying on their trade in the interior, often being landed on the shores of the Pacific, are transported through some of these passes to the eastern side. In his overland journey, Sir George Simpson, ascended from the eastern, crossed, and descended to the Columbia river upon the western side, with forty-five pack-horses, in six or seven days, some days making forty miles a day.

Sir Alexander McKenzie (at a pass further north) ascended the principal water of the McKenzie river to its head, which he found to be a small lake; he crossed a beaten track leading over a low ridge of eight hundred and seventeen paces in length, to another lake; this was the head water of Fraser's river, which he followed down to where it discharges itself in the Georgian Gulf or Fuca Straits at 49° , thus showing that a communication between the east and west is open to us. In lat. $52\frac{1}{2}^{\circ}$ is also a pass, affording facility of communication by the head waters of the Columbia and the north branches of the Saskatchewan; up to this point, boats ascend from Fort Colville, which is in latitude about $48\frac{1}{2}^{\circ}$.

Wherever the head waters of the rivers on the east and west sides of the Rocky Mountains approach each other, there have been found passes through them.

The Rocky Mountains have been crossed by waggons at various points of the Columbia River, and to the Saptin or southern branch of that river and to the Wallawulla. Thomas P. Farnham, in 1840, crossed to the mouth of the Columbia, and found a waggon which had been run to the Saptin; by an American missionary from Connecticut, and left there under the impression that it could be carried no further through the mountains; but very soon after that, emigrants going out to Oregon, in 1843, crossed the Rocky Mountains to the Columbia with fifty loaded waggons, performing the journey without any loss or injury, save the bursting of one waggon tire; and that ought to be sufficient to convince the most sceptical, that a Railroad to, and through the Rocky Mountains, is practicable beyond a doubt, and affording reason to believe that, upon a careful preparatory survey, which must be instituted, new passes through these mountains may be found adapted to the work within our own limits, and on a more direct line with the commodious harbours upon Fuca Straits.

One of the projected lines of Railway communication through the United States was proposed should terminate at Puget Sound. Colonel Fremont,

Appendix
(U. U.)

30th August.

one of the most scientific men in the United States, was directed to examine and report upon the feasibility of crossing the Rocky Mountains to such terminus. 48 $\frac{1}{2}$ ° N. lat. he examined, and reported its feasibility, stating that "impracticability is not to be named with the subject," either at that point, or even to carry it to San Francisco: "that difficulties from snow would be confined to short spaces, and these inconsiderable."

With reference to the country upon the western side of the mountains, within our boundaries, none perhaps is so well situated for communicating with all the countries and ports washed by the waters of the Pacific. Fuca Straits and the Georgian Sound abound with excellent harbours, without obstruction to ingress or egress at any season of the year; and are unsurpassed for salubrity of climate, and for advantages are equal to any other country, whether considered under the head of agriculture, commerce, or even the capabilities of becoming a manufacturing one. It holds that position with regard to the Pacific and its islands, which must make it a ruler of its commerce; and when a direct communication shall have been opened from the eastern side of the continent, it must receive the aid of capital and immigration, and rise speedily to an importance scarcely to be paralleled.

The Rev. C. G. Nicolay says of this country:—"The growth of timber of all sorts, in the neighbourhood of the De Fuca Straits, adds much to its value as a naval station. Coal is found in the whole western district, but principally shows itself above the surface on the north side of Vancouver's Island. To these sources of commercial wealth, must be added the minerals—iron, lead, tin, &c.; and limestone is plentiful in the north. It will be found to fall short of few countries, either in salubrity of climate, fertility of soil and consequent luxuriance of vegetation and utility of productions; or in the picturesque character of the country."

Thus far I have endeavoured to show the feasibility and expediency of constructing a Railway to the Pacific, through British territories. I may have failed, in interesting readers in it, sufficiently to excite the feeling to exert an influence on the accomplishment of so great a work. Our geographical position gives us advantages and facilities for carrying it out, which no other country possesses. We are placed so far north, that the climate would protect animal and vegetable productions from injury and destruction, and where the soil, for nearly the entire route, would be capable of sustaining population; thereby opening to settlement and production, the greatest possible extent of wilderness, otherwise forever useless. It is a subject of wide national interest, one of universal benevolence, opening to mankind the now uncultivated portions of an immense country, to the superabundant population of the Old World, building cities on the silent shores of the Pacific, and growing corn upon the untrodden slopes of the Rocky Mountains. I am aware that many will be found, who will urge the impossibility, and unhesitatingly assert that such a work is impracticable. There never yet was any great work projected, which did not meet with its cavillers or opponents. To such I would reply, there is no work, no enterprise, too vast, too magnificent, if dependent alone upon the labor of man for its accomplishment, aided by the science and skill of the present day.

Within but a short time we have seen a body of 20,000 Mormons traverse a wilderness of 1200 miles, and, seating themselves at the foot of the Rocky Mountains, in one year, place themselves in a most prosperous and flourishing condition: building up cities, and, in fact, acquiring the position of an independent State; who shall tell us, then, that an exten-

Appendix
(U. U.)

30th August.

sive and systematic immigration to the fertile lands west of Lake Superior, cannot become equally flourishing prosperous and happy? If in the plan proposed there is any merit, it is to be ascribed to Mr. Whitney, of New York. It originated with him, and has become the foundation for many to build upon. In the United States, no less than six or seven different projects were brought forward, giving rise to sectional prejudices, and creating diverse interests, which has chiefly been the cause that none of the projected railways have been commenced, unless the one at Panama. Setting aside the advantages to be derived by this country in opening to immigration our western wilds, it will be well to consider whether it is possible, and if possible, whether some one of the projected routes through the United States be likely to be commenced or built, which would be the means of rendering one through our territories useless, for the purposes of controlling the trade of India, &c. I propose to show that not even a ship canal across the Isthmus of Panama, can compete with a communication by the head waters of Lake Superior and the Pacific.

The various routes advocated in the United States, for the construction of a Railway communication connecting the Atlantic and Pacific, are:—

1st. That termed the northern route, from Lake Michigan, terminating at Puget Sound.

2nd. A route from some point upon the Missouri, terminating at the mouth of the Columbia.

3rd. A route from St. Louis, terminating at San Francisco.

4th. A route from St. Louis, by way of the Gila, terminating at San Diego.

5th. A route from New Orleans across Texas.

6th. Over the Isthmus of Panama, by railroad.

7th. By Tehuantepec or Nicaragua, by ship canal.

The first or northern route is that projected by Mr. Whitney, who explored and examined the country westward of the Lakes Michigan and Superior, for a distance of 800 miles, and compared with the other lines, it has been found to possess the greatest advantages; it pursued a course along 48 $\frac{1}{2}$ degrees of north latitude, until it terminated at Puget Sound. It was found that thus keeping so far to the north, better lands were offered suitable for agriculture, timber more readily obtained, less difficulty in surmounting the hills, and all the large rivers in a measure avoided, inasmuch as the only head waters of these would be crossed; besides, the distance by this route, 1800 miles, being from 300 to 500 shorter than the others, and the fact that at Puget Sound there always could be obtained supplies of coal from the adjoining British possessions at Fuca Straits. That this or no other particular route has been decided upon by the United States is, I believe, to be solely attributed to the sectional jealousies which the other proposed routes have created, the interests of those advocating the others, requiring a more southerly route, all being actuated by a fear that their section of their country would not secure its full benefits certain to follow from it. In as great a degree as this proposed northern route has advantages over all the others, so would one through British possessions possess advantages over it.

The more southern lines are all alike liable to the same or similar objections. They would cross a much greater extent of country, where the altitude of the mountains is much greater, and large rivers must be crossed, as well as immense tracts of sterile lands which cannot be inhabited; and the want of coal or fuel throughout a very large portion of the

Appendix
(U. U.)
30th August.

Appendix
(U. U.)
30th August.

line, and at the terminus upon the Pacific, must preclude anything like competition with one through British territories where the distance is so very much shortened, where there are less difficulties to overcome, and where the line would pass through some of the best lands in the western country, possessing a fine and healthful climate, and the greater part of which country may be densely populated.

The great barriers upon the American routes, are, upon the one proposed through British possessions, modified or made clear by nature, and above all through the Valley of the Saskatchewan, and at the terminus at Fuca Straits abundance of coal is at hand.

A canal across the Isthmus of Panama, at Nicaragua or Tehuantepec, has been mooted for near 200 years; surveys and explorations have been made, but it all rests where it commenced. It is true that this Isthmus forms but a narrow barrier between the two great oceans of the world, nevertheless there are innumerable obstacles in the way of its becoming the best, cheapest, or quickest route between Europe and Asia.

It is far from being among the most serious objections that the Isthmus of Panama is without harbours upon either side, with shoals and shallow waters difficult of access from either ocean, situated in the latitude subject to calms, squalls, and tornadoes; the climate unhealthy in the extreme, nine months in the year subject to excessive torrents of rain, and the thermometer ranging from 82° to 88°, and the other three months from 90° to 95°, a temperature and climate certain to destroy all animal and vegetable production, and also to injure greatly all manufactured goods.

In a transportation by Railway across the Isthmus of Panama steam must be used; depôts of coal must become necessary, transported from an immense distance upon the Atlantic side, consequently the rate of freights must be so great as to preclude the transmission of merchandize. Upon the Pacific side depôts of coal would become necessary at the Sandwich Islands or at the Marquesas or Society Islands; the distance from Panama to China, being over 9,000 miles, what steamer could carry freight in addition to her necessary fuel? For such route the cost of the quantity of fuel to be placed at such depôts (a large portion, if not all of it, would most likely be brought from Fuca Straits,) would render the undertaking so unprofitable that it could not compete with the old route around the Cape. Again, the route across the Pacific from Panama, offers many difficulties to sailing vessels in the prevailing winds, calms, &c., so much so that even a vessel might pass round the Cape to China in a shorter space of time than from Panama.

If these objections were not sufficient of themselves to settle the question as to the advantages of the routes across the Isthmus of Panama, the distance gained by a route from the head of Lake Superior to Fuca Straits will.

Many, perhaps, who have not reflected upon our position with regard to China, will be surprised to know that here, in Toronto, we are upwards of two thousand miles nearer Canton, than is the Isthmus of Panama to that place; consequently, that through Canada, England can reach the great marts of Asia by a much shorter route than by any other.

Supposing that a ship canal was completed across the Isthmus of Panama, thereby obviating the necessary delays and heavy expenses of transshipment and transit upon a railway, &c., and the steamers passing through that canal of sufficient capacity to carry the fuel required for 9,000 miles, still neither distance

nor time can be diminished. Let any one take the map of the world, he will see upon one side of us; Europe at a distance of some 3,000 miles, upon the other, Asia, at a distance of some 5,000 miles. A line drawn from the great European to the Asiatic marts, passes through our great lakes and across Canada; as we are thus placed in the centre, so may we become the thoroughfare of both.

From London to Panama, 81° of longitude and 42° of latitude must be overcome, which in a straight line, would vary little from	5,868 miles.
From Panama to Canton, 170° of longitude is to be overcome, measuring 60 miles to a degree	10,200 "
	<hr/>
	16,068 "
London to Quebec.....	2,800
Quebec to Pigeon River, Lake Superior	1,150
Pigeon River to Fuca Straits.....	1,500
Fuca Straits to Canton..	5,400
	<hr/>
	10,850 "

Difference in favour of route through Canada..... 5,218 "

This, most likely, will strike one as incredible, nevertheless it will be found not very far wrong; and even a much greater difference in favour of Fuca Straits will be found to exist when actual sailing distance is compared, ships often being obliged to run down far to the south or keep up far to the north to catch the winds.

It will be seen that in crossing the globe within the tropics, the degree of longitude measures full 60 miles, where on a course of 30° on a line to 60° latitude, measures but 47 miles to the degree.

	Miles.
Panama to Japan	7,600
Panama to Shangee.....	10,600
Panama to Singapore.....	10,600
Panama to the Sandwich Islands..	3,400
Panama to Australia.....	6,460
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Fuca Straits to Japan.....	4,000
Fuca Straits to Shangee.....	5,000
Fuca Straits to Singapore.....	7,000
Fuca Straits to the Sandwich Islands	2,400
Fuca Straits to Australia.....	6,000

As to the advantages of the respective routes, comments are unnecessary, figures and facts settle the question; looking again to the terminus at Fuca Straits, we find advantages as to harbours, climate and position, in a degree commensurate to the disadvantages of Panama, and for steamers, abundance of coal; the islands of Japan also abound in coal, where supplies can be had, and if necessary, depôts might be made upon the Aleutian Isles; no sea is so remarkably adapted to steam navigation as the Pacific, its tranquil surface is scarcely ever agitated by a storm. For sailing vessels, Fuca Straits is equally advantageous, easy of access at all seasons of the year, being out of the latitudes of the prevailing calms; the passage could be made out and back with the trades; the course to the great commercial marts of Asia would be west of south, and the north-east trade winds blow almost uninterruptedly, returning by a more northerly route, advantage would be taken of the polar currents which set northward towards Bhering Straits, and also of the more variable winds in higher latitudes.

I have thus endeavoured to compare with each other, the different routes proposed for this great highway of the world, to explain the plan by which

Appendix
(U. U.)

30th August.

it is proposed to accomplish it, and to show that the very route which circumstances force us to take, is the only route suitable for the accomplishment of such a magnificent work. British capitalists, it appears, are ready to give their aid towards the construction of a similar communication across the Isthmus of Panama, where must be incurred a much greater expenditure of money than would serve to build the Railway within our own territories, and even then, unless nature herself can be overcome, they cannot attain their object; whilst here, nature invites the enterprise, and where they have no favors to ask of foreign nations, where they will have security that the way shall never be closed to the enterprise of the British merchant, and whereby her possessions upon the Pacific will be secured to Britain for all time to come, and be an additional guarantee for the perpetuity of her dominion upon this continent, it would create a union among all her people which could not be dissolved, with the trade of the world her own forever; cemented by the affections and undivided interests of her subjects in Europe and in Asia, by means of her Canadian Empire, bound together with sinews of iron.

The view that this opens upon the mind, independent of its internal benefits, staggers speculation with its immensity, and stretches beyond all ordinary rules of calculation. The riches of the most unlimited market in the world would be thrown open to it; and obeying the new impulse thus imparted to it, England's commerce would increase until every billow between us and China bore her meteor flag. By the superior facilities conferred upon us, by our position to control the whole Pacific, and the route through our own country, we would become the common carrier of the world.

Again: Vast countries still lie in the fairy regions of the East, the productions and resources of which are scarcely known to us, and only await the civilising influence of such a scheme as this, to throw down the barriers of prejudice and superstition. Of this nature and character is the opulent empire of Japan. Though second but to China itself, it holds no intercourse with foreigners, and only permits one nation to land upon its dominions (the Dutch). Ought it to be too much to hope that thus being brought so near to us, some diplomacy or commercial interests would throw its rich markets open to our enterprise.

The cost of the work, even though it should amount to a hundred millions, is no argument to urge against the undertaking which would render every nation on the globe our commercial tributaries. But this is a most extravagant estimate. It would scarcely amount to eight millions, less, indeed, than would be required to cut a canal across the Isthmus of Panama, as is proposed, entailing, perhaps, upon England, some future war, to maintain the rights of her subjects in using such canal, the expenses of which would build a dozen railways; a war that might leave England enfeebled, exhausted, and depressed. The completion of the proposed Railway through British possessions, would find her regenerated with new life, her impulses re-awakened, her energies strengthened, and advancing with a rapidity and vigor that would astonish Destiny herself.

The distance from the head of Lake Superior to the Pacific being about 1,500 miles, then allow for detours and crossing the Rocky Mountains, say 250 miles, making in all 1,750.

To construct such a road would cost about £5,000 per mile, making a total of £8,750,000.

From the point where it might start upon Lake Superior to Lac la Pluie, would be the most expensive portion upon this side of the Rocky Mountains; from

Appendix
(U. U.)

30th August.

Lac la Pluie onward, the land is of the best quality for the production of food for man, well watered, covered with rich grass, &c. The farmer wants but the plough, the seed, the scythe and the sickle; at the above rate, ten miles of railway would cost £50,000. Five miles by sixty contain 192,000 acres, the whole of this sold at say 5s. per acre, would not produce the sum required for the bare expense of building, thereby showing that the request made for 60 miles is not unreasonable.

Without directing attention to the trade carried on throughout the Pacific, by France, by Holland, and other continental nations, and also by the United States, let us look only to England, it will afford some idea of the incalculable advantages which such a communication would open out through this country.

Imports into Great Britain from the following ports:

From Bengal, Madras and Bombay, as taken from <i>Hunt's Merchant's Magazine</i> for March, 1843, including all to Continental Europe, and North and South America, annually,.....	£12,000,000
Less for the amount to France and America,.....	2,489,340
	£ 9,510,660
From Sumatra and Java (commercial tariff, part 6)	215,216
The Philippine Isles,.....	346,692
New South Wales and Van Diemen's Land (table of revenue, part 12, page 474).....	1,118,088
Mauritius (table of revenue, part 12)	806,593
Chili, estimated at	1,500,000
Peru, estimated at	1,000,000
	£14,497,240
From China the total amount of various productions, teas, silks, &c.,.....	5,000,000
	£19,497,240

To which must be added the exports from Great Britain, which are sent in exchange for the above productions. The imports and exports of the Dutch East Indies and the French East Indies, should also be considered, as also the exports and imports of the United States; all would be tributary to such a road.

The Imperial Government have contracted to pay, per annum, for the transmission of a Monthly Mail to Chagres,	£250,000
And from Panama to Callao, for communicating with the Navy and Officers in the Pacific,.....	20,000
	£270,000

Having thus alluded to the importance to be attached to the opening of such a communication as proposed with the Pacific, and to the comparative advantages, in a strictly commercial point of view, between it and the Isthmus of Panama, it may not be inappropriate to again advert to it, as regards the effect the constructing of a canal at the latter, would have upon England's maritime supremacy.

As early as the seventeenth century, a company projected by William Patterson, was formed in Scotland, to improve the advantages offered by the Isthmus of Darien, £700,000 was raised, and 1200 men set sail to found a colony, but being denounced by Government, and attacked by a Spanish force, they sunk under accumulated misfortunes, and abandoned the enterprise in despair. The project seems to be again revived, and a Company is now

Appendix
(U. U.)

30th August.

forming in London to carry out the scheme of a ship canal by means of British capital, an almost suicidal act to England's supremacy on the seas, for it would thus contribute to afford superior facilities and advantages to other nations, and particularly to her enterprising rival the United States, from whose rapid strides towards maritime equality England has much to fear. Through her geographical position the United States can more readily avail herself of the benefits to be derived from this course than any other nation. Her fleets would steam in one unbroken line through the Gulf of Mexico; her naval power would overawe our settlements upon the north-west coasts; and her influence extend itself throughout all our Indian possessions. The Marquesas Islands, in case the project be carried into effect, lying directly in the route of the navigation to India, would at a step advance into one of the most important maritime ports in the world, whilst the Society Islands, also in the possession of France, would enhance immensely in their value; more than all, returning back, the vessels of all Europe would ere long procure their tropical productions from the newly awakened Islands in the Pacific Ocean, in just the degree that their value would increase, the West India possessions would depreciate. By changing the route through the Isthmus of Panama, England would voluntarily resign into other hands those commanding maritime and naval stations which she has won at the expense of so much diplomacy, perseverance and wealth. The power and advantages of Saint Helena, Mauritius, Capetown, and the Falkland Islands, commanding the passage round

Appendix
(U. U.)

30th August.

Cape Horn, would be transferred to New Orleans and other Cities of the United States bordering upon the Gulf of Mexico, to Cuba, Chagres, Panama, and the Marquesas Islands.

By the present route around the Cape of Good Hope and through the Isthmus of Suez, she has a fair start with the best, and superior chance over most other nations for the Indies, and while her established power and superior marine in that region secures a preponderance in trade, better let well alone, unless she can gain superior advantage.

The commerce of India in every age has been the source of the opulence and power of every nation that has possessed it; by a silent and almost imperceptible operation, India has been through centuries the secret but active source of the advance of mankind, and while lying apparently inert in her voluptuous clime, has changed the maritime balances of Europe with the visit of every people that has sought the riches of her shores. Her trade imparted the first great impulse to drowsy and timid navigation—it revealed, in the direction of its coasts, region after region before unknown. Like the Genii in the fable, it still offers the casket and the sceptre to those who, unintimidated by the terrors that surround it, are bold enough to adventure to its embrace. In turn Phœnicia, Carthage, Greece, Rome, Venice, Pisa, Genoa, Portugal, Holland, and lastly England, has won and worn this ocean diadem; Destiny now offers it to us.

ORDERS OF REFERENCE.

ORDERS OF REFERENCE.

LEGISLATIVE ASSEMBLY,

Tuesday, 20th May, 1851.

Resolved, That a Select Standing Committee of this House on Railroads and Telegraph Lines be appointed for the present Session, which Committee shall be empowered to examine and enquire into all such matters and things as may be referred to them by the House, and to report from time to time their observations thereon: with power to send for Persons, Papers and Records."

Monday, 26th May, 1851.

Ordered, That the said Committee be composed of the following Members:

The Honorable Mr. Badgley,
Mr. Cauchon,
Mr. Dickson,
Mr. Dumas,
The Honorable Mr. Hincks,
Mr. Solicitor General Macdonald,
The Honorable Mr. Macdonald,
Sir Allan Napier MacNab,
Mr. Morrison
Mr. Ross,
Mr. Sherwood, of Brockville,
Mr. Smith, of Durham,
Mr. Taché.

Wednesday, 4th June, 1851.

Ordered, That that part of the Speech of His Excellency the Governor General, at the opening of the present Session, which relates to Railways; be referred to said Committee.

Thursday, 5th June, 1851.

Ordered, That the Return to an Address from this House to His Excellency the Governor General, of yesterday, praying for copies of all correspondence that has taken place between the Commissioners of the Board of Works and the Railway Companies of this Province; be referred to the said Committee.

Monday, 9th June, 1851.

Ordered, That the Message of His Excellency the Governor General, delivered to the House this day, relative to the projected Railroad between Halifax and Quebec or Montreal; be referred to the said Committee.

Ordered, That Mr. Scott of Bytown, and Mr. Scott of Two Mountains; be added to the said Committee.

Thursday, 12th June, 1851.

Ordered, That the Petition of P. Filiatrault and others, of the Parish of Ste. Thérèse; be referred to the said Committee.

Monday, 16th June, 1851.

Ordered, That the Bill to incorporate the Montreal and Kingston Railway Company; be referred to the said Committee.

Wednesday, 18th June, 1851.

Ordered, That the Bill to empower the St. Lawrence and Lake Champlain Railroad Company, to make a Branch Road to the Province line east of the River Richelieu, and to construct a Bridge over the said River;—be referred to the said Committee.

Tuesday, 24th June, 1851.

Ordered, That the following Petitions be referred to the said Committee:—Of the Municipality of the Township of Drummond;—Of the Municipality of the Town of Perth;—Of the Municipal Council of the united Townships of Bathurst and South Sherbrooke;—Of J. W. Anderson and others, Municipal Councillors of the united Townships of Lanark and Darling;—And of the Municipality of the Township of Burgess.

Wednesday, 25th June, 1851.

Ordered, That the following Bills be referred to the said Committee:

Bill to incorporate the Kingston and Toronto Junction Railroad Company,

Bill to consolidate such of the provisions of the several Acts relative to the Great Western Railroad Company as are now in force, and

Bill to revive and continue the Act of Incorporation of the Toronto and Lake Huron Railroad Company.

Friday, 27th June, 1851.

Ordered, That the Petition of the Ontario, Simcoe and Huron Railroad Union Company;—be referred to the said Committee.

Tuesday, 1st July, 1851.

Ordered, That the following Petitions be referred to the said Committee:—Of Jason C. Pierce and others, of the Counties of Rouville and Chambly;—And of E. B. Franchère and others, of the Counties Rouville and Chambly.

Wednesday, 2nd July, 1851.

Ordered, That the following Bills be referred to the said Committee:

Bill to amend the Charter of the Woodstock and Lake Erie Railway Company.

Bill to incorporate the Lake Superior and Pacific Railroad Company.

Bill to incorporate the Montreal, Ottawa, and Kingston Grand Trunk Railroad Company, and

Bill to amend an Act intituled, "An Act for incorporating the 'Toronto and Goderich Railway Company,' and to continue the same as amended under the name of 'The Toronto and Guelph Western Extension Railway Company.'"

Ordered, That the Petition of the Mayor, Aldermen and Councilmen of the City of Toronto be referred to the said Committee.

Thursday, 3d July, 1851.

Ordered, That the following Petitions be referred to the said Committee:—Of J. G. Boves, Esq., and others, of the City of Toronto;—And of William P. Howland and others, of the Townships of York and Etobicoke.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 28th May, 1851.

MEMBERS PRESENT:

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
The Honorable Mr. HINCKS,
Mr. Solicitor General MACDONALD,
SIR ALLAN NAPIER MACNAB,
Mr. MORRISON,
Mr. ROSS,
Mr. SHERWOOD,
Mr. SMITH,
Mr. TACHÉ.

Read the Order of Reference.

SIR ALLAN NAPIER MACNAB,
WAS CALLED TO THE CHAIR.

On motion of the Hon. Mr. *Hincks*, seconded by
Mr. *Ross*,

Ordered, That the Clerk be instructed to prepare a Schedule, exhibiting the names of the several Companies incorporated for the construction of Railroads in the Province; the amount of capital; length of the road contemplated; time when the charter expires by non user; and any other particulars which may be found in the several charters, bearing on the general question of Railways.

Ordered, That the Clerk do cause the Librarian to procure from Boston forthwith, a copy of a work published by Messrs. Little & Brown, entitled "Railroad Laws and Charters of the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut."

Adjourned till Friday next, at Eleven o'clock, A. M.

Friday, 30th May, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DUMAS,
Mr. Solicitor General MACDONALD,
Mr. MORRISON,
Mr. ROSS,
Mr. SHERWOOD,
Mr. SMITH,
Mr. TACHÉ.

The Committee deliberated.

Adjourned till Wednesday, next the 4th of June.

Wednesday, 4th June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
The Honorable Mr. HINCKS,
Mr. Solicitor General MACDONALD,
The Honorable Mr. MACDONALD,
Mr. ROSS,
Mr. SHERWOOD,
Mr. TACHÉ.

Mr. *Sherwood*, seconded by Mr. *Ross*, moved that it be,—

Resolved, That the best interests of the Province will be consulted by the construction of a Grand Trunk Line of Railway, from Quebec to Windsor, on the River Detroit, and connecting with any line to be constructed from Halifax to Quebec.

Upon which the Committee divided.

<i>Yeas</i> :—Messrs	<i>Nay</i> :
Badgley,	Mr. Cauchon—1.
Dickson,	
Dumas,	
Hincks,	
Macdonald, (Sol. Gen.)	
Macdonald, of Kingston,	
Ross,	
Sherwood,	
Taché—9.	

So it was carried in the affirmative, and resolved accordingly.

The Hon. Mr. *Hincks*, seconded by the Hon. Mr. *Macdonald*, moved;—That it is expedient to amend the Railway Guarantee Act, so as to confine the Provincial guarantee to such Main Trunk Line, saving all existing rights.

Upon which the Committee divided, and the names being taken, they were the same as in the last division, and it was resolved accordingly.

Adjourned till Eleven o'clock, A. M., To-morrow.

Thursday, 5th June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
Mr. Solicitor General MACDONALD,
Mr. ROSS,
Mr. SHERWOOD,
Mr. SMITH.

The Committee deliberated.

Adjourned till To-morrow, at half-past Eleven o'clock, A. M.

Appendix
(U. U.)

30th August.

Friday, 6th June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DUMAS,
The Honorable Mr. HINCKS,
The Honorable Mr. MACDONALD,
Mr. ROSS,
Mr. SHERWOOD,
Mr. SMITH.

The Committee deliberated.

Adjourned till Wednesday, the 11th instant, at eleven o'clock, A. M.

Wednesday, 11th June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
The Honorable Mr. HINCKS,
Mr. ROSS,
Mr. SHERWOOD,
Mr. SMITH,
Mr. TACHÉ.

Mr. Scott of Bytown and Mr. Scott of Two Mountains, being added to the Committee by order of the House took their seats at the Table.

On motion of the Hon. Mr. Hincks, seconded by Mr. Cauchon,—

Ordered, That the Secretary and Engineer of "The Ontario, Simcoe, and Huron Railroad Union Company," be ordered to attend the Committee on to-morrow, and to bring with him all Surveys obtained by the Company, as well as any Contracts into which they may have entered.

On motion of the Hon. Mr. Hincks, seconded by Mr. Cauchon,—

Ordered, That John Cameron, Esquire, Cashier of the Commercial Bank, M. D., at Toronto, be requested to attend the Committee to-morrow, and to produce any Contracts in his possession for the construction of the Ontario, Simcoe and Huron Railroad.

Adjourned till to-morrow, at eleven o'clock, A. M.

Thursday, 12th June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DUMAS,
The Honorable Mr. HINCKS,
Mr. ROSS,
Mr. SCOTT, of Bytown,
Mr. SCOTT, of Two Mountains,
Mr. SMITH.

George Barrow, Esquire, examined.

[See Minutes of Evidence.]

Appendix
(U. U.)

30th August.

John Cameron, Esquire, Cashier of the Commercial Bank, M. D., in this City, examined.
[See Minutes of Evidence.]

On motion of Mr. Smith,—

Ordered, That the Clerk be directed to summon the Hon. H. J. Boulton to attend the Committee with all Contracts made or entered into with "The Ontario, Simcoe and Huron Railroad Union Company," and any further evidence or writings he may be able to produce, shewing the operations or proceedings of that Company, together with the Stock and other Books of the Company.

Adjourned till To-morrow, at eleven o'clock, A. M.

Friday, 13th June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

Mr. DUMAS,
The Honorable Mr. HINCKS,
Mr. Solicitor General MACDONALD,
Mr. MORRISON,
Mr. SCOTT, of Bytown,
Mr. SCOTT, of Two Mountains,
Mr. SMITH.

The Hon. Henry John Boulton, a Member of the House, examined.

[See Minutes of Evidence.]

Adjourned till eleven o'clock A. M. on Monday next.

Monday, 16th June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DUMAS,
The Honorable Mr. MACDONALD,
Mr. MORRISON,
Mr. ROSS,
Mr. SCOTT, of Bytown,
Mr. SCOTT, of Two Mountains,
Mr. TACHÉ.

On motion of the Hon. Mr. Badgley, seconded by the Hon. Mr. Macdonald,—

Ordered, That John Young, Esquire, of the City of Montreal, Vice-President of the Saint Lawrence and Atlantic Railroad Company, be ordered to attend the Committee on to-morrow, (at the hour of Eleven of the clock, A. M.) for examination respecting said Railroad; and to bring with him all surveys and documents in connection with that Road, which he may have in his possession.

Adjourned till To-morrow, at eleven o'clock, A. M.

Appendix
(U. U.)

Tuesday, 17th June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

Mr. CAUCHON,
Mr. DUMAS,
The Honorable Mr. HINCKS,
Mr. Solicitor General MACDONALD,
The Honorable Mr. MACDONALD,
Mr. MORRISON,
Mr. SCOTT, of Bytown,
Mr. SMITH,
Mr. TACHÉ.

The Clerk laid before the Committee, Schedules shewing the various Railroad Charters in Upper and Lower Canada, prepared by him agreeably to the order of the Committee of 28th of May.

[For the said Schedules see the Appendix, Nos. 2 & 3.]

John Young, Esquire, Montreal; examined.

[See Minutes of Evidence.]

The Committee then adjourned, to meet at the office of the Great Western Railroad Company, in the City of Hamilton, on Thursday, the 19th instant, at One o'clock, P. M.

OFFICE OF GREAT WESTERN RAILROAD COMPANY,
DIRECTORS' ROOM,
HAMILTON, Thursday, 19th June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
The Honorable Mr. HINCKS,
Mr. Solicitor General MACDONALD,
Mr. ROSS,
Mr. SCOTT, of Bytown,
Mr. SCOTT, of Two Mountains,
Mr. SMITH,
Mr. TACHÉ.

Robert W. Harris, Esquire, examined.

[See Minutes of Evidence.]

R. G. Benedict, Esquire, Chief Engineer of the Great Western Railroad; examined.

[See Minutes of Evidence.]

The Committee then adjourned, to meet again at the Committee Room, Legislative Assembly, Toronto, on Monday, the 23d inst., at Eleven o'clock, A. M.

COMMITTEE ROOM, LEGISLATIVE ASSEMBLY,
Monday, 23rd June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

Mr. CAUCHON,
Mr. DICKSON,
Mr. Solicitor General MACDONALD,
The Honorable Mr. MACDONALD,
Mr. SCOTT, of Two Mountains.

Adjourned for want of a quorum, until To-morrow, at Eleven o'clock, A. M.

Appendix
(U. U.)

Tuesday, 24th June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. DICKSON,
Mr. DUMAS,
Mr. Solicitor General MACDONALD,
The Honorable Mr. MACDONALD,
Mr. SCOTT, of Two Mountains,
Mr. SMITH.

John Young, Esquire, Vice President of the St. Lawrence and Atlantic Railroad Company; again examined.

[See Minutes of Evidence.]

Adjourned till To-morrow, at Eleven o'clock, A. M.

Wednesday, 25th June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
Mr. MORRISON,
Mr. ROSS,
Mr. SCOTT, of Two Mountains,
Mr. SHERWOOD,
Mr. TACHÉ.

The Committee deliberated.

Adjourned till To-morrow, at Eleven o'clock, A. M.

Thursday, 26th June, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
Mr. SCOTT, of Bytown,
Mr. SCOTT, of Two Mountains,
Mr. SHERWOOD,
Mr. SMITH.

Mr. Scott (Bytown) moved—That Messieurs Forbes, Corning, Stewart, R. W. Harris and R. G. Benedict be summoned to appear before the Committee on Monday, the 7th of July next.

On which the Committee divided:

Yeas:—Messrs.	Nays:—Messrs.
Dickson,	Cauchon,
Scott (Bytown),	Dumas,
Sherwood,	Scott (Two Mountains)—3.
Smith—4.	

And it was ordered accordingly.

Adjourned to the call of the Chair.

Friday, 27th June, 1851.

MEMBERS PRESENT :

SIR ALLAN NAPIER MACNAB, IN THE CHAIR ;

The Honorable Mr. BADGLEY,
Mr. DICKSON,
Mr. DUMAS,
Mr. MORRISON,
Mr. SCOTT, of Bytown,
Mr. SCOTT, of Two Mountains,
Mr. SHERWOOD,
Mr. SMITH,
Mr. TACHÉ.

R. W. Harris, Esq., President of the Great Western Railroad Company, appeared, and handed in a letter from Messrs. Corning and Forbes, in relation to the summons of the Committee.

[See Minutes of Evidence.]

Ordered, That the Chairman do move in the House, that a message be sent to the Honourable the Legislative Council to ask leave for the Hon. James Ferrier, (one of its members) to attend before the Committee on Monday next.

Adjourned until Eleven o'clock, A. M., on Monday next.

Monday, 30th June, 1851.

MEMBERS PRESENT :

SIR ALLAN NAPIER MACNAB, IN THE CHAIR ;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DUMAS,
The Honorable Mr. HINCKS,
Mr. Solicitor General MACDONALD,
Mr. ROSS,
Mr. SHERWOOD,
Mr. TACHÉ.

T. C. Keefer, Esq., Civil Engineer ; examined.

[See Minutes of Evidence.]

Adjourned till To-morrow, at Eleven o'clock, A. M.

Tuesday, 1st July, 1851.

MEMBERS PRESENT :

SIR ALLAN NAPIER MACNAB, IN THE CHAIR ;

Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
Mr. MORRISON,
Mr. ROSS,
Mr. SCOTT, of Two Mountains,
Mr. SMITH,
Mr. TACHÉ.

Charles Seymour, Esq., State Engineer of the State of New York ; examined.

[See Minutes of Evidence.]

Adjourned until Thursday, at Eleven o'clock, A. M.

Thursday, 3rd July, 1851.

MEMBERS PRESENT :

SIR ALLAN NAPIER MACNAB, IN THE CHAIR ;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
The Honorable Mr. HINCKS,
Mr. Solicitor General MACDONALD,
Mr. MORRISON,
Mr. ROSS,
Mr. SHERWOOD,
Mr. SCOTT, of Two Mountains,
Mr. TACHÉ.

Resolved, That it is expedient, in the opinion of this Committee, that all the provisions of the Act intituled, "An Act to amend and extend the provisions of an Act passed in the twelfth year of Her Majesty's Reign, intituled 'An Act to authorize the formation of Joint Stock Companies, for the construction of roads, and other works, in Upper Canada,'" which relates to Railroads, be repealed, and that the Chairman do present a Report to the House to that effect, recommending the introduction of a Bill to repeal the above mentioned provisions.

The question being put upon this Resolution, it was carried in the affirmative, *nem. con.*

PRESENT.—Messieurs *Dickson, Hincks, Sol. Gen. Macdonald, Morrison, Ross, Scott* (Two Mountains) *Sherwood, Smith, and Taché.*

Adjourned till To-morrow, at Eleven o'clock, A.M.

Friday, 4th July, 1851.

MEMBERS PRESENT :

SIR ALLAN NAPIER MACNAB, IN THE CHAIR ;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DICKSON,
The Honorable Mr. HINCKS,
Mr. Solicitor General MAUDONALD,
The Honorable Mr. MACDONALD,
Mr. MORRISON,
Mr. ROSS,
Mr. SCOTT, of Two Mountains,
Mr. SHERWOOD,
Mr. SMITH,
Mr. TACHÉ.

The Honorable *James Ferrier* ; examined.

[See Minutes of Evidence.]

Benjamin Brewster, Esquire, Montreal ; examined.

[See Minutes of Evidence.]

Adjourned till Monday, at Eleven o'clock, A. M.

Appendix
(U. U.)

Monday, 7th July, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
The Honorable Mr. MACDONALD,
Mr. SCOTT, of Two Mountains,
Mr. SHERWOOD,
Mr. TACHÉ.

R. W. Harris, Esquire, President of the Great Western Railroad Company; again examined.

[See Minutes of Evidence.]

Adjourned till To-morrow, at Eleven o'clock, A.M.

Tuesday, 8th July, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. DICKSON,
Mr. DUMAS,
The Honorable Mr. HINCKS,
Mr. Solicitor General MACDONALD,
The Honorable Mr. MACDONALD,
Mr. SCOTT, of Bytown,
Mr. SHERWOOD,
Mr. SMITH,
Mr. TACHÉ.

R. G. Benedict, Esq.; again examined.

[See Minutes of Evidence.]

Adjourned till To-morrow, at Eleven o'clock, A. M.

Wednesday, 9th July, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
The Honorable Mr. MACDONALD,
Mr. SCOTT, of Two Mountains,
Mr. TACHÉ.

Ordered, That the Hon. Mr. Badgley be empowered to collate all the applications for Railroad Charters now before the Committee, and to report a General Railway Bill on Saturday next.

Adjourned till Saturday, at Eleven o'clock, A. M.

Saturday, 12th July, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. DUMAS,
Mr. Solicitor General MACDONALD,
The Honorable Mr. MACDONALD,
Mr. SCOTT, of Bytown,
Mr. SCOTT, of Two Mountains,
Mr. SHERWOOD,
Mr. SMITH,
Mr. TACHÉ.

The Hon. Mr. Badgley informed the Committee that he was not fully prepared to report the draft of a Bill agreeably to the instruction of the Committee of Wednesday last, but would be ready to do so on Monday next.

Adjourned till Monday next, at Eleven o'clock, A. M.

Monday, 14th July, 1851.

MEMBERS PRESENT:

SIR ALLAN NAPIER MACNAB, IN THE CHAIR;

The Honorable Mr. BADGLEY,
Mr. DUMAS,
The Honorable Mr. HINCKS,
Mr. Solicitor General MACDONALD,
The Honorable Mr. MACDONALD,
Mr. MORRISON,
Mr. SCOTT, of Bytown,
Mr. SHERWOOD,
Mr. TACHÉ.

Erastus Corning, Esquire, Albany, Director in the Great Western Railroad Company; examined.

[See Minutes of Evidence.]

Mr. James Goold, Railroad Car Maker, Albany, N. Y.; examined.

[See Minutes of Evidence.]

The Hon. Mr. Badgley, reported, pursuant to the instruction of the Committee on Wednesday last, the draft of a Bill for consolidating into one Act, certain provisions usually inserted in Acts authorising the making of Railways.

The said Bill was then read by the Committee.

Ordered, That the said Bill together with the Proceedings of the Committee and Minutes of Evidence, be printed in pamphlet form.

The Clerk laid before the Committee a letter from the Hon. H. H. Killaly, in reply to the query submitted to him on the subject of the "Gauge."

[See Minutes of Evidence.]

Adjourned to the call of the Chair.

Appendix
(U. U.)

30th August.

Tuesday, 22nd July, 1851.

MEMBERS PRESENT :

SIR ALLAN NAPIER MACNAB, IN THE CHAIR ;
 The Honorable Mr. BADGLEY,
 Mr. DICKSON,
 Mr. DUMAS,
 The Honorable Mr. HINCKS,
 The Honorable Mr. MACDONALD,
 Mr. MORRISON,
 Mr. SCOTT, of Bytown,
 Mr. SCOTT, of Two Mountains.

H. C. Seymour, Esquire, State Engineer of the State of New York ; again examined.

[See Minutes of Evidence.]

William A. Merry, Esq. ; examined.

[See Minutes of Evidence.]

Adjourned to the call of the Chair.

Tuesday, 29th July, 1851.

MEMBERS PRESENT :

The Hon Mr. BADGLEY,
 Mr. CAUCHON,
 Mr. DUMAS,
 The Hon. Mr. HINCKS,
 The Hon. Mr. MACDONALD,
 Mr. MORRISON,
 Mr. ROSS,
 Mr. SCOTT, of Bytown,
 Mr. SCOTT, of Two Mountains,
 Mr. SMITH,
 Mr. TACHÉ.

In the absence of the Chairman, Mr. Smith was called to the chair, *pro tem*.

The Clerk laid before the Committee a letter from J. A. Roebling, Esq., Civil Engineer of New Jersey, in relation to the main Trunk Line of Railway, and the "gauge" to be adopted for the same.

[See Minutes of Evidence.]

Hugh Allan, Esq., Montreal ; examined.

[See Minutes of Evidence.]

M. McDonell, Esq., Warden of the United Counties of Lanark and Renfrew ; examined.

[See Minutes of Evidence.]

C. J. Forbes, Esq., Carillon ; examined.

[See Minutes of Evidence.]

James Moir Ferres, Esquire, Montreal ; examined.

[See Minutes of Evidence.]

The Honorable *Hamnet Pinkey*, Warden of the County of Carleton ; examined.

[See Minutes of Evidence.]

Duncan Sinclair, Esq., Provincial Land Surveyor, Point Fortune ; examined.

[See Minutes of Evidence.]

F. M. Hill, Esq., Mayor of the City of Kingston ; examined.

[See Minutes of Evidence.]

J. J. Girouard, Esq., Montreal ; examined.

[See Minutes of Evidence.]

The Committee proceeded to the consideration of the Bill to amend the act incorporating the Bytown and Prescott Railway Company, and the Bill was agreed to, with certain amendments.

The Bill to amend and extend the Act incorporating the Montreal and Vermont Junction Railway Company, was considered, and agreed to with certain amendments.

Ordered, That the Chairman *pro tem*. do report the above Bills to the House, as amended, at its next sitting.

The Bill to amend an Act intituled "An Act for incorporating the Toronto and Goderich Railway Company," and to continue the same as amended, under the name of the Toronto and Guelph Western Extension Railway Company, was read and considered. Further consideration postponed until Thursday next.

Adjourned until 10 o'clock, A. M. on Thursday next.

Thursday, 31st July, 1851.

MEMBERS PRESENT :

JAMES SMITH, ESQUIRE, IN THE CHAIR, *pro tem*.

The Honorable Mr. BADGLEY,
 Mr. CAUCHON,
 Mr. DICKSON,
 Mr. DUMAS,
 The Honorable Mr. HINCKS,
 The Honorable Mr. MACDONALD,
 Mr. Solicitor General MACDONALD,
 Mr. MORRISON,
 Mr. ROSS,
 Mr. SHERWOOD,
 Mr. SCOTT, of Bytown,
 Mr. SCOTT, of Two Mountains,
 Mr. TACHÉ.

The Committee resumed the consideration of the Bill to amend an Act intituled, "An Act for incorporating the Toronto and Goderich Railway Company," &c.

J. W. Gwynne, Esq., appeared before the Committee in support of the Bill.

The Hon. Mr. *Macdonald*, moved that it be—

Resolved, That in the opinion of the Committee, an Act of incorporation should be granted for the construction of a Railway from Toronto to Guelph, under the provisions of the general Railway Act, now before the House, but that the said Charter should not authorize the extension of the Railway to Goderich.

Upon which the Committee divided :

Yeas :—Messrs.	Nays :—Messrs.
Badgley,	Ross,
Cauchon,	Sol. Gen. Macdonald,—2.
Dumas,	
Hincks,	
Morrison,	
Scott, (Bytown)	
Scott (Two Mountains)	
Sherwood,	
Taché,—9.	

So it was carried in the affirmative, and Resolved accordingly.

Appendix
(U. U.)

30th August.

Mr. *Morrison* moved that the Charter do contain provisions allowing the Company to extend the line to Goderich from Guelph.

Upon which the Committee divided :

Yeas :—Mr. *Nays* :—Messrs.

Morrison,—1.	Badgley,
	Cauchon,
	Dumas,
	Hincks,
	Macdonald. (Kingston),
	Sol. Gen. Macdonald,
	Ross,
	Scott, (Bytown),
	Scott. (Two Mountains),
	Sherwood,
	Taché,—11.

So it was decided in the negative.

Mr. *Ross*, moved that it be—

Resolved, As the opinion of this Committee, that in recommending a Charter to be given to a Company to construct a Railroad from Toronto to Guelph, the Committee had a view of facilitating the communications of the inhabitants of Guelph or the adjacent country with Toronto, and not, the facilitating the construction of a line of Railroad from Guelph to Goderich as a competing line to the Great Western Railroad Company.

Upon which the Committee divided :

Yeas :—Messrs. *Nays* :—Messrs.

Dumas,	Badgley,
Macdonald, (Kingston),	Cauchon,
Sol. Gen. Macdonald,	Hincks,
Ross,	Morrison,
Sherwood,	Scott, (Bytown)—5.
Scott, (Two Mountains),	
Taché,—7.	

So it was carried in the affirmative, and Resolved accordingly.

Mr. *Cauchon* moved, That the question of the proper Gauge to be adopted for the proposed Main Trunk Line through the Province, be now taken up for consideration by the Committee.

Upon which the Committee divided :

Yeas :—Messrs. *Nay* :—Mr.

Cauchon,	Scott, (Bytown)—1.
Dumas,	
Morrison,	
Macdonald, (Kingston),	
Sol. Gen. Macdonald,	
Ross,	
Scott, (Two Mountains),	
Sherwood,	
Taché,—9.	

So it was carried in the affirmative and the Committee accordingly proceeded to the consideration of the question.

The Hon. Mr. *Macdonald* moved, that it be—

Resolved, That in the opinion of this Committee, a medium gauge of 5 feet 6 inches, is the one best adapted for the promotion of Canadian interests, and should be recommended to the House as such.

Upon which the Committee divided :

<i>Yeas</i> :—Messrs.	<i>Nays</i> :—Messrs.
Badgley,	Scott, of (Bytown),
Cauchon,	Sherwood,—2.
Dumas,	
Hincks,	
Macdonald. (Kingston),	
Sol. Gen. Macdonald,	
Morrison,	
Scott, (Two Mountains),	
Tache,—9.	

So it was carried in the affirmative, and Resolved accordingly.

The Hon. Mr. *Macdonald*, moved that it be—

Resolved, That in the opinion of this Committee, the said gauge of 5 feet 6 inches, should be adopted as the proper gauge for the Main Trunk Line of Railway through the Province, Westward to Hamilton, and should also be recommended by the Government to the Directors of the Great Western Railway Company for their adoption.

Upon which the Committee divided,—and the names were taken down as in the last preceding division.

So it was carried in the affirmative, and Resolved accordingly.

Ordered, That the Chairman *pro tem.* do report the above Resolutions (in relation to the gauge) to the House, at its next sitting.

The Hon. Mr. *Macdonald* moved, that it be—

Resolved, That, in the Charter for a Railway from Toronto to Guelph, a clause should be inserted, fixing the gauge for such Railway at 5 feet 6 inches.

Upon which the Committee divided :

<i>Yeas</i> :—Messrs.	<i>Nay</i> :—Mr.
Badgley,	Scott, (Bytown)—1.
Cauchon,	
Dickson,	
Dumas,	
Hincks,	
Morrison,	
Macdonald, (Kingston),	
Sol. Gen. Macdonald,	
Taché,—9.	

So it was carried in the affirmative, and Resolved accordingly.

The Bill to amend the Act for incorporating the Toronto and Goderich Railway Company, was then amended in accordance with the foregoing Resolutions, and with the provisions of the General Railway Clauses Consolidation Bill (now before the House),—and was agreed to, as amended.

Ordered, That the Chairman *pro tem.* do report the said Bill to the House, as amended, at its next sitting.

Ordered, That the Bill to incorporate the Montreal and Kingston Railway Company, be taken into consideration to-morrow.

Adjourned until To-morrow, at 10 o'clock, A. M.

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

Friday, 1st August, 1851.

MEMBERS PRESENT:

JAMES SMITH, Esq., in the Chair, *pro tem.*

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
The Honorable Mr. MACDONALD,
Mr. Solicitor General MACDONALD,
Mr. MORRISON,
Mr. SCOTT, of Bytown,
Mr. SCOTT, Two Mountains,
Mr. SHERWOOD,
Mr. TACHÉ.

The Committee proceeded to take into consideration the Bill to incorporate the Montreal and Kingston Railway Company.

The Hon. R. U. Harwood, Vaudreuil; examined.
[See Minutes of Evidence.]

Chas. P. Treadwell, Esq., Sheriff of the United Counties of Prescott and Russell; examined.
[See Minutes of Evidence.]

Charles Sparrow, Esq., Mayor of Bytown; examined.
[See Minutes of Evidence.]

Chauncey Johnson, Esq., Warden of the United Counties of Prescott and Russell; examined.
[See Minutes of Evidence.]

John Mackinnon, Esq., New Edinburgh; examined.
[See Minutes of Evidence.]

Robert Bell, Esq., M. P. P.; examined.
[See Minutes of Evidence.]

Benjamin Holmes, Esq., M. P. P.; examined.
[See Minutes of Evidence.]

Thos. H. Johnson, Esq., M. P. P.; examined.
[See Minutes of Evidence.]

Edward Malloch, Esq., M. P. P.; examined.
[See Minutes of Evidence.]

Adjourned till Tuesday next, at Eleven o'clock.

Tuesday, 5th August, 1851.

MEMBERS PRESENT:

NORBERT DUMAS, Esq., in the Chair, *pro tem.*

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
The Honorable Mr. HINCKS,
The Honorable Mr. MACDONALD,
Mr. Solicitor General MACDONALD,
Mr. MORRISON,
Mr. SHERWOOD,
Mr. SCOTT, of Bytown,
Mr. SCOTT, of Two Mountains,
Mr. TACHÉ.

The Committee proceeded to take into consideration the Bill to incorporate the Montreal and Kingston Railroad Company,—and the Bill was agreed to, with amendments.

Appendix
(U. U.)

30th August.

The Bill to incorporate the Kingston and Toronto Junction Railroad Company, was taken into consideration, and agreed to, with amendments.

Ordered. That the Chairman do report the above Bills as amended, to the House, at its next sitting.

Adjourned till Eleven A. M., on Thursday next.

Thursday, 7th August, 1851.

MEMBERS PRESENT:

JAMES SMITH, Esq., in the Chair, *pro tem.*

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
The Honorable Mr. HINCKS,
The Honorable Mr. MACDONALD,
Mr. Solicitor General MACDONALD,
Mr. SCOTT, of Bytown,
Mr. SCOTT, of Two Mountains,
Mr. SHERWOOD,
Mr. TACHÉ.

The Committee proceeded to take into consideration the Bill to incorporate the Lake Superior and Pacific Railroad Company.

Allan McDonnell, Esq., appeared before the Committee in support of the Bill.

Further consideration of the Bill postponed.

Ordered. That the several Railroad Companies in the Province who are proceeding upon their Acts of Incorporation, be severally called upon to furnish Returns of the amount of stock subscribed since the passing of the Act authorising the Provincial Guarantee to Railroads,—names of the the Stockholders, number of instalments paid in, and amount paid thereon up to this date.

Adjourned till Eleven, A. M., on Monday next.

Monday 11th August, 1851.

MEMBERS PRESENT:

JAMES SMITH, Esq., in the Chair, *pro tem.*

The Honorable Mr. BADGLEY,
Mr. CAUCHON,
Mr. DICKSON,
Mr. DUMAS,
The Honorable Mr. HINCKS,
Mr. MORRISON,
Mr. Solicitor General MACDONALD,
Mr. ROSS,
Mr. SHERWOOD,
Mr. SCOTT, of Bytown,
Mr. SCOTT, of Two Mountains.

The Committee deliberated.

Adjourned till Eleven, A. M., To-morrow.

Appendix
(U. U.)

Tuesday, 12th August, 1851.

MEMBERS PRESENT :

JAMES SMITH, Esq., IN THE CHAIR, *pro tem.*

The Honorable Mr. BADGLEY,
 Mr. CAUCHON,
 Mr. DICKSON,
 Mr. DUMAS,
 The Honorable Mr. MACDONALD,
 Mr. Sol. Gen. MACDONALD,
 Mr. MORRISON,
 Mr. ROSS,
 Mr. SHERWOOD,
 Mr. SCOTT, of Bytown.
 Mr. SCOTT, of Two Mountains,
 Mr. TACHÉ.

The Committee proceeded to the consideration of the Bill to incorporate the Montreal, Ottawa, and Kingston Grand Trunk Railroad Company.

Mr. *Sherwood* moved, That it is inexpedient to recommend a second Bill for a Railroad between Montreal and Kingston during the present Session.

Upon which the Committee divided :

<i>Yeas</i> :—Messrs.	<i>Nays</i> :—Messrs.
Cauchon,	Badgley,
Dumas,	Dickson,
Morrison,	Macdonald; (Kingston),
Sol. Gen. Macdonald,	Scott, (Bytown),
Ross,	Scott, (Two Mountains),
Sherwood,	Smith,—6.
Taché,—7.	

So it was carried in the affirmative, and Resolved accordingly.

Adjourned till Eleven, A. M., on Thursday next.

Thursday, 14th August, 1851.

MEMBERS PRESENT :

JAMES SMITH, Esq., IN THE CHAIR, *pro tem.*

The Honorable Mr. BADGLEY,
 Mr. CAUCHON,
 Mr. DUMAS,
 Mr. DICKSON,
 The Honorable Mr. MACDONALD,
 Mr. MORRISON,
 Mr. ROSS,
 Mr. SCOTT, of Two Mountains,
 Mr. SHERWOOD,
 Mr. TACHÉ.

The Committee took into consideration the Bill to consolidate such of the provisions of the several Acts relative to the Great Western Railroad Company as are now in force,—and amended the same by the adaptation of its provisions to those of the Railway Clauses Consolidation Act.

Ordered, That the Chairman do report the said Bill to the House, as amended; at its next sitting.

The Committee proceeded to the consideration of the Bill to amend the Charter of the Woodstock and Lake Erie Railway Company.

Resolved, That it is inexpedient to recommend this Bill to the House.

Ordered, That the Chairman do present a report to the House at its next sitting, explaining the reasons for the above decision.

The Chairman *pro tem.* laid before the Committee a communication received by him from the Hon. *H. H. Killaly*, Assistant Commissioner of the Department of Public Works, as supplementary to his former letter.

[For which, see Minutes of Evidence.]

[The following evidence, in relation to the Bill to empower the St. Lawrence and Lake Champlain Railroad Company to make a branch road to the Province line east of the River Richelieu, and to construct a Bridge over the said river, was taken by the Committee at various sittings, but was not recorded at the time in the minutes, in order to admit of the evidence on the subject of the Main Trunk Line being first completed.]

John Young, Esquire, of Montreal, Vice-President of the St. Lawrence and Atlantic Railroad Company; examined.

[See Minutes of Evidence.]

Benjamin Brewster, Esq., of Montreal; examined.

[See Minutes of Evidence.]

The Honorable *James Ferrier*, of Montreal; examined.

[See Minutes of Evidence.]

William A. Merry, Esq., Secretary of the Champlain and St. Lawrence Railroad Company; examined.

[See Minutes of Evidence.]

Mr. N. B. Proctor, Captain of the Steamer, "Ethan Allen;" examined.

[See Minutes of Evidence.]

Chas. Seymour, Esq., Secretary of the Montreal and Vermont Junction Railroad Co.; examined.

[See Minutes of Evidence.]

MINUTES OF EVIDENCE.

Thursday, 12th June, 1851.

George Barrow, Esquire.; examined.

Ques. 1. What situation do you hold in the Ontario, Simcoe and Huron Railroad Union Company?—I am Secretary as well as a Director; and in obedience to the summons from the Committee, which I have received, I attend on behalf of that Company, as Secretary. I am required by the summons to produce certain papers; to these I have not access, in consequence of their having been placed for safety in other hands, and it will require an order of the Board to obtain possession of them. Since I received the summons we have not had a *quorum* of Directors, from which only such order could emanate. I have therefore to request, that the Committee will extend the time mentioned in the summons, in order to enable me to obtain the necessary documents, when I shall be prepared to answer any questions the Committee may put to me.

John Cameron, Esquire., of Toronto, Cashier of the Commercial Bank.

Ques. 2. Have you the care or custody of any agreement or writings entered into between the Ontario, Simcoe and Huron Railroad Union Company, and any Engineer employed to make their survey, or with any person as Contractor or Contractors for the construction of the road or any part thereof, or any other papers to the effect above stated?—I had at one time in my custody a sealed paper delivered to me by Mr. Berezy, who was, I believe, then President of the Company, and stated by him to be the agreement for a contract entered into between the Directors of the Company and the Contractors. I subsequently gave this paper to Mr. H. J. Boulton, (I think about three weeks ago) who is now President of the Company. He demanded the paper in that capacity; upon my refusing to deliver it to him without a written authority from Mr. Berezy, he produced one, and I accordingly gave him the paper. I beg to state that I have no other papers in my possession belonging to the Company.

Friday, 13th June, 1851.

The Hon. Henry John Boulton, M. P. P., President of the Board of Directors of the "Ontario, Simcoe, and Huron Railroad Union Company."

Ques. 3. You are President of the Board of Directors of the "Ontario, Simcoe, and Huron Railroad Union Company?"—I am—and in obedience to the order of the Committee of yesterday, I produce the Contracts and Stock Books of the Company.

Ques. 4. Has any contract been entered into for the construction of the Road—and if so, will you produce the same?—There has been a contract entered into, which I produce. (The contract was then read by Mr. Boulton.)

Ques. 5. It appears that the Company have entered into a contract with Messrs. Story & Co. for constructing a Railroad at \$25,000 per mile; and

that the said Contractors are employed in making the surveys at present, prior to the location of the line; are the Committee to understand that the contract was entered into before the completion of the surveys, and the location of the line?—The contract was entered into before the completion of the surveys contemplated under it, but the Company were in possession of an elaborate report of a survey made some years ago over the same tract of country, by Mr. Higham, which I beg now to place in the possession of the Committee. (Witness handed in a printed copy of a Report of a Survey by R. Higham, Civ. Eng. of the Toronto & Lake Huron Railroad; dated 1st Feb., 1837,—which is filed with the Records of the Committee.)

Ques. 6. Are you enabled to state why it was that the terms offered by Messrs. C. Story & Co. were accepted, before it was ascertained which of the several contemplated routes was the most advantageous, and what would be the probable cost of such route?—I have answered this in my reply to the foregoing question.

Ques. 7. Are Messrs. C. Story & Co. at liberty under their contract, to select any line which they may choose?—No. The selection of the route is under the direction of the Company.

Ques. 8. Is the survey you refer to, a minute survey of the line from Toronto, touching at Lake Simcoe, and diverging to Lake Huron, as required by the Charter: was that line the one intended to be run, and are the other routes surveyed or being surveyed, for the purpose of discovering a cheaper route, as mentioned in the proposal of the Contractors?—Yes.

Ques. 9. Have you any written document to show that the selection of the route rests with the Company?—I repeat, the selection of the route rests with the Company.

Ques. 10. Do you know how long it will require to make the survey of the road?—I understand all the routes of the survey will be completed within ten or twelve days.

Ques. 11. The contracts having been based on the Report of Mr. Higham, civil engineer, and that gentleman's estimate having been from \$10,372 to \$14,971 63 cents per mile,—can you explain why the Company, without fresh surveys of their own, entered into a contract at \$25,000 per mile?—The only information we possess as to the actual cost of road, equipment, purchase of land, and all incidental expenses incident to such work, engineering, and paying engineers furnished by ourselves, as well as by them, we derived from Mr. Higham's report, and our opinion of the price of such roads, taken from official reports in the United States.

Ques. 12. State, as nearly as you can, the amount received in money by the Company, and the amount paid out by the Company?—The stock subscribed by individuals is upwards of £13,000, and we have received 2½ per cent. upon that amount;—we have also received donations to somewhere about £100. The manager, in and about the incidental expenses of the Company, has expended a very considerable sum, besides his time, for which the Company have given him their bonds to the amount of £11,000.

Ques. 13. What amount has the County of Simcoe subscribed—and what amount has the City of Toronto agreed to give the Company as a donation?—

Appendix
(U. U.)

30th August.

The County of Simcoe have subscribed £50,000, under a by-law; and the City of Toronto have given a bonus of £25,000.

Ques. 14. Has the County of Simcoe issued debentures under this by-law?—I believe they have. The debentures have been prepared, signed and executed, and, I believe, are ready to be delivered to the Company whenever they may require them, according to the terms of the contract and of their by-law.

Ques. 15. Has the payment of instalments on stock, the subscription of the County of Simcoe, and the donation of the City of Toronto, been subscribed, and made, upon the faith of the Government guarantee under the act of last Session?—Most undoubtedly; and I should consider it a great breach of faith if there were any interference in that guarantee after foreigners have been acting under it in good faith, and have expended a large sum of money in preliminary expenses, with a view to the completion of their contract.

Ques. 16. Has the City of Toronto, or the County of Simcoe, paid any assessment upon this stock; and how much?—Neither the City of Toronto, nor the County of Simcoe, have paid any thing upon their subscription; neither was it intended that they should do so until the work was actually in progress, and then in such proportions as the by-law of the County of Simcoe (herewith produced,) empowered—and the resolutions of the City of Toronto indicate.

[For the By-law, see the said Appendix No. 1.]

Ques. 17. Have you any objections to leave the contract or contracts of the Company with Messrs. Story & Co., and the Reports and Estimates of Mr. Highan; with the Committee, or copies of the same?—

This question being objected to, by a Member of the Committee,—

Shall the objection be sustained?

The Committee divided:

Yea:—Mr.

Morrison,—1.

Nays:—Messrs.

Dumas,
Hincks,
Ross,
Scott (Bytown),
Scott, (Two Mountains),
Smith,
Taché,—7.

Ans. I should have no objection to leave with the Committee copies of the contract with Messrs. Story & Co., if I could be assured that they would not be published; but the Contractors have an interest in them as well as the Company, and without their consent I could not sanction their being made public.

Ques. 18. At what rate had Wood & Co., agreed to construct the road?—At the same rate.

Ques. 19. Is the contract agreed on between the Company and Contractors, final, and are the Contractors to profit by any saving that it will be possible to make out of the \$25,000 per mile; and to what amount are the Contractors, Shareholders in the stock; and what is the amount of the whole stock?—The contract is final, so far as its general terms go, but it is evident upon reading it, that when the work is about to be executed, proper specifications must be prepared of all the particulars, as is done in other similar cases. The Contractors will be entitled to the full amount of \$25,000 per mile, whatever may be the route adopted by the Board, after the surveys have been completed; and the Contractors have taken \$600,000 of the stock in part payment, the whole amount being £500,000, or \$2,000,000 for the whole route.

Tuesday, 17th June, 1851.

John Young, Esquire, Vice-President of the St. Lawrence and Atlantic Railroad Company; examined.

Ques. 20. You are Vice-President of the St. Lawrence and Atlantic Railroad Company?—Yes.

Ques. 21. Has any contract been entered into by the Company for the construction of their road; and if so, will you produce the same?—There has been a contract entered into; a copy of which I beg to hand in to the Committee. (Witness handed in a copy of a contract between Black, Wood, & Co., and the St. Lawrence and Atlantic Railroad Company, dated 30th November, 1849; which is filed with the papers of the Committee.)

Ques. 22. Have you since made any change in the conditions of payment to the contractors; and if so, will you state the nature of such change?—Our contract with Black, Wood & Co., was for £6,550 per mile. The Railroad Company kept the power in their own hands, of the engineering department, and Black, Wood & Co., in their contract, at so much per mile, were obliged to deliver such a road, and of such grades, as the Company's Engineer might dictate. The work from St. Hyacinthe to the Province line was divided into three sections, and was obliged to be finished at certain periods; but in consequence of the failure of Black, Wood and Co., to finish the section from St. Hyacinthe to Melbourne, in the time stipulated, that portion of the work was taken out of their hands, and is now being carried on by the Company, at the expense of the contractors. By the contract, one-fourth of the payment was in stock of the Company, at par, and by a new arrangement the Company redeemed their stock at fifty per cent. discount, which reduces the cost of the road about £1000 per mile.

Ques. 23. Will you state the amount of stock subscribed by the Company, and the amount paid in?—The actual amount of stock paid in is upwards of £230,000; the amount subscribed was nearly double that sum.

Ques. 24. Can you state the amount of stock forfeited?—There was about £100,000 forfeited, of which about £17,000 was paid in, and carried to the credit of the Company.

Ques. 25. You have stated that the amount of stock paid up is about £230,000 from private Stockholders; what other available means have the Company obtained for the construction of the road?—Independent of private subscription, the City of Montreal subscribed for £125,000 of stock. The British American Land Company loaned to the Railroad Company £25,000, and the Seminary of St. Sulpice loaned an additional £25,000; which two latter sums, amounting to £50,000, were secured as a second charge on the road, the Provincial guarantee (when obtained) being the first charge.

Ques. 26. What is the actual amount expended on the Portland Road up to this time?—The total expenditure on the road, as taken by me from the books on the 1st June instant, was £451,359 14s. 6d.

Ques. 27. What is the amount of the present liabilities of the Company?—Beyond an indorsation for £12,500 for iron delivered by contractors, the Company have no outstanding notes, and the contractors are regularly paid the amount of their monthly estimates, copies of which are herewith submitted. We are bound to the Commercial Bank by a bond for upwards of £45,000, obtained to carry on the work beyond half the distance to the Province Line, which amount, and any further sum necessary, will be paid out of the proceeds of the first sale of the bonds of the Government, to which the Company will become entitled when their engines and cars are ready to pass over one half of the road.

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

Ques. 28. What portion of the road has been completed and how much of it is in actual use?—The road is now regularly run to St. Hyacinthe, a distance of thirty miles. The cars passed last fall over a further distance of twelve miles, but owing to the settling of the road in the spring, it has not been passed over since; the road from Longueuil to St. Hyacinthe is not yet fully ballasted, but the line will be entirely completed to St. Hyacinthe by 1st October; and the road is expected to be opened to Melbourne by the 1st, of August, a distance of seventy-two miles.

Ques. 29. What has the line from Longueuil to St. Hyacinthe cost per mile.—Have you a copy of the contract with you—if not, can you state the particulars of the same—if so, state them, including the weight of iron used, grade, gauge, &c.?—The road from Longueuil to St. Hyacinthe was not contracted for at a rate per mile, but only that portion from St. Hyacinthe to the Province Line. The road from Longueuil to St. Hyacinthe was constructed for three-fourths cash and one-fourth stock; after being located, tenders were publicly advertised, and after a severe competition, Black, Wood & Co., obtained a contract for the whole line to St. Hyacinthe, except the bridges. In the books of the Company, only one account for the cost of the road (under the head of construction accounts) has been kept, and as the early cost of surveys of the whole line, and other expenses, were included in the cost of the first part of the road, I cannot say what the exact cost of the road per mile will be from Longueuil to St. Hyacinthe: the charges for land damages on this part of the line far exceed those on any other part; and in addition to this, a large wharf had to be constructed at Longueuil; but including a large station house there, and engine shops, water stations, &c., the whole cost of the line from Longueuil to St. Hyacinthe, is as near as possible, £215,000; this includes the bridge over the River Richelieu, which is upwards of nine hundred feet long, and cost about £24,000. The weight of iron is sixty-four pounds to the yard, and the gauge is five feet six inches, which is the gauge to the Province line, and from the Province line to Portland: a road of that gauge is now being rapidly extended to Bangor; there is no part of the road of which the grade, when finished, will exceed forty-five feet to the mile.

Ques. 30. What is your opinion as to the present contract price for building the road—is it considered a low rate?—I consider this road a cheap one, under the contract,

(Witness handed in a copy of a Report of the Hon. H. H. Killaly, Civil Engineer, respecting the St. Lawrence and Atlantic Railroad.

[For the Report see the said Appendix No. 4.]

Thursday, 19th June, 1851.

Robert W. Harris, Esquire, President of the Great Western Railroad Company; examined.

Ques. 31. You are President of the Great Western Railroad Company?—I am.

Ques. 32. What is the amount of the Capital Stock of the Company, and how much of the same has been subscribed?—The Capital Stock of the Company is £1,500,000, divided into 60,000 shares, of £25 currency each; 9,723 shares have been subscribed for, which amounts to £243,075, viz:

Private Stock, 2,723 Shares.
Municipal " 7,000 "

And the Municipality of Middlesex have agreed to take 1000 shares.

Ques. 33. What amount of stock have the contractors agreed to take?—In some cases they have agreed to take 25 per cent., and in others 33½.

Ques. 34. What amount of stock have you reserved for the contractors?—Eight thousand shares.

Ques. 35. What amount of stock has been reserved for the English market?—Ten thousand shares have been placed with the Baring, Esq. in London.

Ques. 36. What amount of stock has been reserved for the American market?—By agreement, ten thousand shares have been taken by Messrs. Forbes of Boston, and Corning of Albany, for the American market.

Ques. 37. Has any contract been entered into by the Company for the construction of their road, and if so, will you produce the same?—Contracts have been entered into, which I now exhibit.

Ques. 38. What portion of the line is under construction?—The whole line is under contract, and that part of the road from Hamilton to London is now being constructed.

Ques. 39. What amount of stock has been paid in, distinguishing the Municipal from Private subscriptions?—On 7,000 shares, taken by Municipalities £43,725 has been paid up in bonds. On 2,723 private shares, there has been paid in £22,852 11s. 8d. There has also been paid £12,157 19s. 8d. upon the shares which are now forfeite, and placed to the credit of the Company. I beg leave to hand in a Report of the Company. The Company have disposed of £25,200 of these bonds, which have netted in cash £21,653 10s. The balance on hand on the 2nd January was about £5,000 in cash, and the remainder in bonds. The arrangement made by the Company with the Banks, was a deposit of bonds to an amount beyond the cash placed to the credit of the Company on account of the bonds. I have reason to believe that the stock will all be taken up in England and the United States: we have the assurance of practical men to that effect. The Engineer was Mr. Stewart, formerly Chief Engineer of the State of New York, and now Chief Engineer of the United States Navy and Dock Yard,—assisted by Mr. Benedict.

[For the Report handed in, see the Appendix No. 5.]

Ques. 40. Do you think the contractors will take 8,000 shares of the stock?—I do. We tried to induce the contractors of one division to allow us to pay money or stock, at our option, which they refused to do.

R. G. Benedict, Esquire, Chief Engineer of the Great Western Railroad; examined.

Ques. 41. What is the average price per mile of the road completed, including every thing?—Nearly \$22,000, or £5,400 per mile. The superstructure of the bridge over the Grand River cost \$13,500, the masonry \$21,500,—making the whole cost \$35,000. The grade line of the bridge is 50 feet above the surface of the water.

Tuesday, 24th June, 1851.

John Young, Esquire, Vice-President of the St. Lawrence and Atlantic Railroad Company; again examined.

Ques. 42. What is the estimated difference of expense in construction between the wide, the medium, and the narrow gauge?—Before commencing the Portland road, the question of cost between the narrow and broad gauge engaged the attention of the Directors, and they found that

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

neither in the roadway, engines, or cars, did the cost of a road of five feet six inches, exceed that of four feet eight and a half inches.

Ques. 43. Would you state to the Committee your opinion on the subject of a main Trunk Line of Railway through the Province; the proper gauge to be adopted; the probable cost of the same; what portion of the line should be first commenced; and any other observation that may occur to you?—The geographical position of Canada renders a main Trunk Line of Railway from the Western to the Eastern portion of the Province, absolutely necessary. The trade of Canada with the United States, especially of the Eastern Canadian Ocean Ports with the West, is rapidly increasing; and travelling between these points is at present through the territory of the United States, when shorter and better grades for roads can be found in Canada. The distance from Detroit to Boston, *via* Montreal is shorter than by any road built through the United States, while the grades are superior to any possible parallel line in that country. While, therefore, a grand Trunk Line through Canada will secure a large portion of the travel between the Eastern and Western portions of the United States, a rapid and easy means of communication will be secured to the people of Canada, from one point to another, and by the extension of the line through New Brunswick and Nova Scotia, mails or passengers from England can be placed in Toronto from Halifax, in less time than in New York. To secure the greatest advantages from the construction of this main Trunk Line, I am very strongly of opinion that there should be an uniform gauge, and that gauge should be 5 feet 6 inches. On the advantages of this gauge, I would refer the Committee to a Joint Report of the St. Lawrence and Atlantic Railroad Company (of Canada), and the Atlantic and St. Lawrence Railroad Company (of the United States), to the Governor General, in 1848, before any roadway was finished. The views expressed in the Report were sustained, and the gauge of 5 feet 6 inches established. The length of the road from the St. Lawrence to the Atlantic, will be about 250 miles, and with branches towards Bangor, the whole length of road from the St. Lawrence now in process of construction is about 430, of which 197 miles will be fit for running on the 1st of August next. It is evident therefore that this gauge, established by the consent of the Canadian Government will necessitate the use of the same for the roads which will soon be extended from Maine towards New Brunswick and Nova Scotia on the Atlantic frontier. And it is also the gauge recommended by Major Robinson, for the Quebec and Halifax Railway. The most valuable portion of the Canada Trunk Line is that from Sandwich to Hamilton, as this portion will be the common line from the Eastward through Canada, as well as from the State of New York, *via* Queenston. A large portion of the stock of this road will be held by American citizens, who are eligible by law to be Directors of the road, and it is not improbable that American interest may desire to controul this link, which shortens the distance from New York to Detroit 126 miles. To accomplish this more effectually, an effort will probably be made to have the gauge the same as that on the road from Albany, say 4 feet 8½ inches, the effect of which would be to make the road from Albany to Sandwich the main line, and the line towards Toronto, Kingston, Montreal and Quebec merely a branch, subjecting those who were desirous of going through Canada to a shifting of cars, luggage, &c., while no such change would be necessary on the main line. Believing that the route through Canada will be found the best for travellers to the East, if there is an uniform gauge

from Sandwich, and that a break in the gauge at Hamilton would be advantageous to American, and disadvantageous to Canadian interest, and believing also that engines, cars, &c., can be constructed on a gauge of 5 feet 6 inches, to insure a greater economy in transport of freight and passengers, than a gauge of 4 feet 8½ inches. I am altogether in favour of a uniform gauge, from one end of the Province to the other, of 5 feet 6 inches. The cost of land will vary according to its situation, but from my experience in Railroads, I see no reason why the whole road should cost more than £6,000 cash per mile, including lands, equipment, station houses, &c. The present plan of finishing one half of a line of road before obtaining the Government Guarantee, is objectionable, and increases its expense, and a plan might be adopted of commencing the road at various points, with equal security to the Government.

Ques. 44. If the main Trunk Line strikes Toronto, would it in your opinion be the most advantageous route to proceed from thence direct to Hamilton, or to proceed to a point intersecting the Great Western Railroad by a straight line, or as nearly straight as possible?—I have seen the profile of the Great Western Road from Hamilton to Sandwich, and find the grades exceedingly easy, except the first 10 miles, which shows a steady grade of 45 feet to the mile. In going from Toronto to the West it will evidently be the object of the engineer to avoid as much of this ascent as possible, but no good opinion on the matter can be given until the levels are taken from Toronto, when it will be seen where is the best point of intersection with the Great Western line.

Ques. 45. What is your opinion as to the best mode of proceeding with reference to the Trunk Line through the Province. Would you recommend the whole line to be under one, or under separate charters; and how many would you consider advisable, if more than one?—I do not think that there should be more than three Corporations between Montreal and Sandwich. It would have been better that there should only have been two, but to have had only two would have created local jealousies, which should be avoided. If, however, the largest portion of the funds are obtained from Government securities, I think the Province should have complete controul over the management of the whole line, and I further believe that the assumption by the Province of the management of the whole line, would ensure greater economy in operating the road, and afford equal public convenience.

Friday, 27th June, 1851.

R. W. Harris, Esq., President of the Great Western Railroad Company, appeared, and handed in the following letter from Messrs. Corning and Forbes, in relation to the summons of the Committee.

HAMILTON, 26th June, 1851.

R. W. HARRIS, Esq.,

DEAR SIR,—Will you present our compliments to Sir Allan N. MacNab, and our regrets at being unable to visit Toronto at this time.

We understand from you that a Committee of Parliament are examining witnesses upon the respective advantages of the broad and narrow gauges, and you ask our opinion upon the subject.

We neither of us have any claims to a knowledge of engineering, but as business men we must confidently say that we should consider it a most unfortunate thing to have the broad gauge forced upon your Great Western Railroad.

Appendix

(U. U.)

30th August

August 30th 1851

We believe that your railroad is destined to be the great thoroughfare for passengers and for valuable merchandise between the northern parts of the United States on the Atlantic, and the valley of the Mississippi; and we fully expect to see loaded cars; under Custom House seal, passing through Canada on their way to the West; but other routes are daily coming into use whose advantages compare now so favourably with yours (I may say *ours*) that you cannot afford to throw away any of your vantage ground.

You have straight lines and low grades against their shorter distances, but to command a preference you absolutely require the same gauge with the roads east and west of you on this great line, and this has already been decided by all their roads as far as Cairo, at the mouth of the Ohio, to our certain knowledge, and we believe it has also been fixed at the same gauge by the Company now building the road from Cairo to Mobile.

You know better than we can, how far it would embarrass your contracts to be obliged to change front at this late day, but of course the increased expenditure would be considerable, while the advantages are at best doubtful.

It is notorious that the best engineers in Europe are decided upon this question, while in this country, where the roads and their machinery cannot be made so solid and permanent as in England, the weight of opinion among engineers is altogether in favour of the narrow gauge.

There are some other reasons which apply exclusively to your case:

It is certain that the New York Railroad Companies, who are authorised by law to subscribe to your stock, and who at best will require much urging on our part to induce them to do so, will positively refuse their aid if you cut them off from the western connections they are seeking, by adopting a different gauge, and without their help it would be a mere waste of time for us to attempt to get any efficient co-operation from the States.

With an enterprise of such intrinsic merit as yours, we should hope this would only cause a temporary delay; but who can say how long the present railroad mania may last, or how soon a reaction may occur which will prevent all unfinished enterprises being completed?

We may be too sanguine in the hopes which we now entertain of securing the comparatively trifling help which you need to secure the immediate completion of your magnificent work. But if the calamity which is now threatening you, cannot be averted, we should despair of seeing any thing done on our side at present.

Wishing you all success,

We are, very truly,

Your friends and servants,

J. M. FORBES.

ERASTUS CORNING.

Monday, 30th June, 1851.

T. C. Keefer, Esq., Civil Engineer; examined.

Ques. 46. What is your opinion as an Engineer, of the best gauge to be adopted in Canada for a Trunk Line; and will you be good enough to state your reasons for the opinion you entertain?—I consider the most useful and profitable business of our rail-

ways will be in the transport of articles destined for a market in Eastern New York, and in New England. The gauge of 56½ inches would be the best for Canada.

(The following letter was subsequently received from Mr. Keefer, in continuation of his evidence of this day.)

MONTREAL, July 10, 1851.

SIR—In my reply to the question of the Standing Committee on Railroads, &c., with respect to "the best gauge to be adopted in Canada for the Trunk Line," I gave the preference to one of 56½ inches, as identical with the gauge of contiguous Railways in New York and New England. This preference was expressed wholly irrespective of the relative merits of conflicting gauges,—because it has been established beyond cavil, that the advantages claimed by one gauge over another, even when admitted to their fullest extent, do not and cannot compensate for the evils of a "break of gauge." Those who differ with me as to the proper Canadian gauge, will probably differ as to the extent of this break of gauge. This is a commercial question, and it appears to me that the Committee would obtain valuable information by consulting commercial men as to the probable future course of trade upon our Railways; as this is the real point upon which the Canada gauge question should be decided. In expressing my conviction that the bulk of our Railway business will be in connection with the narrow gauges in New York and New England, I wish it to be understood that I did not view the gauge as an Engineering, but as a Commercial question.

The second question proposed by the Committee, as to the relative economy of the "broad" and "narrow" gauge, and requesting my reasons for any preference of the one over the other, is strictly an engineering one, covering the whole ground of the dispute,—and must be answered at length. In doing so, I think it best to give the Committee a concise account of the origin of the gauge question—the opinions of the most eminent authorities thereon—with such reflections as have presented themselves to me arising out of the difference of the Railway system in this country and in England, where the dispute began.

In England—the cradle of the Railway system—the early formed roads had a gauge from 3 feet 6 inches to four feet. This was increased at the collieries to 4 feet 6 inches, and in the course of time was enlarged to 4 feet 8½ inches. This was the gauge when in 1829 the locomotive was invented; and it must be admitted that since that time the locomotive has been made for the gauge; and not the gauge for the locomotive.

Mr. Brunel, in commencing the Great Western Railway, (England,) adopted a gauge of seven feet, for the following reasons:—

1st. By increasing the width of the gauge, a more powerful engine could be constructed, and driving wheels of larger diameter could be used—and by these means greater speed could be attained.

In reply to this, the celebrated Robert Stephenson maintained that the power of the locomotive could be increased by lengthening instead of widening it, and that this course would increase the steadiness of the machine. He says, "the 4 feet 8½ inch gauge gives ample space to get the utmost power necessary for working ordinary trains. There is now as great weight put upon 6 wheels as ought to be put upon six wheels;—and that will hereafter be

Appendix
(U. U.)

30th August.

"the limit of the power, and not the width of the gauge. No difficulty in making a narrow gauge engine take 40 tons at 60 miles the hour, or more. Engines may be built upon the wide gauge heavier and more powerful, but then you must make a road to support them. Neither commercially nor mechanically has the broad gauge any advantage over the narrow, but rather the contrary."

The second reason advanced by Mr. Brunel for an increase of gauge, was, "the mechanical advantage of increasing the diameter of the wheels, without raising the bodies of the carriages."

To this it was objected, that of the total resistance, 22 per cent. only was due to friction, and 78 to atmospheric resistance; and that while the friction might be reduced by larger wheels, the atmospheric resistance would be increased. Mr. Brunel on this point, says: "I am not at present prepared to recommend any particular size of wheels, or even any increase of the present dimensions;—my great object is to render every part capable of improvement."

The next advantage claimed for the broad gauge was, facilities for using more powerful engines,—which has been answered by the performance of narrow gauge engines both in England and America. A narrow gauge engine on the Reading road has drawn 1268 tons 84 miles in 8 hours and 3 minutes. But it is more practically answered by the fact that the whole power of any engine is but rarely called into requisition, as public convenience would not permit them to wait for a full load; and furthermore, experience has shown that other causes than the power of the engine limit the weight of the train upon ordinary occasions, and therefore it would be imprudent to provide wholly for the extraordinary ones.

The last advantage claimed for the broad gauge is, "increased stability to the carriages, and increased steadiness of motion."

This is a point which depends upon the condition of the road, and experience can only decide whether sufficient steadiness of motion can be obtained upon a good narrow gauge road at high velocities. The English experiments do not apply to this country, as our carriages are much longer, wider and higher, and proportionally steadier. Considering the inferior character of American roads as compared with English, I think the high speed maintained on the former is due chiefly to the long carriages. English carriages could not be run upon most American roads at express speed of 36 miles an hour.

The steadiness of a carriage depends upon "the length of the rectangle formed by the wheels," and I think the long carriages used on the American narrow gauge roads are steadier than the short broad gauge English carriages, when both are run upon roads of equal condition.

In reply to the advantages claimed for the broad gauge, certain objections were urged against it.

1st. Greater cost of the road, engines, and carriages.

The question of cost of road assumed a different shape in England from what it would in America, because of the greater value of land in the former country;—the adoption of parapet walls to bridges and viaducts, and the comparative frequency of tunnels.

In America the difference in cost would depend chiefly on the profile of the ground. When embankments and cuttings are considerable, the increase of gauge involves increase of cost,—in these items, and

in the ballast. The additional cost of land and sleepers would be trivial, and our system of bridging would cause but little difference between the 4 feet 8½ inch and 5 feet 6 inch gauges. In carriages, engines, tenders, workshops and stations, there would be an increase of first cost—everything being on a larger scale.

2nd. Greater friction on curves. The amount of friction on curves must be in direct proportion to the gauge. The sharper the curves, the narrower the gauge should be; and thus in the coal mines we find that the sharp curves of 10 or 12 feet radius in the drifts are worked on a gauge of 18 or 20 inches.

Lastly, it is urged against the broad gauge that it has a greater weight in the wheels—presents greater frontage to the resistance of the atmosphere—and, from the increased length, there is more risk of breaking the axles—none of which objections appear to have any great force.

A Royal Commission appointed in 1845, after hearing the evidence upon both sides, and investigating the question with great minuteness, sums up as follows:

"1st. That as regards the safety, accommodation and convenience of the passengers, no decided preference is due to either gauge:—but that on the broad gauge the motion is generally more easy at high velocities, (the comparison here was between the gauge of 4 feet 8½ inches, and 7 feet.)

"2nd. That in respect of speed, we consider the advantages are with the broad gauge; but we think the public safety would be endangered in employing the greater capabilities of the broad gauge much beyond their present use—except in roads more consolidated, and more substantially and perfectly formed than those of the existing lines.

"3rd. That in the commercial case of the transport of goods, we believe the narrow gauge to possess the greater convenience, and to be the more suited to the general traffic of the country.

"4th. That the broad gauge involves the greater outlay—and that we have not been able to discover, either in the maintenance of way—in the cost of locomotive power—or in the other annual expenses, any adequate reduction to compensate for the additional first cost.

"Therefore, esteeming the importance of the highest speed or express trains for the accommodation of a comparatively small number of persons,—however desirable that may be to them—is of far less moment than affording increased convenience to the general commercial traffic of the country—we are inclined to consider the narrow gauge as that which should be preferred for general convenience."

It should be remarked that at the time this Report was made, there were 1901 miles of narrow gauge roads constructed, and only 274 miles of broad gauge.

The Commissioners further say:—

"We are peculiarly struck by the circumstance that almost all the Continental Railways have been formed upon the 4 feet 8½ inch gauge—the greater number having been undertaken after a long experience of both the broad and narrow gauges in this country;—nor must the fact be lost sight of, that some of these railways have been constructed as well as planned by English Engineers; and among that number we find Mr. Brunel himself, the original projector of the broad gauge. Mr. Brunel was also the Engineer of the Merthyr Tydvil and Cardiff Line, which is on the 4 feet 8½ inch gauge; and we think that the motives

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

" which led to his adoption of the narrow gauge in that instance would equally apply to many English lines "... were it not for the great evils " of " a break of gauge—varying gradients—curves—and traffic might justify some difference in the breadth of gauge. This appears to be the view which Mr. Brunel originally took of the subject;—for the Great Western Proper is a line of unusual good gradients—on which a large passenger traffic was anticipated—and as it touched but slightly on any mineral district, it embraced all the conveniences and advantages of the broad gauge system, and was completely free from the influence of those defects on which we have commented:—but such a breadth of gauge, however suitable and applicable it may have originally been considered to its particular district,—appears wholly inapplicable—or at least very ill suited to the requirements of many of our northern and midland lines."

This, it should still be remembered, was an opinion between the respective gauges of 4 feet 8½ inches and 7 feet. The Commissioners say,—“ We are desirous, however, of guarding ourselves from being supposed to express an opinion that the dimensions of four feet 8½ inches is, in all respects, the most suited for the general objects of the country. Some of the Engineers who have been examined by us, have given it as their opinion that five feet would be the best dimension for a railway gauge; others have suggested 5 feet 3 inches, 5 feet 6 inches, and even 6 feet; but none have recommended so great a breadth as 7 feet, except those interested in the broad gauge lines. Again, some Engineers of eminence contend that a gauge of 4 feet 8½ inches gives ample space for the machinery of the engine and all the railway requirements,—and would recommend no change to be made in the gauge.”

On the carriage of goods, the “ Report of the Gauge Commissioners ” says—“ Messrs. Horne and Chaplin and Mr. Hayward, who are largely interested, and have had great experience in the carrying trade, have expressed a strong opinion that the smaller waggon is far the more convenient and economical; the same opinion is still more strongly expressed by those witnesses who have had experience of our mineral districts. These persons state that the smaller waggon can be more easily handled, and can be taken along sharper curves than would be suited to a broader waggon; that such sharp curves are very common in mineral works and districts; and that the broken nature of the ground would render curves of greater radius inconvenient and expensive.”

The gauge in New York and New England, and the Western States North of the Ohio, is 4 feet 8½ inches: in some parts of the Middle States it is 4 feet 10 inches; and in the southern states it is generally 5 feet. In Maine there are the gauges of 4 feet 8½ and 5 feet 6 inches upon parallel and competing roads. The New York and Erie road is 6 feet,—the widest gauge in America. The Emperor of Russia's great road (420 miles in length from St. Petersburg to Moscow) was planned by an American engineer, and has a gauge of five feet. This engineer died lately, and was succeeded by Major Browne, the chief engineer of the New York and Erie road. In a letter to me, written a few days before his departure for Russia, this gentleman expresses the following opinion:

“ If a gauge were to be established, *de novo*, for the whole country, I would put it at about 5 feet, to 5 feet.3 inches.

In a work which has been recently published in England by a practical engine builder, in speaking

of the gauge as settled, he expresses the opinion that “ the integral number of five feet ” would be the best gauge.

Having presented the Committee with the action and opinion of the best authorities on the Gauge Question, I will venture to say that in my judgment the construction of Locomotives has not yet reached that degree of perfection which enables us to decide what is, absolutely, the best gauge. One thing appears to have been elicited, viz., that a different gauge is required to give the utmost effect to passenger and freight trains; and could these be separated, no doubt this policy would be adopted. If the object be to attain the greatest possible speed, without reference to cost of power, road-bed, or maintenance of way, it seems that a wider gauge than 4 feet 8½ inches must admit of a more powerful boiler, a higher centre of gravity, and driving wheels of a larger diameter, which last will be the measure of the speed. Narrow gauge engines can run a mile in a minute on a level road,—perhaps more; and in this country we are not yet able to pay for faster riding, or to build the substantial road required for such a pace.

High speed is costly in every sense; the road must be more expensive in the first place; the repairs of both track and rolling stock will be more expensive; and not only does the resistance increase rapidly with the speed, but the steam is rammed into the cylinders so hurriedly that much power is absolutely wasted. This latter evil is diminished by increasing the gauge—(as the larger driving wheel gives a longer stroke to the piston)—but then the weight on wheels and rail is increased, and it has not yet been established how far the former may be enlarged. Mr. Brunel quickly abandoned 10 feet driving wheels, and came down to 6½ and 7 feet, which are equalled on many narrow gauge roads. The larger the wheels, the more apt are they to “ spring,” and the heavier must their peripheries be, presenting greater dead weight and centrifugal force.

On the other hand, for goods traffic it is probable that a gauge less than 4 feet 8½ inches might be most economical; at all events it is wide enough; and, as there is a probability that the capacities of this gauge for passenger traffic will be annually improved, a few years more may bring the conviction that for all purposes the narrow gauge is sufficient. It is evident that so soon as power, speed, safety, and accommodation are secured, the argument will then naturally be in favour of a narrow gauge, as more convenient and economical than a broad one.

The reason given for the adoption of the narrow gauge in the United States was, that the locomotives and carriages for the first American roads must be had in England, and it would be safer and more economical to adhere to the old patterns. Perhaps a similar reason led to the general adoption of the narrow gauge upon the continent of Europe. Now the great preponderance of the narrow gauge in both Europe and America, the numerous heavy establishments connected therewith, and the numerical superiority possessed by it, in engineers and machinists lead to the belief that greater improvements may be anticipated in connection with this gauge than with any other—which improvements will be available more speedily and economically to the narrow gauge roads.

Lastly, looking to the elevated and hilly character of Northern Canada, and the probability of many branches extending from the Trunk Line, it would seem that the same reasons which induced the Gauge Commissioners to prefer the narrow gauge for merchandise and mineral traffic, would apply with equal force to the roads north of the St. Lawrence.

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

Popular opinion leans to a broad gauge, because all extended notions meet with favour in a growing country, and for the same reason that it favours wide Canals; but the comparison does not hold good, because the same load will be taken, and it is merely a question between long narrow trains, or shorter and wider ones. To those who prefer reasoning from analogy to investigation, instances may suggest themselves of "too much of a good thing;" streets have been laid out too wide, and roads too broad for a light traffic and efficient drainage. In England, experience seems annually pointing to a lower figure for the minimum gauge, which stands at present at about five feet; while Stephenson has from the outset maintained the entire sufficiency of the narrow gauge. When the prejudice against the American long car is removed, the capabilities of that gauge will be more highly esteemed in England.

Whatever may be the evils of a break of gauge to those districts unfortunate enough to possess it, there is no doubt that the Railway system owes much to the rivalry of the gauges. Mr. Brunel has been the means of bringing out better engines and carriages, higher speed, and better roads, than existed before this rivalry commenced.

Although I incline to the opinion that time will vindicate the sufficiency of the narrow gauge for such roads, and such a mixed traffic as we must provide for, yet if Canada were upon an island, and we were called upon to select a gauge, with our present experience, I would, to make assurance doubly sure, choose one of five feet; but neither the advantages nor disadvantages pertaining to this difference nor to a much greater one, can weigh in my opinion with the question of connections; for were the prevailing gauges of New York and New England five feet six inches, or six feet, I would unhesitatingly adopt a similar gauge for Canada.

I have the honour to be, Sir,
Your obedient servant,
THOS. C. KEEFER.

THADDEUS PATRICK, Esquire,
Clk. Standing Com. R. R., &c.
House of Assembly,
Toronto.

Tuesday, 1st July, 1851.

Charles Seymour, Esq., State Engineer of the State of New York; examined.

Ques. 46. You are employed by the Ontario, Simcoe and Huron Railroad Union Company as their Chief Engineer?—I am.

Ques. 47. What is your opinion, as an engineer, in regard to the broad or narrow gauge, and will you be so kind as to give the reason of your opinion in point of speed, safety and capacity of freight and expense, in construction and running?—I am in favour of the broad gauge, and one of six feet rather than a narrower one; but for Canada, I would recommend the Company with which I am connected, to adopt the five feet six inch gauge. You can attain greater speed with the broad gauge, in consequence of the engines having greater power; and, at the same speed, have greater safety than with a narrow gauge, and greater capacity for carrying freight, simply because you have engines of greater power. The cost of construction may be from two to three per cent. more than the gauge of four feet eight and a half inches, but the cost of running on the wide gauge would be less than on the narrow.

The cars and engines need not cost more on the broad, and on account of there being less oscillation, the wear and tear is less.

Ques. 48. Are you paid by the Company, or by the Contractors?—I am paid by the Contractors.

Ques. 49. Will you lay your Surveys and Report before the Committee?—I have not yet finished them, but shall have done so in the course of a fortnight, at which time they shall be laid before the Committee.

Two more questions were submitted to Mr. Seymour, to be answered at his leisure.

Friday, 4th July, 1851.

The Hon. James Ferrier; examined.

Ques. 51. Will you state to the Committee your opinion on the subject of a Main Trunk line of Railway through the Province; the proper gauge to be adopted; the probable cost of the same; what portions of the line should be first commenced; and any other observations that may occur to you?—I am of opinion that there ought to be a Main Trunk Line of Railroad through the Province; that the construction and working of this line ought to be undertaken by the Government, could the same offer be had from the British Government as is proposed for the construction of the Halifax line, to build the whole line through to Windsor. The money obtained in England would save the now too limited capital of this country; while the road would give such an impetus to trade as we cannot now form any conception of. The Great Western, Lachine, and Portland Companies, would no doubt surrender their rights, the Government paying the money they have expended. My opinion is, that the gauge ought to be four feet eight and a half inches; all experience proves the heavy loss, delay, and inconvenience of changing freight and passengers on cars on a railroad, which must take place if the gauge is not uniform. With a uniform gauge, cars from the Michigan Central Railroad could cross at Detroit, (on a properly constructed ferry boat,) pass down the Main Trunk line, and distribute to collateral lines leading off to the principal cities on the Atlantic sea-board; thus cars loaded at Chicago, crossing at Detroit, and other points on the St. Lawrence, (as they do now on the Susquehanna,) could deliver passengers and freight at Hamilton, Toronto, Kingston, Montreal, Quebec, and Halifax, and the low freight out by the St. Lawrence, would give an increased trade from Quebec, Montreal, and our other towns, to the Western States. The change required to complete this entire line would be the changing of that portion of the Montreal and Portland Road now running to the 4 feet 8 $\frac{1}{2}$ inch gauge; this would be more than compensated by the great economy in working the 4 feet 8 $\frac{1}{2}$ inch gauge, compared with the wide gauge, and would also give a uniform line leading to Boston and New York. No one will dispute the advantage of a direct connexion with the roads leading to these great Cities, when compared with a small place like Portland, Montreal, and the whole country West, are deprived of the advantage which they ought to have had by a uniform line to Boston and New York, and the sooner that the great error committed by the Montreal and Portland Railroad Company, (in adopting the wide gauge) is corrected, the better for the trade of the country, as well as for the interests of that Company. I can give no positive opinion as to what the probable cost of a Trunk Line through the Province would be, never having seen a survey;

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

but, from the general character of the country, and the present price of iron, the road could be constructed at present at a very reasonable rate.

Ques. 52. If the main Trunk Line strikes Toronto, which, in your opinion, would be the most advantageous route, from thence direct to Hamilton, or to a point intersecting the Great Western Railroad by a straight line, or as near straight as possible?—My opinion is that the Main Trunk Line should touch at all the principal cities, and that it should lay open the country as far back as possible from the Lakes and St. Lawrence, avoiding any expensive engineering difficulty.

Ques. 53. What is your opinion as to the best mode of proceeding with reference to the Trunk Line through the Province. Would you recommend the whole line to be under one, or separate charters, and how many would you consider advisable if more than one?—My opinion, as already expressed, is, that the Main Trunk Line should be constructed by our own Government; but should it be undertaken by separate Companies, I think it would be well for them to unite, and offer the building of the road to such men as They have a most extensive organization for the construction of Railroads; they built a number of the leading lines in England, the Scottish Central, and a number of Roads on the Continent of Europe; they could bring over the whole of their plant, with their officers and men, fully understanding their work; this plan would secure more rapid and certain completion of the work, than could be accomplished by letting it out in small sections; the work would be more substantially done, as every railroad is in England, and such men taking the contract would give confidence in England, either for the Government or separate Companies to raise at least a portion of the money that would be required.

Benjamin Brewster, Esquire, of Montreal; examined.

Answer to Ques. 51. I do not believe that a Railroad from Halifax to Sandwich could possibly pay the current working expenses; I have no doubt, however, that on certain portions of such a line, the receipts would be remunerative, and others perhaps would afford a fair profit. I think the receipts on the line between Montreal and Toronto would probably cover expenses, but this is questionable. From Hamilton to Sandwich the line would probably be a good investment, because in addition to the Provincial trade, a large foreign trade may be expected in consequence of its situation on the great line of travel between the Eastern and Western States; this prospect would be rendered still more promising if means were taken, by the construction of a lateral line, to bring Buffalo into connection with the Canadian Railway. From that portion of the road between Montreal and Halifax, I should expect a very small revenue, far below the cost of working. I should suppose the road between Quebec and Hamilton would cost about £4000 (cash,) per mile without equipment; the cost of equipment must depend entirely upon the business to be transacted. As to the parts of the line to be first commenced, I should say, that if the road were undertaken by Government, the larger the extent of road placed under contract at once the better, because this would secure the greatest saving of interest; it should be, in that case, under the controul of a Government Board. My opinion is, that the best gauge for such a road would be one of four feet eight and a half inches, and my reasons are these: Experience throughout England and the United States has shewn,

Appendix
(U. U.)

30th August.

that the weight which can be carried most economically on one carriage is about ten tons; when that burden is exceeded, the expenses are increased disproportionately to the amount of work performed; now the space required for the stowage of ten tons, of the most bulky goods, is not more than can be conveniently attained in a carriage with wheels of the gauge I have mentioned; that being the case it is clear that any increase of width must augment expense without adding any thing to the ability of the carriage; the axletrees must be longer, and of course must contain more iron, and require more labour to fashion them; but they must also be thicker, because it is a well known law in mechanics that all bars subject to strains, after the manner of levers, are weaker in proportion to their length, or in other words, must be made more substantial to resist the strain occasioned by similar weights. The difference of the weight on each axle is calculated for practical purposes at one and a half cwt. each, which makes a difference on the four axles of each carriage. To sustain this augmentation of weight in the axles, the wheels must have a proportionate increase of strength, which, by the experience on roads actually at work, is found to be equal to about eight cwt. each carriage. The wheels on narrow gauge roads, being usually five cwt. each, and the broad gauge nearly six cwt. each, the increased weight therefore in the whole carriage would amount to ten or twelve cwt., and the motive power must of course be augmented to overcome this excess of resistance. The rails and their supports must also be made stronger to sustain the united increase of strain, arising from the heavier weight imposed upon them, and the larger power employed in its traction; this increase of strength again, taking the experience of working roads, has been found to require very much heavier rails.

Answer to Questions 52 and 53. From Toronto to Hamilton I should select the shortest route which the necessity of engineering admits.

Monday, 7th July, 1851.

R. W. Harris, Esquire, President of the Great Western Railroad Company; again examined.

Ques. 54. Would you state to the Committee your opinion on the subject of a main Trunk line of Railway through the Province; the proper gauge to be adopted; the relative advantages and disadvantages of various gauges; and any other observation which may occur to you?—Since the first introduction of Railroads for public traffic power, I have availed myself of every opportunity to obtain reliable information as to the best and most economical methods of constructing and working these great arteries of commerce, which have accomplished so much for the benefit of the countries in which they have hitherto been introduced. The opportunities to which I refer have been afforded by very frequent excursions, during many years, over the principal lines in Great Britain and the United States, and the equally frequent intercourse with men deeply interested in the stocks, and in the management of the said lines, in both countries. I think the geographical position of Canada, taken in connection with the present settlement of the country, and the great importance of enabling the extensive producing and trading points or sections in Western Canada, &c., to reach the sea-board by the valley of the Saint Lawrence, cheaply and speedily, shows the necessity for the construction, at the earliest possible period, of a main or Trunk Line Railroad through the Province, and the

Appendix
(U. U.)

30th August.

completion of this work would, in my opinion, confer the greatest possible benefits on a much larger number of the inhabitants of United Canada than could be attained by any other public improvement. As regards the gauge for such road, I am strongly in favour of the narrow, or I might say, the standard gauge of the Railway world, as most economical, not only in construction, but in being worked. It is admitted, I believe, by all, that a locomotive of any given power can carry, or drag, no greater weight of cars, merchandise, or passengers on a broad, than it can on a narrow gauge, and it is well ascertained that every additional inch beyond the well established four feet eight and a half inches in width, requires a corresponding additional weight in the engine, as well as in every car drawn; it is therefore evident that in every train on the route, a large additional motive power would be requisite to perform the same amount of business on a broad gauge, compared to the narrow, besides the disadvantage of increased cost of all the running machinery of the line, and the greater danger of straining and injuring the said machinery on curves.

Ques. 55. Have the Great Western Railroad Company adopted any gauge; if so, what gauge, and what were the reasons for the adoption of the same?—The Great Western Company have, so far adopted the narrow gauge, that all their calculations, plans, and specifications of bridges, &c., are based on the four feet eight and a half inch track. The reasons for adopting this width were: First, its established character; second, the saving of money in the superstructure (tier and rails requiring extra strength for broader gauge); third, saving of expense in running machinery, for all time to come; and fourth, to form an easy and economical junction with the Railroads in Michigan and New York, from which the Company expect to receive very large additions to the traffic on their road, a considerable portion of which is expected to follow a Trunk Line through the Province to Montreal.

Ques. 56. What do you think would be the effect upon the Great Western Railroad, of the adoption by the Government, for the main Trunk Line, of the broad gauge of five feet six inches, or any other than the ordinary narrow gauge of four feet eight and a half inches?—I consider the adoption of a broader gauge than four feet eight and a half inches would prove injurious to the interests of the Great Western Company, as well as to the main Trunk Line as far as Montreal, because I feel that every inducement possible will require to be made, to secure the principal part of the travel from Chicago, &c., through Canada, in preference to the various channels now being opened on the south side of Lake Erie; and I feel convinced that any gauge that will not admit of the baggage cars of the roads joining the Great Western on either side, being carried across it, will deprive Canada of the greater part of the said travel.

Ques. 57. Do you think the same gauge should be adopted from Sandwich to Quebec?—I think a uniform gauge from Windsor to Montreal very important, as securing to "through" American travel the expedition so much prized at the present time; and if this gauge afforded an easy and economical junction at Detroit, I feel confident a very large and remunerative passenger trade would be established, highly beneficial, in every way, to the Province, part of which would diverge at Hamilton, part at Toronto, part at Kingston, &c., and still a large portion would go as far as Montreal, but no through (American) passenger trade of consequence would go beyond the latter point. This trade can only be got however, by amicable and mutually beneficial arrange-

Appendix
(U. U.)

30th August.

ments between the Railroad Companies in the United States, and the Companies that join them on the Canada side; I do not, therefore, consider it of much consequence whether the same gauge is continued on the south side of the Saint Lawrence between Montreal and Quebec, or not, and more particularly as the importance of the City of Montreal would prevent any number of passengers, either on business or pleasure, passing the said City, without stopping a longer time than could be allowed by a junction train.

Ques. 58. Do you think that the adoption of the broad gauge uniformly on the main Trunk Line, would have the effect of directing the greater part of the Western trade through the Province to the seaboard?—As I have already stated in my preceding answers, I think the adoption of a broad gauge would not command nearly so many passengers at Detroit or Niagara Falls, as the gauge that would prevent change of baggage, and consequent detention, and would not therefore benefit the main Trunk Line to Montreal so much as the 4 feet 8½ inch track. I beg to remark, with respect to my answers, that I cannot lay claim to scientific knowledge or personal practical experience on the principal subjects under consideration.

R. G. Benedict, Esquire, Civil Engineer; again examined.

Ques. 59. Would you state to the Committee your opinion on the subject of a main Trunk Line of Railway through the Province—the proper gauge to be adopted—the relative advantages and disadvantages of the various gauges, and any other observations which may occur to you?—There can be but one opinion on the subject of a main Trunk Line of Railway through the Province of Canada, the importance and value of which to the whole community is beginning to be properly appreciated as a means of safe and speedy transit for passengers and freight, at all seasons of the year. The construction of such a Trunk Line will place Canada in an entirely independent position as regards a market for her vast products, and will leave little to be wished for, in the way of intercommunication, that cannot be easily accomplished. As regards the gauge, I consider such an one as will draw the largest amount of business upon the line, and admit of its being done in the most economical manner, as the proper gauge from Sandwich to Montreal. There is no doubt in my mind that the ordinary gauge of 4 feet 8½ inches will accomplish both, and therefore it is, in my opinion, the proper gauge to be used. There are many reasons for this opinion, the most important of which I will lay before the Committee, as the question seems to call for them under the head of "relative advantages and disadvantages." It is the experience of all practical Railroad men, both in England and America, that there has never been enough allowance made for depreciation of track. With all the experience of the present time, it is very difficult to decide the life of the iron rail; sufficient, however, is known to enable us to see and know that the machinery now in use is entirely too heavy for the superstructure of our roads, and upon most of the railways in England they are adopting a lighter class of locomotives, finding it to their advantage in the cost of transportation, and more especially in the wear and tear of the iron rails and machinery. Rails will allow millions of tons to roll over them without being materially injured or worn away; the great cause of their failure is the impact or force of the blow from the driving wheels of the locomotives causing them to fail at the ends of the bars; the lighter the blow the less damage is done

Appendix
(U. U.)

30th August.

to the rail. It is not contended, neither is it the fact, that the same amount of freight in tons can be carried in the same weight of cars, upon the broad gauge, that can be upon the ordinary gauge. I had occasion last winter, in making some calculations relative to the cost of transporting produce, &c., upon the Great Western Railroad, to send to the Central line of Railroads from Albany to Buffalo, and to the New York and Erie Railroad, for the weight of the cars used by each, and the maximum loads put upon them; and found that the large eight wheel freight cars of the Central Line, with the ordinary gauge, weighed eight tons, and that their load was eight tons. Upon the Erie Road, with the broad or six feet gauge, their freight cars weighed fourteen tons, and their load is ten tons. The ordinary or average number of cars in the freight trains after the closing of the Erie Canal between Buffalo and Albany, is twenty; allowing each car to be loaded, the train would be made up of 160 tons weight of cars and 160 tons of freight on the ordinary gauge. The same train upon the broad gauge of the Erie Road would be made up of 224 tons weight of cars, or 16 cars and 160 tons of freight, showing a difference in favour of the ordinary gauge of 64 tons in each train, caused by the increased weight, strength, and size, necessary to make the cars safe on the broad gauge. The same argument holds good with passenger and all other trains; but in order to shew the Committee more clearly, I will reduce the tons to dollars and cents, the great criterion which must govern in the adoption of a gauge for the Trunk Line. Five of the Railroad Companies between Albany and Buffalo, reported to the State Engineer and Surveyor of New York the actual cost of hauling freight per ton per mile upon their lines; the average of which is two and eighty-five hundredths cents. It is to be regretted that the Erie Railroad Company failed to make the same return in regard to their line. Assuming the 64 tons extra weight of cars to be so much freight hauled, it gives one dollar and eighty-two cents per train per mile against the broad gauge. The length of the Great Western Railroad is 227 miles. With one loaded freight train each way per day for 313 days, you have 142,102 miles travelled by freight trains, or 100,160 tons of freight per year, (but a trifle more than passed over the Michigan Central Railroad in the same time for the year ending May 31st, 1851.) at an increased expense of 258,625 dollars for hauling useless weight of cars consequent upon adopting a broad gauge. It is very easy to continue this calculation to Montreal, but a portion of the line will suffice for the whole extent, and will test the question. The increased weight of cars makes it necessary to have a heavier class of locomotives to do the same amount of business, which inevitably leads to additional outlay for machinery, fuel, wear and tear of rails, road bed, and structures. It is impossible to increase the width of gauge without entailing these expenses for all time to come, upon the line adopting it, in a greater or less degree, varying with the width of the gauge, as the mechanical proportions of the parts must be carried out, and the increased cost for the purposes above stated is sure to follow. It is found that the enormous weight of the engines upon the Erie Railroad, is destroying rapidly all the bridges upon their line, and a large force is constantly kept up at great expense, whose sole duty it is to inspect and repair bridges after the passage of trains of cars, to keep them in a passable condition; yet notwithstanding all this extraordinary precaution, some of their bridges have gone down with trains upon them, sacrificing lives and property to a great extent. There are other objections that enter practically into the details of working a broad gauge road. The increased liability of the axles to break in consequence of their additional length—the difficulty of maintain-

ing a high rate of speed around curves, with safety, &c., &c.; I trust, however, that enough has been shewn to satisfy any unprejudiced person.

Appendix
(U. U.)

30th August.

Ques. 60. Have the Great Western Railroad Company adopted any gauge; if so, what gauge, and what were the reasons for the adoption of the same?—The Great Western Railroad Company have adopted the ordinary gauge, in so far that their plans of structures, &c., have been made with regard to it,—the reasons for which, were that it was considered the most economical gauge to run, and most effective in every respect; another reason was, that the roads in Michigan and New York, from which they expect to derive a large freight and passenger business, and with which they wish to make the best possible connexion, were of the ordinary gauge; by making a break in the gauge of New York and Michigan, in the centre of a line of Railway 1000 miles in length, obstacles would be thrown in the way of travel, both East and west, and large numbers of passengers would be driven off to the routes on the South shore of Lake Erie, that would otherwise naturally find their way through Canada, and down the Trunk Line to Montreal and Quebec.

Ques. 61. What do you think would be the effect upon the Great Western Railroad, of the adoption by the Government of the broad gauge of 5 feet 6 inches, or any other than the ordinary narrow gauge of 4 feet 8½ inches wide?—I consider the effect upon the Great Western Railroad, of the adoption of a broad gauge or any other than the ordinary gauge, will be injurious, for the reasons stated above. Every inducement should be held out to draw the travel from the Mississippi and West, through Canada to Montreal.

Ques. 62. Do you think the same gauge should be adopted on the main Trunk line from Sandwich to Quebec?—I consider it very important that the same gauge should be adopted from Sandwich to Montreal. A very trifling detention or increased rate of charge, will often change the current of travel and freight. Baggage should be loaded for Montreal at Windsor, and the same baggage-car should run through, thus relieving passengers from all care or risk. The same with freight; cars loaded with flour, wheat, or live stock, should run through to Montreal, from Detroit or Windsor, without change, in the same manner that they now do from Albany to Buffalo. The extra cost of transshipment, and the liability to damage, would in many instances determine the direction of freight at a break in the gauge. As that portion of the line east of Montreal has been commenced with a broad gauge, and a large amount expended, I do not consider it so material that the ordinary gauge should go beyond that point, yet I have no doubt those Companies would find it to their interest to relay their track and change to the ordinary gauge. Montreal must always be a place of transshipment, therefore, except in an economical point of view, as to the cost of the working of the line hereafter, I do not think it material whether the gauge breaks there or not.

Ques. 63. Do you think that the adoption of the broad gauge uniformly on the main Trunk Line would have the effect of diverting the greater part of the Western trade through the Province to the seaboard; and in your opinion, would the chance of through travel, in consequence of the broad gauge being adopted, compensate for the loss of stock and junction with the American line of road?—The answers to the preceding questions will give the Committee my views in relation to the prospect of diverting trade and travel, by adopting a broad gauge. I think it will have the contrary effect.

Appendix
(U. U.)

Monday, 14th July, 1851.

Appendix
(U. U.)

30th August.

Erastus Corning, Esquire, (of Albany), Director in the Great Western Railroad Company; examined.

Ans. to Ques. 59. In my opinion a main Trunk Line of railroad should be projected as a principle to act upon in starting and carrying forward the Railroad system through the Province of Canada. The gauge to be adopted should depend upon the customary gauge of roads of the country and States adjacent to the Province, which are 4 feet 8½ inches. The relative advantages and disadvantages of various gauges rest solely upon the stability of a road bed to sustain the weight of engines and cars, and their action when in motion upon the track. Any increase of width of gauge over that ordinarily in use (4 feet 8½ inches) will increase the cost of construction and operation of almost every branch of the Railroad service connected therewith. The engines and cars must necessarily be increased to a size that the ordinary business of the country will not warrant the loading of, as often as it is necessary to run trains, thereby multiplying expenses and precluding systems of true economy. Even on the narrow gauges, so called (4 feet 8½ inches), the weight of engines and cars carried to each passenger is one thousand pounds, or about six times the ordinary weight of the passenger. Not one advantage to a wide gauge can be stated without a sacrifice incident to such increase. Connected as the roads through the Province must be with the roads through Michigan, Central and Northern New York, and New England, where the gauge is 4 feet 8½ inches, this gauge should be adopted for the Main Trunk through the Province.

Ans. to Ques. 60. The Great Western Railroad Company have not definitively adopted a width of gauge, and if left to the Directors residing in the States, the 4 feet 8½ inch gauge will be adopted.

Ans. to Ques. 61 and 62. The gauge east of Hamilton should be the same as that to be adopted by the Great Western Railroad Company.

Ans. to Ques. 63. An uniform gauge would favour a continuous business through the Province without reference to any particular width, which should depend upon the general principles heretofore alluded to, and in my opinion the adoption of the wide gauge would materially interfere with the chances for subscription from the States.

Mr. James Gould, Railroad Car Maker, of Albany N. York; examined.

Ques. 64. Will you state the difference between the cost of constructing passenger and freight cars, for the wide and the narrow gauge?—The passenger cars in general use on the 4 feet 8½ inch gauge, and all recently made, are 9 feet in width outside, and 8 feet 2 inches in the clear, inside, allowing an aisle or passage way between the seats, of 19 inches, each seat being 3 feet 1½ inch in length inside the frame, and having at the outer end, under each window, a recess for the elbow to rest on of 3½ inches giving ample room for two persons to sit comfortably on each seat. The Erie Road only has a 6 foot gauge, and requires the passenger cars to be 10 feet 6 inches wide,—9 feet 8 inches in the clear, having an aisle or passage way of 21 inches, each seat being 3 feet 8 inches in the clear, giving more room than necessary for two, and not enough for three persons; in which particular, it is believed, the intention of the original projectors of this extra width has signally failed, as it is found impracticable to induce more than two persons to occupy any one seat. For the usual length of a first class passenger car, the

difference in the expense of construction between the wide and narrow gauge is from 200 to 250 dollars. Not having made for freight cars of the wide gauge, I cannot say positively, but think the difference about 100 dollars.

Ques. 65. Will you state the difference of weight between the passenger and freight cars of the broad and of the narrow gauge?—Ten per cent., or from 1,000 to 1,200 lbs. difference in weight, for passenger cars, and probably a little less for freight cars.

Ques. 66. Will you state, for the information of the Committee, your general views on the difference of expense in the working or running of a road on the broad and narrow gauge?—An intelligent reply to this question can only be given by a practical engineer, or an experienced and intelligent superintendent, embracing, as it does, the economy of the working and running of a road, comprehending also the structure of the road itself, the weight of rail necessary to sustain locomotives of thirty-seven to forty tons, with the additional weight of cars, &c., the different workings of a narrow and wide gauge, and many considerations with which the builders of cars can hardly be expected to be familiar.

The Clerk handed in to the Committee a letter from Hon. H. H. Killaly, in reply to a query submitted to him on the subject of the Gauge.

DEPARTMENT OF PUBLIC WORKS,
17th July, 1851.

SIR,—I have the honour to acknowledge the receipt of your letter of the 15th instant, in which by direction of the "Standing Committee on Railroads and Telegraph Lines," you put the following question to me:

"What is your opinion, as an Engineer, of the "best gauge to be adopted in Canada, for a Trunk Line of Railway through the Province; and will you be kind enough to accompany your answer to "this question, by a statement of your reasons for "such opinion."

I have to apologize to the Committee not only for my not having replied to your letter before this, but also for my now answering it very concisely. My doing so is rendered necessary from the few moments of leisure just now at my disposal, in consequence of my late protracted absence from this office, and the necessity I am under of leaving again in the morning.

The question as to the respective superiority of the "narrow" or of the "broad" gauge, has for many years engrossed so large a share of public attention, so many works have been written on both sides, and so much angry feeling on the subject has been exhibited, that for some time back it has been known by the soubriquet of "The War of the Gauges," and I am strongly inclined to believe that almost as much diversity of opinion at this moment exists as did at the outset.

By the "narrow gauge" may generally be understood the 4 foot 8½ inch gauge; but the term "broad gauge" as used in England is not exactly applicable on this Continent. In the former it is understood to mean a gauge of 7 feet in width, on the latter a gauge varying from 4 feet 9 inches to 6 feet in breadth.

For my part, in deciding on a gauge for a main Trunk Line through the Province, I would (*ceteris paribus*) prefer one of 5 feet 6 inches. By it for passenger traffic, I believe increased speed, with safety, greater comfort and convenience is obtained, and for the transport of freight, a better class of cars

30th August.

Appendix
(U. U.)

30th August.

can be adopted, the centre of gravity lowered, the motion of the cars lessened, wear and tear to the machinery, and the waste of the rails reduced, and the danger of accidents lightened. With respect to the Locomotives, the increase of their power and the better arrangements of their working details, the breadth of gauge stated above presents many advantages. The driving wheels can be enlarged, the velocity of the pistons and the friction lessened, and the working of the engine more free and easy.

The weight of the cars per passenger, and per ton, need not be greater than on the narrow gauge. The more tonnage of net freight the engine can draw the less in proportion will be the cost of running.

Had I time, I might enumerate very many more advantages, which past experience, (as I conceive,) warrants us to attribute to the gauge I speak of as "the wide gauge." I am, however, ready to admit, that among the advocates of the narrow gauge, rank some of the most eminent engineers, and others, of deservedly high authority, in the management of railroads; nor do I deny, that strong arguments are also adduced in favour of it; in fact, although as I have stated, I consider a gauge of 5 feet 6 inches preferable to that of 4 feet 8½ inches, yet the advantages which I conceive it affords, are not so decidedly great, in my opinion, as to warrant our deciding merely on the comparative and abstract merits of the gauge, leaving out of consideration other circumstances by which the width of gauge to be adopted, may, with good reason be governed. I refer here principally, to the contemplated connections with other existing lines, and in this view of the matter, some supposed conflicting interests may add to the difficulty in arriving at a conclusion as to the gauge.

On the eastern portion of the intended great Provincial Trunk Line, a considerable length of road is already nearly completed, on which the gauge adopted is 5 feet 6 inches; while I am aware, that the gauge desired by those interested in the western portion of this Main Trunk is but 4 feet 8½ inches, their preference for which, I attribute chiefly, to the fact of that being the gauge of most of the lines in the State of New York, with which they propose to connect.

No doubt an uninterrupted line, without "break of gauge" is in almost every case, greatly to be desired; but in that under consideration, (arguing solely in reference to break of gauge,) I do not see that the interests of the road and of those concerned in the Eastern division of it, would be compromised by a change of grade taking place at the city of Montreal. On the other hand, the interests of the Western division of the line would not, in my judgment, suffer from the grade on it not corresponding with that of the New York roads, with which they wish to connect, as, even supposing the gauge on all to be uniform, I am convinced a change of cars will always take place at the Frontier. Great confusion and expense occurs where the rolling property of one Company passes into the road of another, and the greater the length of the roads, the greater is this felt to be the case. A change of flour takes place at Albany at a cost of about 1s. per 100 barrels.

The above ideas are very hastily thrown together. I regret much, that the two days since my return to my office (during which I received the request of the Committee,) have been so wholly occupied with matters of reference for the Legislature, &c., as to have made it impossible for me to enter more at length into the subject, and from having to leave again in the morning, I will not be able to resume it in time for the purpose of the Committee.

Appendix
(U. U.)

30th August.

Finally, with respect to the comparative merits of the various gauges, (as I have already stated,) so much has been considered, and is in point, for years and to the present day, from the ablest and most experienced authorities, (to all of which access is easy,) I have no hesitation in saying, that I firmly believe the opinions which may be given to the Committee on the subject, will be found to be altogether collated from these authorities, and that no original information on it will be laid before them; and it is to be regretted, that long as the question has been before the public, fully as much contrariety of opinion seems to exist now as there did in the beginning, a practical inference from which would appear to be, that from experience, the superiority of the merits of one grade over the other do not turn out to be so striking as to set the question at rest.

I am, Sir,

Your obedient servant,

H. H. KILLALY.

To

T. PATRICK, Esq.,
Clerk of Committee on Railroads, &c.

Tuesday, 22nd July, 1851.

H. C. Seymour, Esquire, State Engineer to the State of New York; again examined.

Ques. 67. What, in your opinion, would be the effect on the interests of the Great Western Railway Company, if a different gauge should be adopted in Canada, from that of the Michigan Central Railroad, and of the Roads in the State of New York?—The Great Western, as well as other roads in Canada, should adopt the best gauge for commercial purposes, without reference to the gauge of any other road. The only argument advanced in favour of uniformity is based upon the supposed advantage of exchanging cars. On many lines this is a positive evil, and a break of gauge would be judicious if no other object was attained by it than the prevention of such exchange. During a careful investigation of the gauge question, I sought for the results of the experience and judgment of the oldest and ablest Railroad managers in this Country and Europe, and found that the plan of exchanging cars was attended with great inconvenience, and extra expense, and I am confident that in regard to economy and convenience, it will be found better for each Company to assume the cost of transshipment than to exchange cars. By transshipment they can save in dead weight, by loading cars nearer to their capacity, and thus carry a greater useful load at each movement. They can repair their own cars at their own shops. They will avoid the necessity of repairing the cars of any other Company. The number of cars required will be materially reduced, and consequently large sums will be saved in cost of outfit and repairs. In the daily operations of the road, the employment of the motive power, the arrangement of repair shops and forces employed in them, the more constant use of cars, and the better system of inspection and repairs insured by confining the use of cars to the roads of the owners, will all produce regularity, economy, and despatch. Transshipment does not necessarily cause delay. A proper arrangement would bring a train of freight cars coming up to a main line to the junction, one or two hours in advance of the regular starting time of the cars of the main line. That time would be necessary for the inspection of the cars and the transshipment from such as should be out of repair. One hour is sufficient, with proper conveniences, to transship the freight of any train. Transshipment from car to car can be effected with less expense, in less time and with more security to

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

the freight than from any other vehicle or from any craft to the cars. Transshipments at Buffalo, Albany, and at other points, are made to a vast extent, and the fact of transshipment does not in any degree diminish the business of any route. I therefore think that the Railroad lines reaching from Boston and New York to the West through Ohio, do not suffer because of the break at their junction with the Ohio gauge at Buffalo and Dunkirk. So far no cars from the New England roads pass the Hudson River, and it is doubtful whether they ever will to any great extent, though no impediment exists, and it will be admitted by all that there must be some limit to the movement of cars, however far equal gauges may extend; and in my opinion, their movement should be limited to the road of the Company that owns them. The exception to this rule, if any, will embrace only such roads running in connection with others, which together make up a continuous line of transit between important points of traffic, as from Buffalo to Albany, where the system of interchanging cars is practised. Yet that line, in my opinion, could be managed with more economy by one Company, and chiefly because in that case the machinery would all be kept under the controul of the owners. I have been told by the managers, and believe that on the line from Albany to Boston, each of the Corporations, to wit: the Western, and Boston and Worcester Railroad Companies, would save money by transshipping freight rather than exchanging cars with each other, and the numerous lines connecting with them. It is therefore apparent to me that the effect upon the interests of the Great Western Railway Company, if a different gauge should be adopted in Canada from that of the Michigan Central Railroad and of the roads in New York, would be in all respects advantageous. The engines of every Company are now strictly confined to lines owned or stocked by them. Passenger cars require a careful inspection after two or three hundred miles movement. The value of uniformity is therefore to be measured by the importance of carrying freight to given points in the same car. As a question of economy, transshipment at the junction of roads is shown to be desirable unless business is diverted by it. No danger of this is to be apprehended. All experience shows that the delivery of goods in good order is all that owners require, except rates and time. These latter are the important elements controlling trade, and beyond these the carriers may safely adopt such modes and plans of transit as will leave them the best profits. Cattle and all kinds of live stock can be transhipped without difficulty, and in less time and at less cost than any dead freight. On long routes it will no doubt be advisable to give live stock rests in fields or pens. This would be rendered convenient though not necessary by transshipment. Boxes containing any sort of freight can be cheaply and rapidly transferred from car to car, no matter what the difference of gauge may be. The Great Western Company should therefore adopt the best gauge without reference to uniformity with any line in Michigan, New York, or elsewhere.

Ques. 68. The Detroit and Hamilton Road

is	220 miles.
Hamilton to Kingston, . . .	220 "
Kingston to Montreal, . . .	200 "
Montreal to Quebec,	180 "
Quebec to Halifax,	600 "

	1,420

Would it in your opinion be advantageous to adopt a uniform gauge for the 1,420 miles, or would it be better to adopt a different section of road? and which, in your opinion, is the greatest distance that any one set of cars ought to be run, and be pleased to give the reasons of your opinion?—As an exchange of

cars would not be rendered necessary, but only possible by uniformity of gauge, the gauge should be selected without any reference to that question, and I see no objection to an universal adoption of a broad gauge of uniform width. The general good is promoted by uniformity only so far as it secures the best and most economical transit, and we must assume that some stated width is the best. What that width is, has never yet been satisfactorily demonstrated: we can, however, arrive at a nearly satisfactory conclusion by careful examination and observation. The investigation by the Gauge Commission in England developed a great amount of information, and the opinions of the most eminent engineers and managers of roads in that country on this subject, all of which I have carefully examined. The fact that a wide gauge is better than the narrow one, was abundantly established; all but two or three individuals agreed in this; many thought that 7 feet was the best, more were in favour of 6 feet, and 6 feet 2 inches. A very large number were in favour of 5½ feet, and 5 feet 8 inches, and some advocated 5 feet to 5 feet 3 inches. The weight of authority in England, seemed to be in favour of 5 feet 6 inches to 5 feet 8 inches. The New York, and Erie Railroad is built with a gauge of 6 feet. An effort was made by some of the engineers of that Company to reduce the gauge to the 4 feet 8½ inches after about fifty miles of the road had been constructed. A Commission, consisting of Major Brown, Horatio Allen, and myself, was instituted by the Company, to investigate and report upon the question. I made a minority report in favour of continuing the wide gauge, which was adopted, and experience upon that Road and the branch Roads since built, on all of which a wide gauge has been adopted, has fully sustained the grounds upon which the wide gauge was advocated, and vindicated the wisdom of their decision. So completely successful has been the experiment of the wide gauge of the New York and Erie Railroad, that those who opposed it most firmly and pertinaciously, now concede its advantages. It cannot, I believe, be shown that any one in England or this country, who has had experience on the wide gauge, has been left in any doubt as to its superiority. I would prefer the 6 feet gauge for Canada, but am not insensible to the advantages of a 5½ feet gauge over a narrower one, and feel compelled to admit that in the selection of the last mentioned gauge, the Government of Canada are supported by numerous and most respectable authorities. Those authorities still exist with undiminished influence, and rather than incur the opposition of those who defer to them, and thus increase the hazard of a narrow gauge, I would advocate for the Road I am connected with a gauge of 5½ feet. The advocates of a narrow gauge advance objections to a wide gauge, which I have not discussed, because such discussions do not seem to me strictly responsive to any of the interrogatories of your honourable Committee; but all of which I venture to assert have been refuted by the results of actual experience. Should the Committee desire it, I will cheerfully enter, under its direction, upon a more full discussion of the whole subject. Besides the decreased wear and tear consequent upon the easier motions of cars and engines on a wide gauge, the comfort of passengers produced by the wider seats permissible in cars running on a wide gauge, is an important consideration. The plan of cars adopted universally in America requires a greater width of gauge than 4 feet 8½ inches, in order to give each passenger sufficient room. A gauge of 5½ feet will enable you to make cars one foot wider than on the narrow gauge. This additional width, especially on a long line, will, by the greater comfort afforded, attract passengers, and add to the profits of the Road.

TRENTON, NEW JERSEY, July 21st, 1851.

SIR,—Enclosed I send you some remarks on the Gauge question, as requested in your communication of the 15th inst., handed to me in the Railroad Committee Room at Toronto.

I am, respectfully,

Your obedient servant,

JOHN A. ROEBLING,
Civil Engineer.

Thad. Patrick, Esq.,

Clerk R. R. Committee,
Toronto.

The question; Which is the best gauge for railways? has been so thoroughly examined and fully answered, that nothing new can be added.

The following, however, may be properly considered as forming the basis of the whole ground covered by the gauge question :

It being conceded by all parties that the narrowest gauge is the most economical, and in that respect, therefore, the best, both in regard to the first construction as well as to wear and tear of machinery and road, the whole subject is reduced to the following enquiries :

1. What width of track will insure most safety when running at high speed ?
2. What width is required for a proper construction of locomotives and cars ?
3. What width is needed to render passenger cars comfortable and commodious ?

The answer to the first enquiry will be found on the side of the narrow gauge. The narrow gauge has been found as safe as the wide gauge when attempting the highest practicable speed, both in this country as well as Europe. Were the number of accidents occurring on different lines to be considered as indicating degrees of safety, the question might be decided in favour of the narrow gauge. Demonstration appears to lean in the same direction when curves are considered. Trains generally run off on curves, and as these can never be altogether avoided, but only reduced at an outlay of capital, their effect, as influenced by the gauge, has to be principally considered. The wheels of locomotives as well as cars, being fixed stationary upon the axles, and occupying parallel planes, have a tendency to maintain a straight course under all circumstances. When forced, therefore, to move round a curve, the outer wheels, rolling over larger space than the inner ones, are forced to slide, to make up the difference. But this sliding cannot be effected without meeting a great resistance which is equal to the adhesion between rail and wheel, resulting from superincumbent pressure. This resistance is aided by the natural tendency of all moving bodies to preserve a straight course, which is the tangent of the curve. When, therefore, these forces, tending towards a preservation of the straight line, are greater than the resistance of the flanges acting against the side of the outer rail, and perhaps aided by some small obstruction or inequality on the track, the consequence will be a run off. Now the strife between the inner and outer wheel increases with the width of track; therefore, the narrower the track the greater the safety. The conical shape of the tire has been found to avail but little, and is nearly abandoned.

On the other hand the steadiness of cars moving around curves is more insured by a wide gauge than by a narrow one. This difficulty is partially removed by raising the outer rail higher than the inner one,

by which means the centrifugal force of a moving train is nearly balanced and rendered harmless. Were it not that the wheels of cars are stationary, fixed upon the axles, this part of the enquiry would result in favour of the wide gauge, on account of its greater steadiness. Indeed the propriety of fixing wheels stationary upon axles is a very doubtful one, although it has become an universal practice. Demonstration, as well as experience, is against it, wherever it has been fairly tested. The practice of forcing two wheels to move and turn simultaneously with an axle under all circumstances is wrong, and only proves that engineers and machinists do not like to leave a beaten track. They should be fitted tight upon the axles, but allowed to turn independently whenever resistance is offered. Ordinarily on straight lines they should turn with the axle, but in curves they should turn independently. A great saving in the wear and tear of machinery, as well as greater safety, would be the result. Locomotive driving wheels must of course be excepted, but the truck or pilot wheels of an engine should by all means be constructed with loose wheels, so as to turn curves easy. It would be entirely irrelevant to enter upon the details of this subject, and to meet the thousand objections which of course are ready to be advanced from every quarter. I will only add here, that in this country this mode of construction is in successful operation on the Carbondale Railroad, and on the roads of the Pennsylvania Coal Company, where also some other important improvements may be found which greatly reduce working expenses. Taking the average of the *pros* and *cons* in regard to safety at high speed, the narrow gauge will have the advantage over the wide one with the wheels fixed; the case, however, stands reversed if the wheels are loose.

2. What width is required for a proper construction of engines and cars ?

No serious inconvenience has ever been experienced in the construction of locomotives with outside cylinders and connections, for the want of room. Inside connections, however, require a greater width of track than 4 feet 8½ inches. But as the outside connection plan is the most preferable of the two, provided the track is not too wide, and consequently the distance between the wheels and crank pins not too great, it follows that the plan of constructing American engines favours the narrow track. The wider the gauge the greater the distance between the two points where the power is applied, and as the crank pins stand at right angles, a torsion will be the consequence. It is better to meet this force by an increase of strength of axle, than to have the axles weakened by cranks.

Where powerful engines are required on the narrow gauge, the outside connection plan, moreover, leaves enough room inside for a third cylinder, which would be a great improvement in the construction of locomotives. Pistons applying their forces at an angle, of 120 degrees upon the same shaft, insure a perfectly regular rotary motion, the true plan for locomotive and marine engines.

3. What width is needed to render passenger cars comfortable and commodious ?

It must be admitted that the usual gauge of 4 feet 8½ inches does not offer sufficient room inside a passenger car for two persons upon one seat. It lacks about six inches; and I should, therefore, prefer a gauge of 5 feet 2½ inches, although every increase of weight in the rolling stock is a very great objection, as it forms a constant source of expense, and, therefore, a serious drawback upon the prosperity of a road. I should favour a width of 5 feet to 5 feet 3

Appendix
(U. U.)

30th August.

inches in preference to 4 feet 8½ inches, where the road is isolated and forms an independent line, not connecting with other gauges.

As regards freight cars, the common gauge affords sufficient room for placing cattle and horses across the track in their stalls. Where much live stock is transported this should be considered.

The question, What is the best Gauge to be adopted for a Trunk Line through both Canadas, I am now prepared to answer as follows :

If these lines are to form a great system in themselves, self-supporting and independent of others, I should adopt a gauge of five feet three inches. If its connection with the Portland Road, which has a track of five feet six inches, is of any great importance, I should adopt the latter. The position of the Great Western line, however, appears to me a different one. This can never be exclusively a Canadian line, it will be more an American one, as it will form one of the most important links in the great route from Boston to Chicago, the great parallel rival of the New York and Erie. To attempt to make it a Provincial Line exclusively, would be destroying its future prospects, and reducing its support to the local travel and traffic, which, for a number of years will be insufficient to maintain a good line. Canada West is intermediate ground between Michigan and the Great West on one side, and New York and the Eastern States on the other. A change of gauge at the frontiers would, therefore be bad policy. A large portion of produce and live stock raised in Michigan will seek this route, and no change of cars should take place. Transshipment of freight and live stock is expensive, and causes delay, and should by all means be avoided on the run from Michigan to Albany. If a wider gauge is considered preferable for the Lower Canada Line, the track of the Great Western should correspond with that of the Niagara, Lockport and Rochester line.

JOHN A. ROEBLING,
Civil Engineer.

Hugh Allan, Esq., of Montreal ; examined.

Ques. 69. Are you of opinion that the Main Trunk Line from Kingston to Montreal would better suit the interests of the Province if it were carried to the North, passing through the Towns of Perth and Bytown, than along the border of the River St. Lawrence?—I am of opinion that in any line that may be constructed between Kingston and Montreal, whether direct or circuitous, provision should be made for the opening up and accommodation of the Ottawa District, either by the line passing round by Bytown and Perth, or if made direct, by side lines coming into it.

Ques. 70. Are you of opinion that the proposed Northern route would secure a greater amount of way business than any other route that could be laid down?—I certainly think that in as far as way business alone is concerned, the Northern route would give the greatest amount of traffic: inasmuch as it would open up a large tract of country not possessed of such a perfect system of water communication as the road would have to contend with, if it ran alongside the St. Lawrence.

Ques. 71. Do you think the increased amount of business which the Northern line would command over any other line that might be laid down would compensate the increased expenditure that might be involved in its construction?—It is not easy to estimate either the expenditure or business of a Railroad to be run through a new country, but I

imagine the difference in cost of construction between the Northern and Southern line, or of the branches, would eventually be compensated by the increased traffic.

Ques. 72. What general benefit would the Province derive from opening up the Ottawa line in preference to the other line?—The benefit to be derived from carrying a line through the Ottawa country would be to open up large and valuable tracts of land for settlement; to afford speedy and easy access to markets for the produce raised by the settlers now there, as well as those who would be sure at an early period to take up the lands.

Ques. 73. Are you of opinion that the Ottawa line is to be preferred to the Southern line, in a Military point of view?—I have not much acquaintance with Military matters, but I fancy that the same policy which caused the construction of the Rideau Canal, would be carried out by making the line in question.

Ques. 74. Please state any other reasons that suggest themselves to your mind, why the Northern or Ottawa route should be adopted?—As far as through business and the general passenger trade is concerned, I am of opinion that a direct line running parallel with the St. Lawrence, but a few miles back in the country, would be preferable; but so deeply am I impressed with the necessity of opening up the Ottawa country, and of its great capabilities, that I think it essential it should be connected with the Main line in some shape. I therefore think that a Trunk line through the County of Glengarry, (direct,) with the necessary branches or side-lines to connect Bytown, Perth, &c., with it, would be most suited to the wants of the country.

M. McDonnell, Esq., Warden of the United Counties of Lanark and Renfrew; examined.

Ans. to Ques. 69. I am decidedly of opinion that the Main Trunk Line from Kingston to Montreal will best suit the interests of the Province if it be carried through the Towns of Bytown and Perth; because it will open, for purposes of trade, manufactures and commerce, the rich tract of country lying between the St. Lawrence and the Ottawa, and will conduct the products of it and of the west direct to Montreal, neither of which would be secured by "a line along the border of the St. Lawrence," because the distance at which "a line along the border of the St. Lawrence" would be from the interior tract beyond the Rideau, would not induce the inhabitants of that tract to seek that line for the purpose of conveying their produce or manufactures to market, but would be a means rather of compelling them to seek the assistance of the capitalists of the neighbouring States, (which, by the way, has already been offered,) to construct the shortest and most readily to be constructed line to communicate with the Ogdensburg line by Prescott,—which too, (i. e. the Ogdensburg line) would, if the trunk were to be made along the border of the St. Lawrence, likewise withdraw a large share of the produce of the West from the carrying trade of the Province, which cannot be done if the line be made through Perth and Bytown. Moreover it would not suit the interests of the Province to establish a line which would compete with the public works already established, and lessen the revenue which otherwise must necessarily accrue from them.

Ans. to Ques. 70. I am persuaded that the northern route will certainly secure a far greater amount of way business than any other that could be laid down, because it will have business from both sides

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

of it, and passing, as it will, through a country whose rivers are not likely to be ever made serviceable for a carrying trade, on account of the numerous chutes and rapids on them, there is no probability that an opposing line of water conveyance will ever be established to withdraw any portion of the trade, which, as I have said above, would not be the case along the St. Lawrence, where a long line of unbroken water conveyance presents inducements to forward thereby, at least equal, if not superior to those which a Railroad would present. Besides, it is a fact which ought not to be overlooked, that those obstructions to the navigation of our rivers, to which I refer, will, in the event of a Railroad being made, which would give a way of transporting manufactures to market; become the means of creating business for a Railroad, which does not exist, although the *material* which would furnish such a business exists throughout the tract in almost unequalled abundance.

Ans. to Ques. 71. I do think, for the reasons before stated, that the increased expenditure (if any, which I question) would be more than compensated by the increased amount of business which the northern line would command over any other line that might be laid down. My own acquaintance with the tract north of the Rideau, and with that south of it, as well as with other tracts in every section of the Province, enables me to say confidently that the resources of the northern tract are unsurpassed. For agricultural purposes, the soil between the upper part of Bathurst and the vicinity of Bytown is equal to any of similar extent; and westward from Bathurst is rich in minerals and timber, sufficient for a long series of years to supply a very large demand, and capable of being converted into articles of ornament and use, which are now necessarily imported, because of the want of means of conveying such articles to a market which would induce enterprising persons to embark in the manufacturing of them. Farther, I am of opinion, that to construct the northern line will ultimately cause a saving to the Province; because it is not to be supposed that the people north of the Rideau and of the table land from which diverge the valleys of the St. Lawrence and the Ottawa, will be satisfied to be without any means of conveying their stuffs to market, while they will see the people south of the Rideau having a double means of conveying theirs to market by the St. Lawrence and a railroad along its borders. This view, therefore, suggests that the Main Trunk ought to be made so far north that it will obviate the necessity of constructing a second Main Trunk for the benefit of the northern parts of the section which the question indicates.

Ans. to Ques. 72. The general benefit which the Province would derive from opening up the Ottawa line in preference to the other line may be inferred from what I have above submitted. First, competition with works already made by the Province would be obviated. Secondly, a tract of country, rich in means for agricultural, manufacturing and commercial enterprises now not existing, would have a means of exchanging products and commodities with other portions of the Province for the common good. Thirdly, the trade which by the St. Lawrence would be diverted to Ogdensburg, will be secured to Montreal and our Provincial forwarders; and Fourthly, the necessity of ever constructing a second Main Trunk will be certainly obviated, and so a large saving to the Province will be secured.

Ans. to Ques. 73 and 74. In a military point of view, the preference must, in every man's "opinion," be given to the Ottawa Line. It will have advantages and a security which no other would have. From Bytown, through Perth, to the Napanee

Appendix
(U. U.)

30th August.

Village, the country (contrary to what is generally supposed), is probably a tract the best adapted for a Railroad to be found in the Province. I am well acquainted with the greater portion of it, and a survey which we have caused to be made from Perth to Kingston, has proved that what had been supposed to be hills, alternating with valleys and lakes, is table land, from which diverge the streams which severally flow north or south, to the Ottawa or the St. Lawrence, forming in their courses those valleys and chains of lakes which, west of the county of Lanark, give on the map an appearance of being impassable, and which to a line of Railroad for military purposes, would always be its best protection,—the line being forty miles from the frontier, without obstruction excepting to the enemy, and, throughout the whole distance to which I have referred, as level, as engineer, or statesman, or public economist can possibly desire,—material, too, of the best description for constructing a Railroad everywhere at hand. Lastly, I consider that the northern route from Kingston to Montreal, through the Towns of Perth and Bytown, L'Orignal and Vaudreuil, St. Anne, &c., &c., will be the shortest, i. e., if it be carried from Perth, along Bathurst, Sherbrooke, Bedford and Portland, to Napanee. This consideration, if correct (which I believe it is,) added to the other considerations above mentioned, and those which they will necessarily suggest, gives, in my opinion, an importance to the northern route, out of which arises a claim to preference which cannot be urged in favour of any other.

C. J. Forbes, Esquire, of Carillon; examined.

Ans. to Ques. 69. I am clearly of opinion that it would better subserve the interests of Canada to take the Railroad Trunk Line from Montreal to Kingston by the northern route by Bytown, Perth and Richmond than along the border of the River St. Lawrence, for the following reasons, viz: That all chance of interruption is avoided, in the event of a conflict with the United States, which has already happened, and was again threatened in the years 1837 and 1838. By opening a magnificent tract of country, than which none of a more valuable description is to be found in Canada, (which has been frequently reported on, and particularly by the Honorable Messrs. McKay and Killaly) a dense population would speedily be created between the Ottawa and St. Lawrence, which being purely British, could safely be counted on for all military purposes. It would stultify the measures of the Canadian Government, which has created such an outlay to perfect a Line of Water Communication from Kingston to Montreal by the St. Lawrence, were a Railway communication between the same places now to be undertaken, by the connivance of the same authority. It was premature to incur so enormous an expenditure, it met with the ready support of the Upper Canada Members, against the expressed opinions of my Lord Sydenham, who considered the Rideau Canal fully equal to the wants of the country.

Friday, 1st August, 1851.

The Hon. R. U. Harwood, of Vaudreuil; examined.

Ques. 75. Which do you consider the best line for a Main Trunk Railroad between Montreal and Kingston: the one known as the St. Lawrence route, or the more northerly one passing by L'Orignal; and what gauge do you consider best suited to such road?—I consider that a road leading from Kingston direct to Montreal, passing through the county of Vaudreuil, and crossing the Ottawa at the old Steamboat Locks to Isle Perrot, and thence at St. Ann's to

Appendix
(U. U.)

30th August.

Montreal Island, would not only be very much shorter than the one petitioned for, having a more northerly direction, but cross the Ottawa at points that offer the greatest facility to the construction of bridges suitable for railroad engines, and where they would be free from any possible danger from floods or jams of ice; as these points are parts of the Lake of Two Mountains that are crossed; a lake, the rise and fall of which is not over six feet, and where the ice remains until it rots, as in a mill pond; a lake with several discharges, the largest of which is by the rear of the Island of Montreal, and which gives this perfect security at St. Ann's and Vaudreuil. The character of the country is so well adapted to railroads, that no physical obstacles will be found to exist to prevent almost an air line being taken from Kingston to the Bridge from Vaudreuil to Isle Perrot. I speak mostly in reference to my knowledge of that part of the country from Prescott down; from Prescott up I know less, but I feel confident that there need at any rate be but little deviation; and I think an actual survey will sustain this opinion. It only requires a reference to the maps of the country to feel assured that the distance must be much greater by the northern route, and from what knowledge I have of the country, I am sure it will be found much more undulating, and to grade it for a railroad, much more expensive per mile, at any rate from Montreal, until you get into the valley of the Nation River, and there I believe it will be found that the soil is not near so firm or suitable for railroads as by the direct route; and that in crossing the Ottawa at the points indicated for the northern route, the bridges must be necessarily far more exposed to being carried away by jams of ice, as the whole water is crossed by bridges, where it cannot turn off by other channels in case of choking, and would be much more expensive. Indeed the construction of bridges at the points indicated by the northern projectors, would, I consider, be not only very expensive but ever attended with great danger of being carried away; a contingency that on a road of this importance should be, if possible, avoided. I consider that the interest of the Province at large requires that not only the least expensive and safest route should be adopted, but the one that will give the greatest chance of our drawing the largest portion of that immense trade and travel with and to that boundless "Far West." There is to be one world's road "*par excellence*" across this Continent to carry the trade and travel from Europe and the Eastern States and Provinces to that Far West, which will stretch on west, west, west, until it reaches the Pacific. The very amount of population that now annually travel over this Continent to the Pacific shores, notwithstanding the danger and toil, will force it on; when not only the trade and travel of the Pacific shores, but with three hundred millions of population in China, to say nothing of the East Indies, must and will largely be forced over these roads. The strife for preference is to be between this Great Trunk Road through Canada, and the roads leading from the Atlantic shores through the Eastern States and State of New York to the same common point in Michigan, from whence all existing roads, and all projected ones, start for the "Far West." Nature has given us a country better suited to a railroad from opposite Detroit towards the Atlantic shores than she has the State of New York; but we have to contend with a people of great mind and energy, and not a chance should therefore be thrown away, when the Trunk Road will not only be preferable, but being so, become highly remunerative both directly and indirectly; and give a confidence to Canadian railroads, which will provide the means to construct all judicious branches. Further, this direct road will run through the largest, wealthiest and most populous portion of the country, and be in the

Appendix
(U. U.)

30th August.

position the better to take up and continue on the commerce and travel of the St. Lawrence, when the rigor of our climate has sealed it up. This direct Great Trunk Line will form a natural base line for branch lines to fall into, and so as to open out the largest breadth of fine land between the two great rivers. A branch line, and a very important one, would leave with advantage the Main Line at the valley of Rivière à Delisle, and proceed near Alexandria direct to Bytown, where it will be found that the finest possible levels exist; and leading by the shortest route from Montreal to Bytown, through the rich broad lands of the Ottawa. This branch line from Bytown to the Main Trunk Line, would not be fifty miles long, and would bring Bytown within from ninety to ninety-five miles of Montreal, where it would not only be in communication with that city, and its sea going vessels, but with the roads to Quebec, Portland, Burlington, and by the St. John's road, with a distance of forty-one miles, reach Rouse's Point on Lake Champlain, putting Bytown, (going through Montreal by railroad,) at a distance of only one hundred and thirty-six miles from Rouse's Point, against the distance, by the projected Railroad to Prescott, of first sixty miles to Prescott, two miles crossing river to Ogdensburgh, and one hundred and seventeen and a half miles from Ogdensburgh to Rouse's Point—together one hundred and seventy-nine and a half miles. Can any thing shew more clearly the propriety of a great direct Trunk Line being at once laid out, and constructed without reference to sectional interests. The importance of this Main Trunk Line is such, that to me it appears clear that public interest demands that the gauge should be one of a width that will give, with the least cost, the greatest power and capacity. The gauge five feet six inches, as adopted upon the Portland Railroad, comes up to that requirement, giving nearly all the advantages if not all, that the six feet gauge gives, used on the New York and Lake Erie Railroad, and chosen by that intelligent people at a later day, when more knowledge was had of the power and speed that could be attainable on a railroad than what Boston had when her energy pushed her long lines of railroads of the narrow gauge. The wider gauge gives more width for engine, more room for fire and boilers, and consequently more steam, (therefore power can be generated), than is possible on a narrow gauge. It gives a far greater width of platform for passenger cars, freight cars, &c., carrying the given weight that each axle will bear, lower down, and therefore producing less oscillation, and therefore less friction and strain on the journals, I should suppose. It will give the opportunity of constructing cars with conveniences suited to the long distances that parties will one day travel over these roads, that the narrow gauge precludes, and the cost of all, will be but little more.

Chas. P. Treadwell, Esq., Sheriff of United Counties of Prescott and Russell; examined.

Ans. to Ques. 75. I am of opinion that no exclusively through line on this continent will ever pay an interest on the capital expended in its construction, and that if from its peculiar position, any line on this continent would bear that designation, it would be a line along the St. Lawrence, having the splendid canal on the one side, which, according to the best information I can get, must take freight and passengers about seven months in the year, leaving only five months for freight and passengers by the Railroad, which is a trifling comparison in proportion to the through business of twelve months, including the summer season; whereas a Railroad by the northern route would command way business every day in the year, and nearly every hour in the day; and as it is extremely probable that the way

Appendix
(U. U.)

30th August.

business would, soon after the completion of the road, pay for operating it, the through business would go toward paying the interest and creating a sinking fund for extinguishing the debt incurred in the construction of the work. In my opinion, however, a Railroad by the southern line would be merely an extension of the present Lachine Road, paying no better interest. It has been most unfortunate for Canada that more judgment has not been shewn in the construction of its railroads hitherto laid down,—with two exceptions, the Champlain and the Rawdon. These unfavourable circumstances have done much to deter capitalists from investing their means in enterprises of this nature, by which the country would have been improved, trade, commerce, and agriculture advanced, and its internal resources developed. A system of constructing railroads from town to town and from village to village, has been adopted through the New England States, and the value of property increased five-fold by these operations, and the trade and commerce of their principal cities doubled thereby. And while the good sense and judgment of persons settling down and creating towns, and a spirit of confidence in each other, and self-reliance in themselves have induced them to form a connection from one end of the country to the other, we, as a country, have stood by and been disputing among ourselves about straight lines, which, when made, nine times out of ten, do not return a fair interest; and by this means a fearful discouragement is put upon subsequent enterprises of the same nature. It is proved beyond a doubt that many of the lines that are laid down from town to town, and extended, by this means, through the country, besides accommodating the enterprising inhabitants, who first built up their towns and afterwards their railroads; the proceeds of their lines have enabled them to construct other and more direct lines of communication between the great lakes, their principal towns, and the seaboard; whereas, had they stood upon the principle of constructing straight lines of road, by which little or no way travel could have been commanded, they would yet have been destitute of those advantages of speedy and cheap communication. In all these public works the opening up of the country should have great weight with the Legislature in granting charters, and in providing means from the public purse for their advancement. If the line is constructed immediately along the St. Lawrence it opens up no new country whatever, and it must always be some opposition to our splendid works now constructed. Even should it be placed ten or fifteen miles from the St. Lawrence, it must destroy, in a great measure, the Towns beautifully situated on the banks of the river, and divert a large share of the business from them; whereas, by laying it forty or fifty miles in the interior, it opens at once a country that is now in a thriving state, and which has, even at this moment, a larger surplus of agricultural and other produce than can be found in the opposing section, without the advantage of the communication already referred to. When the decision was made public in Montreal, on the 4th March last, in favour of the southern line, I must confess I was wholly at a loss to know on what premises they had based their conclusions,—when the Ottawa country, containing an area of eighty thousand square miles, and the produce of whose forests and fields load three fourths of the vessels that sail from Montreal and Quebec, was left out of the estimate for fear of making fourteen and a half miles of railroad and one extra toll-bridge,—when even this distance was obtained by making one common point of departure for both lines, instead of commencing with the northern line from the foot of the current below Montreal.

Appendix
(U. U.)

30th August

I am of opinion that the Imperial Government, will not treat as a light and trivial matter, the construction of a Railroad along a line of Country that might become an enemy's frontier—which will require an outlay of nearly a million of money, together with their guarantee—when with a very slight, if any, increase of expenditure, a safe internal line of communication can be obtained. It is contended by some (but I find on a careful examination that their opinions are incorrect) that sawed lumber cannot be carried with advantage over the Railroads—but I find that large quantities are sent from Dunkirk to New York, a distance of more than four hundred miles by rail—and that even masts are sent from St Johnsburg, Vermont, to Boston, a distance of about two hundred miles, by the same conveyance. I have taken the liberty of extracting from one of Sherriff Coffin's well written letters in favour of the Ottawa, the following to prove the correctness of our position. He says:—"In contrasting the merits of the two lines of communication from Montreal to Prescott, by the St. Lawrence or by the Ottawa, it may be as well to take into consideration first the question of distance. The distance from Montreal to Prescott by the St. Lawrence is one hundred and thirty miles. The distance from Montreal to Prescott via the Ottawa, is not more. This assertion is made in the absence of all exact survey, but with every wish to approach exactitude, and will be better understood by referring to a good map, and by noting the course of the Ottawa in reference to that of the St. Lawrence. The 'bridging' and expenses contingent on the same, may be calculated at about equal."

* * * * *

"With regard to the amount or extent of intermediate transportation, it may be as well to observe, that whereas, fifty-five miles of Railroad extending in the direction of Prescott by the St. Lawrence, would most probably terminate in an open field, some twenty miles or so below Cornwall,—and whereas, it is very clear that the road must be completed throughout to Prescott before it could compete or co-operate advantageously with River and Canal; the same extent of Railroad by way of the Ottawa would terminate at Grenville, from whence Bytown may be now reached by uninterrupted Steam Navigation in the space of three or four hours." * * * * *

"And we rely equally on the French Canadian farmers, the wealthy and intelligent *habitants*, to whom a want of enterprise and confidence has been imputed with an equal lack of generosity and justice; of confidence he has naturally only too much, in his particular line, he lacks neither enterprise nor energy, but the ways of the rail are, as yet, not his ways; if we have preceded him in this matter, it is our good fortune, not his blame; what experience has taught us, experience will impress upon him; he may look timidly at first upon a costly project disagreeably suggestive of other and still more specious failures, but he will see as we saw, and he will be convinced as we were convinced, not one whit more slowly or more cautiously; and once convinced, he will embark in undertakings of this nature with as much alacrity and courage as any other constituent of the population of Canada.

From a letter written nearly three years since, I beg to made the following extracts:

"It will also, by connecting Lachine with the St. Eustache, bring an excellent farming country within forty minutes of the City, so that persons wishing to reside in the country, and enjoy the luxury as well as the economy of such a residence, and at the same time attend to their interests in town, will be enabled to do so with comparatively little expense; neither must it be forgotten that the markets will be better

Appendix
(U. U.)
30th August.

Appendix
(U. U.)
30th August.

supplied with all kinds of country produce, whilst the vast water power afforded by the two branches of the river which form the Islands of Montreal and Jesus, will induce Capitalists to engage in various kinds of manufactures, by which the country will progress in commerce and increase in wealth. As the line proceeds upwards, between the Grande and Petit Brulé, it will pass over a level tract of land well adapted for cultivation." "The next great object to the Company will be the crossing of the Ottawa. This I am confident will be found practicable at any point from Struther's Island (now Watson's) to the large Pier, at Hawkesbury Mills. The only question for the engineers to determine, being the place of easiest approach to, and departure from, the river. The above named mills belong to the estate of the late Honourable George Hamilton, and were carried on with great advantage under the management of Messrs. Hamilton & Low. They have been visited by several of our Governors, and other persons of distinction, and have been declared to be the most perfect and best regulated establishment for the manufacture of deals in the British Provinces. They are now under the direction of Messrs. Hamilton and Thomson, and may be stated to manufacture annually nearly half a million of pine deals for the British market." "Now, if all the bright deals made by this establishment were taken from the mill by Railroad, and could be shipped from the wharf at Montreal, and sold there for only one pound additional per hundred pieces, being the difference between bright and floated deals, this alone would secure to the Railroad Company a yearly income of nearly five thousand pounds, and at the same time make deals worth as much at the mills as they are now at the shipping Port; and whenever the trade shall become unprofitable, either from scarcity or otherwise, the vast water privilege, and the great extent of the facilities for employing it, may yet render this place the Manchester of Canada." "At L'Original the freight and passengers of the upper section of the Ottawa will be secured; this, together with that of the country around will, it is confidently expected, form a very large annual item; and when the communication shall be opened up from the Ottawa to the French River and to Lake Huron, this place will be on the direct route thence to the Atlantic, both at Portland and by the Gulf of the St. Lawrence." I also bring forward an extract from a correspondent of the Montreal Herald, under date of 21st January, 1851, signed "Earnest." He says: "I am pleased to see our Canadian friends coming into the war of pen and ink on this subject; but would be better pleased to see them offering to make the impression indelible by proposing to load their arguments with a little more of their hard cash. I have endeavoured to consider seriously the real merits of the two proposed routes, and must say, I cannot agree with the views of 'A Canadian,' in yours of the 9th instant. He, it appears to me, is personally interested in the Southern route, and attempts to prop its fading popularity by a variety of ideas founded upon no reality. The mind of the public is awake on the subject; 'combination,' without arguments supported by facts, will no longer take effect. The question then arises, what statements made in favor of the South are incorrect, and what facts can be established of sufficient weight to settle the question in favor of the North? I have not given the matter sufficient attention, and cannot devote sufficient time to the subject to enable me to present to your readers very weighty considerations in favor of either; such as they are I humbly submit them." "I beg to correct a 'Canadian' when he writes 'with only the Ottawa to cross at St. Ann's.' The Ottawa must be crossed at Vaudreuil, as at St. Ann's; the bridge at St. Ann's must be of such a character as to require a very heavy sum for its construction; the

peculiarities of the place, with its current and channel, are such as to warrant one in saying that more than one unsuccessful effort will be made to construct a bridge there that will stand, and not obstruct the navigation." He says further: "I do not invite those interested, to headstrong combinations, that are supported only by selfishness, with a view of carrying out pet views; but I do invite them to serious, honest, above-board considerations, which I know to be the only ones that will be to their own, as well as to the public advantage. I feel assured, upon consideration, the people of Prescott, and from thence fifty to sixty miles downwards, have no idea of assisting, and when they look into it, will not assist in sending the road by the south, where they must support a road for the convenience of the country below them, which can contribute but little towards its business; while, on the other hand, in facilitating the establishment of the road by the north, each proportion will be able to bear its own expense, thereby making the expense of freight and travel on the whole, lighter, and the profit more certain." I give you a further extract from a letter written by Mr. Duncan Sinclair to the inhabitants of the "County of Two Mountains," dated 30th January, 1851: "Many persons may be ready to say that we are not in possession of sufficient data, to enable us to arrive at an approximate calculation of the amount of traffic from the country, or the returns to be expected from it. Although this will be admitted as partly correct, yet I think I shall succeed in showing it to be not only a safe but a profitable investment for either individuals or the Municipality." I have ascertained that upwards of twenty thousand cords of wood have been prepared for the market in the Township of Chatham, during one season. This wood costs about 7s. 6d. per cord in being taken to Montreal in boats or barges; but the above quantity might be doubled for many years, were a ready sale to be found, such as a Railway would be the means of creating, as it is, though, the wood can be carried from Grenville to Chatham at 5s. the cord. The hilly region in Chatham, the rear of Argenteuil and St. Columban abound in excellent hard wood, to bring out which, and the transporting it to the city, would, I am persuaded, form a large and profitable business both to the back settler and the Railway Company, and furnish the citizens of Montreal with firewood cheaper than they can get it now. I have consulted several persons who think the quantity set opposite to the following places, lower than may be expected, viz:

Chatham,	30,000	} at 5s. per cord, £10,000
Argenteuil,	5,000	
St. Scholastique and		
St. Columban,	5,000	

For the travel and carting from the country, let us take the tolls as a basis for our calculations:

	s.	d.
St. Eustache Bridge, horse and cart	0	5
Lachapelle's " " "	0	5
Toll Gate.....	0	4
Tolls, inward or outward.....	1	2
Or both ways.....	2	4

The amount of Tolls collected at the St. Eustache Bridge during the Summer season...	£550	0	0
Lachapelle's Bridge the same	500	0	0
The Toll Gate	440	0	0

Total for summer travel.... £1540 0 0

As the winter business is much the greater we will be quite safe in doubling the above sum, for the whole year say..... £3080 0 0

Appendix
(U. U.)
30th August

If the railway will take a man and the load that his horse would carry at 4s 8d, which is quadruple, the inward toll or double both tolls—save him at least one day and more, frequently two days—besides keeping his horse and save the wear and tear of the animal, I think that it will be an incalculable benefit to the traveller, and to the man that does his own carting, and yield to the R. R. Company..... 12,320 0 0
County of Two Mountains..... 22,203 0 0

It is confidently stated by parties whose opinions are entitled to respect, that the business the Hawkesbury Mill (yearly) will amount to..... 5,000 0 0

£27,000 0 0

For further particulars and statistics, I beg to refer you to the papers enumerated in the Schedule attached to my evidence.

I beg to put in a pencil sketch, which will show the position of the County of Vaudreuil when it shall have its Railroad and Trams completed (which, by the by, I think will not be done.) No. 1, shews the Beauharnois Canal; No. 2, the magnificent St Lawrence; No. 3, the intended through Railroad from Montreal to Kingston; No. 4, the Tram Road proposed from the St. Ann's Bridge to Bytown; No. 5, the splendid Ottawa and Lake of the Two Mountains. This would shew five communications for the accomodation of the Country of Vaudreuil, while the Counties of Two Mountains and Terrebonne, and the continent connected therewith, if I may be allowed the expression—are to be deprived of the Railroad. This is, however, an act of injustice, that I feel confident will never be perpetrated by our Legislature. When the proposition was made for a Tram from St. Ann's up the Ottawa, I remarked that the Ottawa section of the country was entitled to as good a railroad as money and engineers could make, and I think I shall be fully sustained in that opinion. Objections are made to the practicability of bridging the northern line, which, when carefully examined, will vanish in thin air. Mr. Lachapelle, an enterprising, self-taught French Canadian, proved its practicability to a demonstration more than twenty years ago, by constructing a bridge, which in point of strength, durability and convenience to the public, has scarcely been equalled by any that have been more recently built, and which, I believe, has proved no impediment to the river by rafts. No one will presume to say that there will be one particle of difficulty in bridging the River at St. Eustache.

Two Engineers of eminence, Messrs. Fleming and Gzowski, have decided that there can be no possible difficulty in bridging the Ottawa at Watson's Island, in the Long Sault. This sets the matter at rest, beyond a doubt. I hope that I may be pardoned in mentioning an opinion that has been given to me by gentlemen learned in the laws of the land, in reference to constructing bridges at St. Ann's and Vaudreuil. It has been stated that these points offer obstacles, that interfere with the constitutional rights of the public; but as this is an abstruse question of much difficulty, I do not feel competent to offer any opinion on it. In reference to laying down a track for railroad from Montreal to Alexandria, and thence to Bytown, in preference to pursuing the route by the Long Sault, Hawkesbury Mills, L'Orignal and the Caledonia Springs, thence to Bytown, and Kingston, I do not think that the gentleman making this suggestion was really serious—in such discussions a

Appendix
(U. U.)
30th August.

good deal of latitude must always be allowed where two parties are contending. As the honourable gentleman has been pleased to provide a connection between Bytown and Montreal, by way of Alexandria, at the expense of all other sections of the Ottawa, I will in return provide a communication for Alexandria, via the Caledonia Springs, by extending a tram road from the Springs to Alexandria, the centre of the County represented by the Honourable the Solicitor General, and although I think the risc would be considerable, yet I think the grade would be regular, and therefore easily overcome, but not having travelled the route personally, I can not speak with absolute certainty.

There is now a letter of mine before the public on the subject of the two trams mentioned in our notice—the first passing through Terrebonne, and extending northerly to the distance of forty miles from the Main Trunk; and the other leaving the Main Trunk at the Caledonia Springs, and extending up the Valley of the Nation, through the Township of Mountain. I have no hesitation in giving it as my decided opinion, that these three trams, if constructed upon the same principle as the Rawdon road, would return a better interest on the capital invested in the construction, than that invested in the Main Line; but I wish it to be distinctly understood that I consider the capital expended in the Main Line to be a favourable investment.

By referring to Mr. Fleming's report, you will observe that he states, that from a good deal of curvature being necessary in the southern line, he does not consider that the northern line would be much longer than the southern one, and at the same time he remarks, that with the facilities which that line affords, the railroad may be constructed for ten per cent. less than the opposite one, with the exception of the bridges; and I would beg to state as my opinion, that when so constructed it would be travelled in less time.

It was very properly observed by an Honourable Gentlemen of the Committee, that the party in favour of the southern line employed an engineer to report in favour of their line, and that persons in favour of the northern line adopted the same course. I would beg to remark, that the report of the engineer of the southern line has, I believe, been severely criticised by writers in the "Bytown Packet," the "Ottawa Citizen," and the "Montreal Gazette," while Mr. Fleming's report on the northern line has had a circulation of more than twenty thousand copies of the newspapers, and I have yet to learn that it has ever been controverted.

In conclusion I would remark, that the notice of Petition for the northern line was signed by more than two hundred and sixty of the first inhabitants in point of wealth, energy, respectability and talent, resident between Quebec and Kingston. This circumstance alone should induce the Committee to take the subject into their most favourable consideration. Moreover, in addition to the previous arguments adduced, if the opening up of a speedy communication from a fortified to a garrison town in case of war, and affording to the City of Kingston an easy access to the country in its rear, rich in mineral and agricultural products, and of securing to Montreal an immense trade from the Ottawa as has already been shewn—if these arguments can have any weight, the northern route should of course be adopted. In reference to the proper gauge, it is a subject of great importance, and not being an engineer I do not feel myself competent to give an opinion.

[Witness read to the Committee the following letters, as connected with the subject of his evidence.

Appendix
(U. U.)

OTTAWA, 15th December, 1849.

To the Editor of the "Life at the Springs."

30th August.

SIR,—In a letter addressed to the Bytown Gazette, and published in that paper on the 9th of March, 1848, I attempted to draw the attention of the Canadian public to the subject of constructing a Railroad to the mining district of Lake Superior, and to point out the route.

In that communication, I assumed the position that the Quebec and Halifax Railroad scheme would be carried out. This at present seems doubtful; nevertheless, I cannot for one moment abandon the idea of its final success. Such has been the case with many other great works that have been projected; they have had their times of opposition, and the projects have been for some time abandoned, but they have been resumed, and finally carried through, with great advantage to the public and the shareholders. Such, I feel assured, will be the case in reference to the Quebec and Halifax Railroad, and that when commenced, it will be carried through without interruption from Quebec to Lake Superior, by the valleys of the St. Lawrence and the Ottawa. Some parts of the work are progressing as fast as could be expected, considering the situation of the country, and the great commercial embarrassment that has been felt for the last few years. I am of opinion that the Boston and Ogdensburgh Railroad Company would construct a Railroad from the mines of Lake Superior to meet their own work, making Prescott the lower terminus. Then, if the St. Lawrence and Ottawa Grand Junction Railroad was completed, according to the plan laid down in my letter of January last, and published in your paper of that date, this country would advance in prosperity with unexampled strides.

When a Railroad shall have been completed from the Western mines that have been discovered on the shores of Lake Superior, the idea at once presents itself to the mind, why not proceed on through the British territory to the shores of the Pacific, and by this means, secure to a great extent, the carrying trade from the Eastern to the Western world,—this being the most direct, and by some thousand miles, the shortest route.

It is now more than four years since I spent an evening at an Inn on the Ottawa, in company with a gentleman of education from London, when I brought forward the subject of a Railroad from Halifax to the mouth of the Columbia River. We discussed the practicability of the scheme, and the immense advantages that would arise to the North American Colonies and to Great Britain by the accomplishment of this great work. The amount of money that would be expended while in progress, the immediate settlement of the country by the labourers employed in its construction, the amount paid to the farmers along the line, who would be required to furnish forage and coarse grain, that could be transported from other sections of the country. These are a few of the many advantages that the carrying out of this great work would produce. The originating and carrying out of some great scheme of improvement in the North American Colonies would, in my opinion, in a great measure, allay political discontent, and the people of Britain would, in a most unequivocal manner, disclaim the opinion that has gone abroad from some quarter, that Great Britain is desirous of throwing off her North American Colonies. A few of the Colonists themselves will perceive the error into which they have fallen. Confidence between the Colony and the Parent State would be restored, and it would raise the Colonies to consequence in the eyes of other nations.

Appendix
(U. U.)

30th August

This Railroad when completed, might have five termini on the Atlantic coast, viz: New York, Boston, Portland, Halifax and a port further north in the British possessions. This would cause to spring up at the most western cape in Ireland, a great depôt for many of the products of Great Britain, from whence they might be taken by freight steamers, and landed on this side of the Atlantic, when they would be put on board freight cars and transported to the shores of the Pacific, and throughout the intermediate country, towns, and cities that now are or may spring up in the immense country that intervenes between the two Oceans. From twenty to thirty days only will be required for a tour from England, France, Spain or Holland, to the mouth of the Columbia River, and California. This communication, when completed, will produce a change in the commerce of the world, of which we can form no adequate idea; and although the subject may at first sight appear wholly impracticable, still, when it is duly considered and viewed by sections, it will not appear to be a subject presenting insurmountable difficulties. It offers a line of communication more direct between the Eastern and Western world than any route through the United States, with either St. Lewis or Memphis for a terminus: with a British capital, and energy of character, and with liberal charters to allow American capital to flow into the country, together with their knowledge and enterprise, there can be no doubt of its success. The great point now to be determined, is its proper location. On this subject there is a great misapprehension. The idea of making a Railroad in a direct line from one point to another, because it is the shortest route, is erroneous.

The first point is, where can the greatest amount of business be secured to the line? The second is where is the easiest grade, and the most level and firm land? The route that combines these advantages is the preferable one.

The expense of grading hills should be avoided in the first construction of a Railroad, for a great ascent and descent will ever after cause delay and detention of the trains. Time will soon be the only standard by which cheap transit from place to place will be determined.

The American system will probably be the one adopted in carrying out this great work, for the want of sufficient capital. The difference of the system established in Great Britain and the United States is this,—the former estimates how much money can safely be invested in an enterprise to give a certain, yet moderate return of interest, and to complete the work in the most substantial manner possible; the latter, with how small a sum the object in question may be effected, within the shortest possible time, and to construct such sections first as shall make an immediate return, and assist in carrying forward the other more remote sections of the work.

I here merely throw out a few hints, and hope that an abler pen will take up the subject, and give it that consideration which its magnitude justly demands.

(Signed) CHAS. P. TREADWELL.

A true Copy from the
"Life at the Springs" paper,
Dated 2d April 1849.
C. H. LEONARD.

CLARENCE, April 24, 1851.

MY DEAR SIR,—Your letter of the 18th instant has been long in reaching me, and I regret I do not possess the necessary documents to give you the

Appendix
(U. U.)

30th August.

statistical information required, and the Clerk of our Municipality, who has the Assessment Rolls, resides so far away, that it is not possible to ascertain the particulars you want in time for your purpose, otherwise I should be most happy to comply with your request.

The present population of Clarence is about 300.

The valuation of property for 1849 on the old principle, was about £3000 (three thousand pounds).

Three years ago the population of this County was about 1500.

Our developement has been gradual, but many agencies are now conspiring to give impulse to our progress, and the establishment of roads and Railroads would expedite the improvement of a new country like this at a rate little dreamed of.

The cheapening of the Crown Lands is beginning to effect us favourably. Such advancement in road-making as we have made has also had its benefit, but more thorough communication, by land with the other portions of the Province is necessary fairly to open up this heretofore shut up country, and introduce into it settlers who will make corn fields of the wilderness, and cause trade in abundance along the line of travel.

You will doubtless in your estimates of population and property distinguish between new and old settlements. The present condition of new settlements forms no criterion of what they will be when opened up, while the growth of old settlements will be nothing in comparison. I think this ought to be prominently borne in mind, and in making a Railway, the trade that the road will create should be looked at, as well as the trade that already exists.

The creation of trade in opening up a new country must be infinitely greater than in passing through an old country. Again, a Railroad built near the St. Lawrence will have to compete with the trade in the river. In passing here no competition can obtain. It was considered when the Rideau Canal was made, that this work was necessary in case of a war. If this argument was of any force in reference to a canal in the interior, and removed from an enemy's frontier, it is of equal force with regard to the Railroad.

The Ottawa region is destined at no distant day to claim a much larger share of attention than it has as yet enjoyed, and it will be neither safe, wise, nor politic to give it the go-by, it supplies a large item of revenue to the country; it contains unlimited tracts of land for timber and farming purposes. Its mines and its privileges for manufacturing operations give promise of greatness to which we may look with pride and expectation, and say we have verily a good land, but we must go up and possess it, and to do this, we want roads. Roads is our first and last want.

Those who give their means, their time, and their energies, to this object, are patriots to their country—they are philanthropists in the true sense of the word. In attending to this object they begin with the first want of the country. They open a way to the interior farms, and give them value at once. The farmer has a way to mill and to market; the school, the meeting, are all useless without a road. One road also makes another; as money makes money, so one leading road makes many bye-roads.

Build a trunk Railroad through the centre of the country, and a thousand roads will appear leading to it, and wealth and intelligence and happiness will follow in the track of all, and as morality and loyalty are fruits of contentment, and contentment must be

promoted hereby, those who are instruments in effecting such improvements deserve well of their country.

Yours truly,

WM. EDWARDS.

VANKLEEKHILL, 28th July 1851.

DEAR SIR,—I received yours of the 21st inst., requesting a Profile Plan of my survey from McRibbon's Ferry to the Caledonia Springs. As I had no finished plan of the same, as Mr. McIntosh thought it would be too late to make a new one, I have allowed him to send you the original rough draft, which is substantially correct.

With reference to the heights of the Four Corners and Vankleekhill above L'Original, it would take some time to ascertain them exactly; I have, however, from one observation taken on the top of McKee's Hill, ascertained their approximate heights as follows, viz:

Four Corners, height above L'Original	90 feet.
Vankleekhill, do do do	200 "

These results are, I believe, not far from the truth.

I am, Dear Sir,

Yours truly,

ROBERT HAMILTON, P. L. S.

Chas. P. Treadwell, Esq.,
Toronto.

Witness handed in certain papers, referred to in his Evidence,—for which see Appendix (No. 7.)

Schedule of Papers appended to the Evidence of Mr. Treadwell.

A.—A chapter on the St. Lawrence and the Ottawa,—extracted from a paper by Wm. F. Coffin, Esq., Joint Sheriff of the District of Montreal, entitled "Three Chapters on a triple project."

B.—Letter from C. P. Treadwell, Esq., published in the Montreal Herald of 30th Nov., 1850, with Report of a Survey of part of the St. Lawrence and Ottawa Grand Junction Railway, by Mr. Robert Hamilton, Prov. Land Surveyor.

C.—Letter published in the Montreal Herald of 25th Jany., 1851, (signed "Earnest") pointing out the claims of the Northern Line from Montreal to Caledonia Springs.

D.—Letter from Mr. Duncan Sinclair, Prov. Land Surveyor, on the same subject.

E.—Extract from the Montreal Gazette of 12th May, 1851,—containing a letter signed "Ottawa," relative to Mr. Gzowski's Report on the comparative merits of the Ottawa and St. Lawrence routes,—Report of Mr. Fleming on the northerly route,—Letter from Mr. Treadwell, communicating the same to C. A. Low, Esq.,—Statistics prepared by Mr. Treadwell, of population, valuation of property, products, &c. along the proposed line,—and Remarks (from the Bytown Packet) shewing the extent and value of the Ottawa Country.

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

F.—Extract from the Montreal Gazette of 9th June, 1851, containing a second communication signed "Ottawa" on the subject of Mr. Gzowski's Report, —and a letter from C. P. Treadwell, Esq., on the subject of Branch Roads, and the gauge to be adopted for the Railroad.

G.—Copy of the notice inserted in the Canada Gazette and other papers of the application to Parliament in favour of the northerly or Ottawa line, with the names of the applicants.

Charles Sparrow, Esq., Mayor of Bytown; examined.

Ans. to Ques. 69. I am of opinion that it would be very much to the interest of this Province that the route of the Trunk line of Railroad from Kingston to Montreal should pass through the Towns of Perth and Bytown. I think that the line passing through Perth and Bytown would secure a greater amount of way business than the southern route along the St. Lawrence.

Ans. to Ques. 70. The southern route having neither the extent of country, nor population anything near equal to the other route, and being subject to the competition of the superior steam navigation on the St. Lawrence river, could not possibly afford as great an amount of way business as the route passing through Perth and Bytown. Taking the census returns of last year, the aggregate population of Leeds, Grenville, Dundas, Stormont, Glengarry and Vaudreuil—the Counties through which the southern route passes, we find to be 98,642, and the aggregate area of these Counties is about (3090) three thousand and ninety square miles. The population of the country on the other route, taking say half of Lennox and Addington, half of Leeds, and the Counties of Lanark and Renfrew, Carleton, Russell, Prescott and Vaudreuil, the Town of Bytown and the country in Lower Canada immediately adjoining, we find is not less than (170,000) one hundred and seventy thousand; and if the route be chosen northward of Vaudreuil, through Two Mountains and Terrebonne, the population would then much exceed two hundred thousand, and in either case the area affording to it a way business, would exceed five thousand square miles. The country on the northern route is quite as good as on the southern route in an agricultural point of view, and it affords immensely greater facilities for manufacturing purposes, and is infinitely better supplied with various natural resources for furnishing commercial traffic. The Counties upon the southern route, though so long settled that almost every acre of land in them fit for cultivation must be occupied, contain a population, only half as great as the Counties upon the northern route, though these are never and only partially occupied and improved,—and therefore the difference as regards the capability of either to ensure a way business, will subsequently be much greater in favour of the northern route than it is at present, and there is no probability of any such antagonism of interests upon it as must exist between the St. Lawrence navigation and the Railroad upon the southern route.

If the Railroad were carried along the St. Lawrence River, close to it, the Road could only receive a way traffic from one side, and would thus be limited from receiving by one half what it otherwise would, while if it be placed a few miles back from the River, its interest will be hostile to those of the towns upon the river, and they will naturally draw a great portion of the way business from it. Besides the area embraced in the above calculation of the extent of

country which would ensure a way business to the northern route;—there is an immense country, exceeding fifteen thousand square miles in area, lying upon the Ottawa River and its tributaries west and northwest of Bytown, which would be necessarily connected with this line, and would furnish to it a very large business. The Lumber trade of the Ottawa Country is chiefly carried on by the population of this section. This trade yields about £20,000 yearly revenue to the Province, and the gross product approaches to £1,000,000 per annum. But the agricultural and other resources of the country through which the northern route passes, are immensely greater than those of the southern route, without referring to this trade at all. The country referred to upon the Ottawa and its tributaries now contains a large agricultural population. Even beyond the surveyed lands there are at this moment settlements containing thousands of inhabitants, and in view of the effects of the improvements now about to be carried out, particularly the Bytown and Pembroke road, and the Bytown and Prescott Railroad, we may safely estimate that in ten years or less, the business of a population amounting 250,000 will be concentrated in Bytown, and at that point this business would be received by the proposed Trunk Railroad. It therefore appears to me quite clear, that the prospects for a way business are incomparably better for the northern route passing through Perth and Bytown, than for the southern route by the St. Lawrence river.

Ans. to Ques. 71. I believe the increased expenditure would be much more than compensated by the increased amount of business that the northern line would command over any other that would be laid down between Kingston and Montreal. The distance between those places by the southern route may be put at 181 miles, and by the northern at 196 miles. If the crossing of the Ottawa River be effected at Isle Perrot, the item of bridging will be the same for either, and in that case, I believe the route passing through Bytown and Perth would be the cheapest one of the two. The report of Mr. Gzowski, Civil engineer, who examined the southern route, estimates the cost at £5025 per mile, and Mr. Fleming, who examined the northern route reports that it will cost ten per cent. the least. The report of Mr. Shanly, chief engineer of the Bytown and Prescott Railroad, upon his line, estimates the cost at less than £4000 per mile, which being in a country similar to that on this northern route, through Perth and Bytown, shows that Mr. Fleming is not mistaken. It is therefore apparent that with only about eight per cent. in the distance against the northern route, it has the advantage in point of cheapness, and there can be no possible doubt but the business of the road would be greater on the northern route by at least fifty per cent. than it would be upon the southern route by the St. Lawrence river.

Ans. to Ques. 72.—The advantages which the Province would derive from opening up the Ottawa country are numerous. The waste country lying upon the Ottawa and its tributaries, which is known to be fit for settlement, cannot be less than sixteen millions of acres. Opening up the Ottawa country would make that land available, and without that being done, it will lie waste and worthless. All parts of Canada are deeply interested in the opening up and settlement of these waste lands, for without an extensive and populous back country, there can be no commercial emporiums nor great business depôts in the Country, nor without that, can there be ability to carry out useful enterprise, or to induce national wealth, vigor or prosperity. The opening up of this country would, of course greatly increase the population, and therefore increase the business of the cities, and towns, and increase the value of property

Appendix
(U. U.)

30th August

Appendix
(U. U.)

30th August

in them and in the country generally. Opening up the Ottawa country would also be highly advantageous to the Province generally, inasmuch as it would open up the interior of the Province so as to afford a means of communication directly between the settled country on the southern frontier, and the settled country in the northern section of the Province. The diversity of productions and pursuits incident to these sections, are such that a direct communication would be advantageous to both.

Ans. to Ques. 73. I believe that in a military point of view, the northern route is beyond measure preferable to any other route whatever. The Northern route is removed from the frontier and passes through the part of the Province which is least exposed. It is obvious that in case of war an inland communication, both for through passage and for communicating from town to town, would be of very great value, while a line in an exposed position on the frontier would be for both purposes almost valueless. This is particularly the case with a Main Trunk Line, as it would be impossible to keep it protected in that position, and owing to interruption at any one point, through passage would be wholly prevented, and, in consequence, for the most important of its uses it would be rendered altogether inefficient. None of these inconveniences are incident to the northern route, and in almost every other respect in a military point of view it is decidedly superior to the southern route.

Ans. to Ques. 74. In addition to the above replies I would beg to add that it appears to me, from the geographical position of the country, that by far the largest amount of improvement in the country can be induced by carrying the proposed Railroad from Kingston to Montreal by the route passing through Perth and Bytown. As that route passes through the interior of the country it is evident that the advantages of the Railroad to the population of the Province would, by taking the northern route, be far more widely extended than they could be by any other, and these advantages which are incident to it, will, as the country improves, be always increasing.

Chauncey Johnson, Esq., Warden of United Counties of Prescott and Russell; examined.

Ans. to Ques. 69. I am decidedly of the opinion that the route for a Trunk Line of Railroad by the Ottawa would subserve the interests of the Province better than that by the St. Lawrence.

Ans. to Ques. 70. I think that a line by Bytown or Perth would necessarily secure a far greater amount of way business than one near the St. Lawrence, for the following reasons:

1st. The country along the frontier river being already well settled, may be supposed capable of affording more way business in the transportation of its productions; but in many sections along the northern route, the country is as well settled and the soil as productive as near the St. Lawrence; and where it is not, the transportation of at least sawed lumber, and of the supplies for the lumber business in general, would be incalculably greater than that of the general business along the southern route.

2nd. It is admitted that the land along the northern route is quite as well adapted for agricultural purposes as that near the St. Lawrence; and when the proposed road would change the former into a strictly agricultural country, which would be in a few years, there is this important consideration in its favour; the supplies for way business would be furnished from both sides of the line, whereas such

supplies could come only from one side of a line along the St. Lawrence.

3d. The southern route must compete with that great natural highway—the St. Lawrence; and this, in my opinion, even in the existence of a Railroad, would continue to be the principal channel of conveyance, as well for the travellers as the produce of the frontier line, for several miles from the river, during nine months in the year.

4th. Along the southern route, there are no great tributary lateral sources for supplying way business; whereas that business by the northern route would come, not merely from both sides of the valley of the Ottawa as far as Bytown, but from that valley for some hundreds of miles above Bytown, already fast opening up, and also from the several other rivers, and sections of country where lumber is now made. Some of these may furnish way business only for that trade and its supplies for a few years, but only a few, however, when its general business may fairly be estimated at double that by the St. Lawrence; and as the road is projected, not for the present merely, but for the future accommodation of the country especially, the Committee will undoubtedly take this into consideration in estimating the amount of way business and the general benefits to be derived from the road.

5th. There is at present, perhaps, no material difference between the amount of population along the routes of the several lines; but the country along the St. Lawrence being already well settled, will increase but slowly, whereas, that through which the northern line would pass, being still in part a wilderness, would soon be changed into a fruitful field by this road; and, considering its extent and fertility, would probably more than double the population of the frontier line in less than twenty years.

6th. There is also another consideration which must be apparent as operating against the southern route.—I mean the facilities afforded by the Ogdensburg Railroad for conveying produce, &c., to and from the New England markets, where a good price has been obtained for our produce of late years. This would evidently diminish the way business and revenue of any Canadian Trunk Line coming to Montreal and lying near the St. Lawrence.

Ans. to Ques. 71. The several considerations stated in the reply to the last question above are, I think, sufficient to lead to the belief, that the increased amount of business on the northern route, over any other between Montreal and Kingston, would more than compensate for the increased amount of expenditure in the construction of the road by that route.

Ans. to Ques. 72. Some of the general benefits which the Province would derive from opening up the Ottawa route, over and above that of the southern route, have been noticed in the reply to the 70th question. But besides, as the St. Lawrence country is already settled, no new territory would be opened up by a road along its banks; whereas the immense unsettled tracts of land along the Ottawa and its various tributaries, for hundreds of miles, would soon be inhabited were this road to pass through it. It would afford an outlet for the productions of the country already partially settled for three hundred miles above Bytown. Another important consideration appears to be that, as the canals on the St. Lawrence are Provincial works, and the public revenues are prospectively to depend materially on the revenues of these canals, no road should be located so near them as to interfere with those sources of our wealth. This, a southern line would

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

necessarily do, while the northern line would be so far removed from them as not to affect them very materially.

Ans. to Ques. 73. I am decidedly of the opinion that in a military point of view the Ottawa line is preferable to any other, especially should our position at any time unfortunately become hostile to that of the neighbouring republic, as the history of the late war with that country, as well as of our late disturbances, fully proves.

Ans. to Ques. 74. No other considerations suggest themselves to my mind at present beyond one of a local and somewhat personal nature, which have, however, their foundation in natural justice,—that is, that those residing on the frontier line have already one of the noblest highways in the world to the ocean and the markets of the world, and upon which immense sums of money have been expended; while those in the northern section have no such communication, except so far as the Ottawa River serves that purpose, for a part of the way only, on which, however, there has been but little expenditure of public money, as compared with that of the more favoured districts in the south.

John Mackinnon, Esq., of New Edinburgh; examined.

Ans. to Ques. 69. In constructing a Grand Trunk Line of Railway, the true interests of the Province would be best consulted by adopting the most direct route; because experience has proved, both in England and in the United States, that whenever a departure from this rule has taken place, it has invariably been found prejudicial to the great through traffic. I am therefore of opinion that it would not be to the best interest of the Province that the route should be lengthened by approaching the Ottawa through Bytown and Perth.

Ans. to Ques. 70. No such Trunk Line can hope to accommodate all the way-traffic of the country it will drain, without the aid of auxiliaries—either in the form of Plank or Macadam roads, or Branch Railways. By laying the Line near the St. Lawrence, the road will have at least as good a chance of securing all the trade of the region north of it as if the Ottawa route, *via* Bytown and Perth, were adopted. In the former case, the business of what may be termed “the St. Lawrence Country” north of the Line could not reach that river without crossing the Rail—which would thus have an opportunity of arresting it. In the latter case, the greater portion of the St. Lawrence country business would tend from the line of Railway to the “Front”—whilst the immense country north of the Line would still need the aid of branch roads to enable its business to reach the Rail. Very little business will take a northerly direction—all, or nearly all, will go south—from which it may be argued, that, by selecting the northern route, the trade of all the country south of the line would be lost to it—whereas, by adopting the southern route, all the northern trade must eventually find its way to it.

Ans. to Ques. 71. I answered this in my reply to the last question, because I consider the way business as likely to be less on the northern than the southern route; I am also of opinion that the expense of construction would be greater, mile for mile, on the northern route.

Ans. to Ques. 72. The benefits to the Province from opening up the Ottawa route, in preference to any other, would in my opinion be less than those to be derived from the southern route. As I said before, branch roads will in any case be indispensable to make the advantages of the main Artery generally

felt. By adopting the southern route, these branches would traverse a greater section of country, be more profitable speculations in themselves, and bring a greater amount of business to the main Line; whereas, by laying the line far back, the branches will all stop short of what would otherwise be their southern termini. No branches, be it observed, would ever be constructed south of the Line, unless to tap and draw business to the river, or the American Railway south of it.

Ans. to Ques. 73. In a Military point of view, I do not think the Ottawa route would give us advantages of such importance as to be of any weight in the scale against the commercial advantages certain to accrue from the other. The Seat of War would be on the Frontier; and, in case of the improbable contingency of having to fall back upon the Ottawa country, the Railway could at once be made unavailable for hostile purposes, supposing it to be near the St. Lawrence, by the application of a few barrels of gunpowder; whilst the Ottawa and Rideau Navigation would still leave us the means of transportation for the Munitions of War.

Ans. to Ques. 74. I consider the true objects of a great Trunk Line of any kind to be, the inducements it holds out for the construction of lateral highways; and therefore, that in the case before us, these highways, which would surely be constructed, would better aid in opening up the country by traversing that portion lying between the Ottawa and what would be the locality of the southern route, than by only reaching from the Ottawa to the northern Line.

Robert Bell, Esq., M. P. P.; examined.

Ques. 76. Which do you consider the best line for a Main Trunk Railroad,—the one known as the St. Lawrence route, or the more northerly one passing by L'Orignal. And what gauge do you consider most suited to such road?—I am decidedly of opinion that the northern route for a main trunk Railroad, has many advantages over the St. Lawrence or southern line. The northern line, running through a part of the valley of the Ottawa, would command the whole of the large and increasing trade of that region of country, which would be entirely lost to the road, should the St. Lawrence route be adopted. On both sides of the northern line, for nearly the whole distance between Montreal and Kingston, there would be a fine agricultural country with no other efficient outlet, while the other line would have the trade of but one side, and a considerable portion of even that would be carried on by water, or diverted into other channels south of the St. Lawrence. By the northern line the surplus produce of the country would find an outlet to the ocean at our own seaports, while by the other route a large proportion of it would probably reach the seaboard in a foreign country. I am not sufficiently acquainted with the subject to give an opinion respecting the broad or narrow gauge.

Benjamin Holmes, Esq., M. P. P.; examined.

Ans. to Ques. 76. I am decidedly of opinion that from Kingston to Montreal the Trunk Line Railroad should be carried through the interior of the country rather than along the front or river route, even though the distance be increased thereby 20 or 25 miles, and the cost of construction added to in proportion, as it will tend to the opening up of a country now suffering for the want of such communications, and supply an outlet for its productions and enhance the value of property in the interior, which for the want thereof is now suffering serious drawbacks. I believe

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August,

the cost of construction of good Railroads, may safely be estimated at between five and six thousand pounds per mile. I cannot offer an opinion based on practical knowledge, but consider the broad gauge the preferable for freighting purposes, as it is unquestionably the most pleasant and steady for passengers, the carriages being not subject to near so much motion as is imparted to them by the narrow gauge. I do not think the returns from the transportation of freight will, if the front line is adopted, be anything like equal to what it will be should the interior or northern line be determined upon. During the season of navigation it cannot be supposed that flour or other products from the Lakes, will be landed at Kingston or Prescott to go by rail, instead of continuing on by water to its destination: the doing so would add materially to the expense, besides being injurious, as all transhipments are—while so soon as the navigation is closed, there will be little if any freight to be forwarded from the Lakes; consequently the front route could derive no advantage from that source of revenue over the northern route. Passengers, I conceive, would, during the summer months prefer descending by the river boats, rather than by rail, but even if they took the land route the difference of an hour's time between the two routes, would be considered of no great consequence; while by going the northern route, in addition to the passengers from Kingston and West, you would have a larger passenger traffic connected with the lumbering districts than by the front line, in my judgment more than double, and in addition, a very considerable amount of freight would be secured to the road—over and above what could be anticipated on the front line. I consider the intercourse between the City of Montreal and Bytown and the lumber regions, of a vast deal more importance in a commercial point of view than that between Montreal and Kingston—should say the value of the trade from the latter point east to Montreal, not equal to a fifth of the trade between Montreal and the Lumber Districts of which Bytown is the centre. I do not think a Railroad from Bytown to Prescott would, if constructed, be equally beneficial to the Province as an outlet for its products, as if the contemplated road was carried from Kingston *via* Bytown to Montreal; certainly it would be injurious to the latter city—inasmuch as sawn or dressed lumber and other freight would be thereby directed to the Ogdensburgh line, and all the benefits derived from a transit trade would go to a foreign instead of to Provincial Companies. I cannot answer what is the exact expense per mile, for transporting lumber per Railroad, but if the Trunk Line is carried from Kingston to Montreal through Bytown, the competition between the Ogdensburgh and Montreal routes should the Prescott road be built—will ensure cheap freights by either, and enable the Bytown producers to send their products to the New York and Eastern markets on cheaper terms than if the front line is adopted. I have given it as my opinion that downwards, passengers would prefer the steamboats during summer to the Railroad. Upwards I think, the reverse might be relied upon—the trip would be done quicker owing to the delays occasioned in the Canals, and besides, travellers would have the advantage of seeing much of a country now little known. I think if this Railroad is made, a considerable quantity of the timber now sent down the river in logs would be cut into boards and lathing—and still further increased in value by being dressed and made up for the New York market in the shape of window sashes, door frames, pannels, &c., also for instance, into what are known as box shooks—that is, packing boxes of various dimensions for Dry Goods and Sugar—taken to pieces and put up in bundles largely for exportation to the West India Islands, of which vast quantities are annually sent to Cuba—and thus instead

Appendix
(U. U.)

30th August

of our lumber trade leaving some eight or ten dollars for a stick or tree, the country would be benefited three times that sum by the labour expended upon the log—all of which now goes into the pockets of foreigners, who on Lake Champlain and all along our frontier, so improve the timber imported and prepare it for the markets of the Atlantic Cities. Now timber improved in this manner, will, when the water communications are closed, afford the expense of, and consequently a demand for, transportation by rail, and a market could be reached all the year round, while without it, we should continue to have a summer trade only. I am aware that in the lumber districts all the flour, oats and provisions raised find a ready market on the spot, but considerable quantities more than are produced there are sent to those regions, consequently the freight traffic in those articles would be considerable. I know that large numbers of sleighs are sent from Montreal during the winter season to Bytown, and that from 6s. 3d. to 7s. 6d. per barrel is the cost of transporting a barrel of provisions. I am not sufficiently well acquainted with the face of the country between Kingston and Bytown to give an opinion in regard to the exact route along which the line should run, but whether the line touches Bytown or takes a middle course through the interior, it is my opinion the country would derive advantages from the northern route being chosen which the front route cannot offer. I cannot say from precise knowledge, what number of bridges will be requisite in the northern route—but believe three will be required. Nearly all the square timber now carried up the Richelieu to Lake Champlain is there cut up as I have already described for the New York market, and gives employment to numerous mills with their attendant labourers. The trade is rapidly increasing: it has each year since its commencement more than quadrupled. Four years ago it was less, through the port of St. Johns, L. C., than a million of feet: the last season it had increased to seventeen millions of feet, and nearly the whole of this advancing trade has its source in the lumber regions above and around Bytown, whose inhabitants loudly demand that they should have the benefit of the interior route of the contemplated line of Railroad, and in my judgment the best interests of the Province point to that route in preference to the front line.

Thos. H. Johnson, Esq., M. P. P.; examined.

Ans. to Ques. 76. I consider the Northern route, *via* the Ottawa and Bytown, preferable to the more Southern route *via* the St. Lawrence, for a Main Trunk Line of Railway, because the route along the St. Lawrence would not only be put in competition with the Ogdensburgh line, and with the splendid navigation of the St. Lawrence during the summer season, but it would tend to divert the trade from the interior of Canada to the American Line, thence finding its way to the Atlantic Cities of New York and Boston; whilst the more northern line would not only command the same share of travel to and from Kingston, passing through the line westward, but it would confine the travel within our own territory, and make Montreal the grand terminus, and would open up and drain the trade from the extensive Ottawa country, which of itself would be sufficient, in all time to come, to more than pay the whole expense of the route from Kingston downwards; whilst the way business between Kingston and Montreal, *via* the southern route, would be merely nominal. I am not sufficiently acquainted with the subject to form any opinion as to the width of gauge necessary to adopt.

Appendix
(U. U.)

30th August.

E. Malloch, Esq., M. P. P.; examined.

Ans. to Ques. 76. I am of opinion that the line from Montreal to Kingston, should be carried through the Ottawa county rather than along the front of the St. Lawrence. I consider that if the distance should even be longer, it will not only open out a comparatively new country, but will, in time of War, be free from the interruption likely to be caused by Foreign aggression—and at the same time command the carrying business, to a certain extent, of the lumbering trade of that noble country bordering on the Ottawa, and pass through an excellent agricultural and level country, touching, in all probability, L'Original, Bytown, Richmond, Perth, and numerous other small towns, draining these sections of the surplus agricultural produce, which otherwise would be transported by the St. Lawrence or Ottawa River, but which would never be sent by a front Railroad. I do not think that in the event of the front line being adopted, the freight of the Far West would be transported by Railroad during the summer months; and I also think that passengers during the summer months would prefer going down the River in steamboats, to travelling by Railroad. I consider the passenger travel by the northern route, would be much greater than by the front one, in consequence of the connection with the lumber trade; in fact, in my opinion the freight and passenger transit would more than double; and I conceive that the continual travel and intercourse between Bytown, Perth, Richmond, Pakenham, and the lumbering sections on the Ottawa, is considerably more importance than that between Montreal and Kingston.

I am not sufficiently acquainted with the cost of building Railroads to venture an opinion; but, from my personal knowledge of the line of country through which the Northern line will pass, I have every reason to believe that it could be constructed at a very moderate price.

A very extensive trade in sawn lumber, such as laths, shingles, and frame-work, has sprung up of late years in the vicinity of Bytown, and is increasing every year; this would be transported by Railroad, in preference to the River route, as also a considerable quantity of timber now transported in logs, would be sawn up, and sent by Railroad, by way of Montreal.

I have not the slightest hesitation in saying, that the best interests of the country, generally, would be consulted by constructing the contemplated Railroad on the northern line instead of the front line.

DEPARTMENT OF PUBLIC WORKS
14th August, 1851.

TO THE CHAIRMAN OF THE
COMMITTEE ON RAILROADS.

SIR,—In further reference to the subject of gauges, upon which the Committee were pleased to put some questions to me, I have the honour herewith to transmit for their information, a letter I have received from Mr. Seymour, engineer of the State of New York, and in which that gentleman gives me a copy of a letter addressed to him, on the 6th inst., by Mr. Rogers, of the celebrated house of Rogers, Ketchum, & Grosvenor, the eminent locomotive builders, of New Jersey.

I would also take the liberty to state, that I have had a certified copy of the weights of the largest body or house cars on the New York and Erie Railroad, the agent of the Eastern Division of the Road, (A. S. Whiton, Esquire,) having taken the trouble to weigh twenty of them separately; the result of which is, that their weights are found to vary from

14,300 pounds to 12,800 pounds each; and on calculating the average of all the weights, the average proves to be nearer $6\frac{1}{2}$ tons than seven tons,—assuming the ton at 2,000 pounds nett.

I am, Sir,

Respectfully yours,

H. H. KILLALY.

ALBANY, August 8th, 1851.

HON. H. H. KILLALY.

DEAR SIR,—I enclose herewith a copy of letter just received from Thomas Rogers, engine builder, in Patterson, N. J. Mr. Rogers is the managing partner of the firm of Rogers, Ketchum, & Grosvenor, who build, I suppose, more engines than any other establishment in America. I should think that the opinion of one so experienced as Mr. Rogers would have great weight with your Government. He is a very large stockholder in narrow gauge lines, and has built engines for all sorts of gauges. When I wrote to him, I did not suppose he would speak as decidedly in favour of a wide track as he does.

Yours respectfully,

H. C. SEYMOUR.

(Copy of Letter above alluded to.)

PATTERSON, N. J., August 6th, 1851.

MR. H. C. SEYMOUR.

DEAR SIR,—Your favour of the 4th inst. is received, and contents noticed respecting different gauges, &c.

I was at one time, some years since, of opinion that a narrower gauge than five and a half feet ($5\frac{1}{2}$ feet) was preferable. At that time engines were built much smaller, and ran at a much less speed than they do at the present time. On account of the increased size of engines for freight, and the increased speed and size of passenger engines, we find great difficulty in putting in a boiler sufficiently large to generate steam to supply the cylinders of a sufficient size to run the speed that is required, and take the load required.

There is another serious objection to a four feet eight and a half inch (4 feet $8\frac{1}{2}$ inches) gauge, that is, to arrange the different parts of the engine properly, without raising the boiler much higher from the track than is desirable. I have found, in many cases, when we have built large engines for a narrow gauge, we have been compelled to make the boiler and flues very long, and on account of the great length of the flues, the expansion and contraction of the flues has been so great that it has been impossible to keep them tight, which is a very serious objection.

I have built engines for roads from four feet eight and a half inch (4 feet $8\frac{1}{2}$ inches) gauge, to seven feet (7 feet) gauge, and I am satisfied that a six feet (6 feet) track is preferable to a four feet eight and a half inch or a five feet track. I consider a five feet and a half gauge preferable to a six feet gauge.

A five and a half feet gauge is sufficiently wide to put in a boiler of proper dimensions, and also to arrange all the different parts of an engine as heavy as is desirable to put on a road.

We have engines in our shop at the present time, which we are building for six feet (6 feet), four feet eight and a half inch (4 feet $8\frac{1}{2}$ inches), and five feet four inch (5 feet 4 inches) gauge, and I think the five four inch gauge is preferable to either of the

Appendix
(U. U.)

30th August

Appendix
(U. U.)

other gauges; and I think two inches more, making it five and a half feet, would be no objection.

30th August.

I am decidedly in favour of a wider gauge than four feet eight and a half inches.

There is another serious objection to a narrow gauge, that is, being compelled to raise the engine so high from the track, that in going around a curve, it causes the engine to roll much more than it would if it was a wider gauge, in consequence of which it throws much more weight on the outer rail, which increases the friction and wear and tear of the engine and road much more than the wide gauge, which causes a great loss of power at the time when the greatest power is required to take the engine and train around the curves; in consequence of which I think you would be able to take a much heavier train over a road of five and a half feet gauge, than you would over one of four feet eight and a half inch gauge.

I also think that it would cost much less to keep the track, with the wide gauge, in repair, than it would the narrow one, on account of the weight of the engine and cars being more equally divided on the rails.

Yours truly,
THOMAS ROGERS.

[The following letter, in relation to the letter of Mr. Killaly above, was received from Mr. Benedict on the 18th August.]

NORTH AMERICAN HOTEL,
TORONTO, 18th August, 1851.

To

THADDEUS PATRICK, Esq.,
Clerk Com. R. R. and Telegraphs.

DEAR SIR,—In reading the proceedings of the Committee on Railroads that you were kind enough to furnish this morning, I noticed that Mr. Whiton, agent of the eastern division of the New York and Erie Railroad, had furnished the weight of twenty of the largest body or house cars used upon that road, to the Hon. H. Killaly, and that their weights are found to vary from 14,300lbs. to 12,800lbs. each. Mr. Killaly, upon calculating the average weight, states that they prove to be nearer $6\frac{3}{4}$ tons than 7 tons. I apprehend that Mr. Killaly has been misled in his calculations, from the circumstance of the weight having probably been given in tons and pounds, and that the weight should be given 14 tons, 300 pounds and 12 tons, 800 pounds, instead of 14,300 pounds and 12,800 pounds. I enclose herewith a copy of letter from George B. Redfield, freight master of the Rochester and Syracuse Railroad, in answer to enquiries made as to weight of cars and loads upon the narrow gauge from Albany to Buffalo. The information that I had in relation to the weight, &c. of cars on the Erie Railroad, (six feet gauge) was obtained from Henry S. Welles, who was engaged in prosecuting a heavy contract on that road at the time, and who at my request made the enquiries of the engineer of the road, and I have no doubt his information was correct, as it corresponds with Mr. Redfield's, taking into account the difference in the width of the gauge. You will perceive that the average of 12 tons, 800 pounds and 14 tons, 300 pounds would make the weight of the cars 13 tons, 550 pounds instead of $6\frac{3}{4}$ tons. Two thousand pounds to the ton having been adopted in the State of New York, it is of common occurrence to write weights down in figures in the manner adopted by Mr. Whiton. It cannot be possible that the weight of the cars on the 6 feet gauge of the Erie Railroad can be less than those on the 4 feet $8\frac{1}{2}$ inch gauge from

Albany to Buffalo. I should not have troubled the Committee with this explanation had Mr. Killaly been in Toronto, but as the statement of Mr. Whiton apparently conflicts with the evidence given by me before them, I deem it alike proper and relevant.

With respect,

I remain, Yours truly,
ROSWELL G. BENEDICT.

ROCHESTER, 26th February, 1851.

R. G. BENEDICT, Esq.,

DEAR SIR,—Yours of the 24th came duly to hand, and having noticed the questions propounded, in answer would reply to yours:

First, That 8 wheel freight cars weigh 8 tons.

Second, That 8 wheel passenger cars weigh 8 tons.

Third, That 8 wheel platform cars weigh $6\frac{1}{2}$ tons.

Fourth, The load for freight cars is seven tons.

Fifth, The average number of loaded cars drawn in freight trains is 20.

Respectfully Yours,
G. B. REDFIELD.

John Young, Esquire, of Montreal, Vice-President of the St. Lawrence and Atlantic Railroad Company; examined.

Ques. 77. Will you have the goodness to communicate to the Committee your views upon the eligibility or propriety of bridging the Richelieu at any point between St. Johns and the Province Line, with your general impressions upon the subject, and such details connected with it as you may be enabled to communicate?—I am opposed to the obstruction in any way of the navigation of Lake Champlain. A bridge placed across the Lake at any point above St. Johns would obstruct navigation, and such is the unanimous opinion of the Board of Trade of Montreal, and of the merchants generally. I am largely engaged in trade, particularly with Western Canada and the Western States; and, great as is the commerce now carried on with the Eastern States and these localities, it is as nothing compared with what will be the commerce between them in even 25 years. The Western States are interested, and more particularly the people of Canada, in sending their produce to a market by the cheapest route. The people of Canada are still more interested in attracting the trade which now passes through the Erie Canal to the east, to the route of the St. Lawrence. At present the great bulk of produce from the west is landed at Buffalo, Oswego, or Ogdensburgh, above all the public works of Canada. A large amount of produce is also landed at Oswego from Canada in transit to New York. It is my opinion that the construction of a canal to connect the waters of Lake Champlain with the St. Lawrence, thereby enabling the vessel loading at Chicago, Cleveland, Hamilton, or Toronto, to discharge her cargo at Burlington or Whitehall, and re-load there with the freight upwards, which now reaches Hamilton, Toronto, Chicago, &c., through the Erie Canal, would give to Canada the complete command of the whole transport from the west to the east, and insure the collection of tolls on the St. Lawrence works, which are now paid into the Treasury of the State of New York. By a survey of the ground ordered by Government, it was found that a highly favorable line for a canal existed, but the outlet on Lake Champlain was below St. Johns, and not above, consequently all vessels, timber, &c.

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

&c. must pass St. Johns, going south. At present vessels, timber, &c. descend the St. Lawrence, ascend the Richelieu River, and pass through the Chambly Canal to St. Johns. Timber has to pass through the canal, is rafted at St. Johns, and from thence towed through the Lake. The piers of the proposed bridge are to be 60 feet wide. It is evident therefore that the raft put together at St. Johns would have to be broken up into cribs at the bridge (which will be about 21 miles from St. Johns), and re-raftered after passing through. This would add greatly to the expense of the transport. In the season of 1850, about 2,000,000 cubic feet of timber was exported from Canada to the United States through St. Johns, and there is no doubt, but that this trade is destined to increase rapidly. 2995 vessels arrived at St. Johns the past season, and 2997 were cleared, and this is but the beginning of a trade which will increase to an extraordinary extent when vessels from the upper Lakes can pass through to ports on Lake Champlain without breaking bulk. To obstruct, therefore, any part of the navigation between St. Johns and other Lake Champlain ports, will prove of the most serious detriment to navigation. The vessels referred to as arriving at St. Johns, sail to and from St. Johns. If there was a bridge across the Lake, they would be compelled to come to an anchor and warp through the "draw," when it would often be impossible to get under weigh with certain winds. For further information, I would refer you to the evidence given before a Committee of the Senate of the State of New York on this subject, a copy of which I now lay before the Committee. (Witness handed in a printed copy of the Report of a Committee of the Senate of the State of New York, dated 28th January, 1851, which is filed with the Records of the Committee.) According to the returns of the Inspector General, there was shipped from St. Johns in 1850:

79,120 tons of timber, staves, &c.
21,472 tons of agricultural produce.
3,577 tons of manufactures.
1,904 tons of general merchandise.

Benjamin Brewster, Esq., of Montreal; examined.

Ans. to Ques. 77. With reference to this question, I should say a great trade now exists between the St. Lawrence and the Atlantic ports, and this renders it advisable to facilitate as much as possible all the present methods of conveying passengers and goods, which contribute to the support of our Public Works. There can be no doubt that a bridge over the Richelieu would favour this trade, and I may state in confirmation of my own views, that the forwarders on the St. Lawrence will prepare for an augmentation of their traffic the moment they are assured of the construction of such a work. If thrown across near Ash or Bloody Islands, and adapted for Railroad purposes, so that cars could run over without breaking bulk, and thus keeping open the communication at all seasons of the year, and connected with the unrivalled line of inland navigation terminating at the extensive wharf now in course of construction opposite Montreal, our forwarders would obviously be placed in a most advantageous position, and would undoubtedly possess themselves of a very large share of the commerce at present passing by the Erie Canal to the New England States. The profits on this carrying trade would, of themselves be very considerable; but besides the private gain, freights descending from or ascending to the upper lakes would pay toll through the whole of the Canadian canals. It has been alleged that a bridge at the point I have mentioned would be an obstruction to the

Appendix
(U. U.)

30th August.

navigation of the river Richelieu; but this could be so managed as to have it in a narrow place where the water is shallow, so that it would in truth diminish the channel to a very trifling extent. Besides, it is to be remembered that there are already several bridges on the Richelieu, and a charter has been obtained for another one to be erected by a Railway Company near the town of St. Johns. One other bridge cannot, therefore, offer any insuperable objection, and would, in fact, hardly be felt by persons navigating the lake and river. A very considerable trade is now carried on, and I never heard a complaint of the existing bridges.

Hon. James Ferrier, of Montreal; examined.

Ans. to Ques. 77. I am opposed to the obstruction of all navigable waters. Lakes and rivers belong to every man, as his inalienable right. I do not think that the rights of a whole community should be interfered with, and their interests sacrificed to give certain advantages to a few, who may invest their capital in Railroad enterprise.

I wish to draw the attention of the Committee to the fact, that the waters referred to, from St. Johns to the Province Line, form a part of the navigation of Lake Champlain: that the trade between this Province and the United States is increasing rapidly; that such an obstruction as a bridge across Lake Champlain, at any point between St. Johns and the Province line, must interfere and have a most dangerous effect upon that trade particularly, so large a portion of it being in timber, and that timber frequently in large rafts, which must be taken apart at every bridge. These obstructions are already bad enough on the Richelieu, and I trust will never be increased by bridging Lake Champlain. Besides, consider many of the individuals owning vessels navigating the waters of Lake Champlain have their whole property and living vested in their vessels. Were a bridge thrown across, they, in every storm, and particularly in spring and fall, during the heavy gales on that lake, would be exposed to be dashed to pieces on the piers of the bridge; no vessel can be brought up in safety under a heavy gale of wind to pass a draw-bridge. I believe there are parties in the States of New York and Vermont exerting all their influence to obtain the right to bridge Lake Champlain on this side of the line. Have not the Ogdensburgh and Vermont Central Railroads with all their interests made unsuccessful applications to the New York Legislature, for two Sessions past, to bridge at Rouse's Point? Last Session one of the Senators of that State, on the floor of their House stated, that should the New York Legislature refuse the right to bridge Lake Champlain, the Canada Legislature would give the right to bridge on our side of the line; and after this argument the Bill passed the Senate. Now the united interests of the Vermont Central and Ogdensburgh Railroads, with the St. Lawrence and Lake Champlain Company, bring up a Bill before this Parliament, asking the right to bridge the Lake on this side the line. They have had that Bill, as now printed, sent to Albany, and put into the hands of the Members of both Houses of the Legislature, with assurances that it will become law. The friends of free navigation are deceived, and may be led to the conclusion that if the Canada Legislature give the right of bridge on their side the line, and damage the navigation, they may as well give the right to bridge at Rouse's Point. With all the advantages that the State of New York has derived from the Ogdensburgh Railroad, and with the interests of that road, and the Vermont Central brought to bear upon their Legislature, that Govern-

Appendix
(U. U.)

30th August.

ment has hitherto protected the rights of the navigators of Lake Champlain; and I trust that our Legislature will never pass an Act that would damage the navigation of that Lake.

William A. Merry, Esq., Secretary of the Champlain and St. Lawrence Railroad Company; examined.

Ques. 78. For what purpose does the Company with which you are connected require a bridge over the River Richelieu?—In order to compete with the Ogdensburgh Railroad for a large carrying trade, which the Champlain and St. Lawrence Railroad Company established and held previous to the opening of the Ogdensburgh Road, but which that road has taken from them, and now monopolises—namely, the transport of the produce of the Western States and Canada West, from the River St. Lawrence to Lake Champlain for consumption in the Eastern States, and for shipment from the Atlantic ports.

Ques. 79. What advantages did that road possess which enabled it to deprive your Company of that branch of business?—The advantage of delivering at the chief point for shipment on Lake Champlain which the Champlain and St. Lawrence Company could not do, as their line terminated at St. Johns, and they were obliged to transfer it to vessels there, at a considerable increase of expense and time.

Ques. 80. What are the present relative positions of those two Railroads with respect to the business of which you speak?—Were it not for the passing of a bill by the Legislature of the State of New York, permitting the construction, at Rouse's Point, by the Ogdensburgh Company, of piers (between which a vessel will be placed) to allow trains to pass over the waters of Lake Champlain, the other Company was on the point of being in a position to justify the expectation that it could advantageously compete for the trade alluded to, as within less than one month the extension of their road to Rouse's Point will be opened for traffic, which will admit of property being taken at the St. Lawrence and delivered at the same point with greater facility and at less cost than by the Ogdensburgh Road, the latter being 118 and the former but 37 miles long. But as a large proportion of the produce carried over those roads from the St. Lawrence, is destined either for Boston or for some of the intermediate localities along the lines of Railway from Rouse's Point eastward, and as the Ogdensburgh Company have now powers to construct what may be termed a floating bridge, and which is in fact, launched and nearly complete, by means of which their cars and freights may at once be transferred to the Vermont and Canada Road, and so on to Boston and other places, avoiding the detention and expense of two transshipments and a ferry, the advantages so far preponderate in their favor, that it is quite impossible under the circumstances to attempt to compete with them.

Ques. 81. Is that a large and likely to be a growing trade?—Yes. During the months of October and November, 1849, there were carried over the Railroad from Laprairie to St. Johns, for shipment to the Eastern States, above 40,000 barrels of flour. Besides other produce during the spring and summer of 1850, about the same quantity was taken to Lake Champlain, and it was expected that the fall business would have more than doubled that of the former year. On the first of October the Ogdensburgh Road opened, and the whole of the western produce carrying trade took that channel to Rouse's Point, upwards of 100,000 barrels having been delivered at Ogdensburgh during the two last months of naviga-

tion. Ever since, scarcely any of those products have passed that port, to the serious injury of our forwarding interests, and of the revenues from our public works. It would be impossible to estimate the extent to which that trade, *vid* the St. Lawrence, may grow in a few years.

Ques. 82. Would a bridge at Ash Island, similar to that sanctioned by the State of New York, place your Company on a footing of equality with the Ogdensburgh road, and give it a fair chance to recover and retain a part of the business of which you have been speaking?—I am decidedly of opinion that it would, as besides having a good connexion by means of it with the Eastern States roads, we will soon have our road open to within a little more than a mile of Montreal harbor, where we shall have commodious wharves and every facility for doing business to any extent.

Ques. 83. What effect do you think a structure similar to the piers at Rouse's Point, if erected at Ash Island, with an opening 200 feet wide, would have on the navigation of the river?—In my opinion it would be no obstruction to navigation, except in the possible event of a vessel approaching to pass at the time a train was just being crossed, when a detention of two to five minutes might occur; otherwise I believe it would be an advantage, as the navigable channel there, is narrow, and as the piers would have extensions on either side, giving an opening of about 300 feet; and having fenders and warping posts as well as lights at night, it would be hailed by all parties navigating the river as a vast improvement.

Ques. 84. When the Railroad from St. Johns to Rouse's Point is opened, will the Lake Champlain Steamers go down to St. Johns as at present?—No. It has been officially communicated by the President of the Lake Champlain Transportation Company, who have all the large Steamers on those waters, that they will not pass Rouse's Point, but will there connect with the road, and I am of opinion that all vessels with freights for Canada will discharge there. It is generally considered that the only business which will go up the river, will be the lumber and the grain produced in the vicinity of it, or of the St. Lawrence below Sorel, and that no inward freight will descend by water below Rouse's Point.

Ques. 85. Are not the interests of the Ogdensburgh Railroad Company, and those of the Company you represent, identical, and are not both controlled by the same influence?—Quite the reverse; they are direct competitors for almost every branch of business; the object of the former to tap the downward trade of the St. Lawrence at Ogdensburgh and the upward at Rouse's Point, whereas the Champlain and St. Lawrence Company seek to bring every thing downwards through the Canals to Montreal, and goods destined for the West they endeavour to bring past Rouse's Point, also to Montreal to ascend the Canals. The western produce carrying trade, is and ever will be the great bone of contention, unless the Canadian Company should be forced to relinquish its pretensions, from being cut off by a want of connexion with the roads of the Eastern States. Not one influential Director of the Ogdensburgh Road possesses or is likely to possess a single share of the Stock of the Champlain and St. Lawrence Company, notwithstanding what is alleged to the contrary. The latter Company is altogether independent of the former, and will continue to be so.

Ques. 86. Are not the reasons which have been urged against bridging Lake Champlain at Rouse's Point, equally applicable to a bridge at Ash Island?—By no means. Lake Champlain at the site of

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

the bridge at Rouse's Point, is a mile wide; the deep water half a mile; at Ash Island, the entire width of the river is about 600 feet—the channel about half that,—one is the Lake, the other the River. Immediately above and below Ash Island the channel is less than 200 feet—straight, without swell at all times, and not much current—in fact not one of the arguments had reference or were applicable to open piers at Ash Island. I would respectfully direct the attention of the Committee to the fact, that all the evidence hitherto given, had reference solely to the project of bridging Lake Champlain at Rouse's Point, where the channel, or deep water, is several thousand feet wide, and not to that of bridging the River Richelieu at Ash Island, where it is not three hundred feet wide.

Mr. N. B. Proctor, Captain of Steamer "Ethan Allen;" examined.

Ques. 87. Are you acquainted with the navigation of Lake Champlain and the River Richelieu from Rouse's Point to St. Johns?—Yes. I have been navigating those waters for twenty-two years; seventeen as pilot, and for the last five, captain of a steamer.

Ques. 88. Have you seen the plans of the floating bridge at Rouse's Point, and the works in progress there?—Yes.

Ques. 89. What do you think will be their effects on navigation generally and particularly on the lumber trade?—I have had, perhaps, more experience in the latter than almost any man about Lake Champlain. When that business began, the steamer I command was built, and ever since has been chiefly employed in towing rafts, during the season for lumbering on the Lake. Almost every stick that passed through from St. Johns to Whitehall was towed by the "Ethan Allen." These rafts are sometimes three and sometimes four cribs wide, each crib 23 feet: the widest raft ever towed through the Lake was 92 feet, except one which was 115 feet, and that was found so hard to tow, that it was never again attempted. When rafts do not exceed 100,000 feet, they are made of three cribs wide, 69 feet; when larger than 100,000, they are usually four cribs or 92 feet, because, as it is often necessary to put into small bays along the Lake, the largest rafts, if only three cribs wide, would be too long to get into those bays, otherwise they would be invariably as narrow as three cribs, that width being much more easy of tow than if wider. Besides, the river at the southern end of the Lake is narrow, in some places not more than 100 feet, and rafts must be split up to pass when any vessels are met in the river; and if they were rafted at once of the best width at St. Johns, there would be less loss of time and less cost. From my long experience in towing rafts on Lake Champlain, I consider myself able to form a correct opinion of what would and what would not be an obstruction; and I state unhesitatingly that the piers erected at Rouse's Point will be no injury to the trade in lumbering, there, but on the contrary may prove advantageous. A clear open space of 250 feet will allow the passage of any raft without the risk of striking, by reason of a raft bending or sheering with the wind, as that is nearly three times as wide as the largest raft. In very strong south winds, the swell at that point is so great that rafts cannot head the sea, and must anchor; the piers and piles will be a breakwater and afford shelter to rafts as well as vessels, and will be found a benefit, and not an obstruction. With regard to steamers and sailing craft, my opinion is that the opening is sufficient at

Appendix
(U. U.)

30th August.

all times to allow them to pass freely, and that their security and perhaps safety at times will be increased by having the shelter of those piers to run to at night, particularly when the lights on each side will be a guide, which is now much required. I have had occasion lately to converse on these matters with many of the pilots and masters of vessels on the Lake, who, as well as myself, were opposed to a drawbridge, and they all approve of the piers, and are much pleased with the plan, for the reasons I have stated. A few days ago I spoke on the subject with Mr. Peirce of St. Johns. We were looking at the works, and I asked him what he thought? He said there could be no objection to them, if they had an open space of from 150 to 200 feet, and that he would sign a petition to that effect. Mr. Peirce is largely engaged in lumbering there, and has sailing vessels also. He strongly opposed the drawbridge and attended the Legislature at Albany, and gave his evidence against it. The feeling on Lake Champlain is unanimously in favor of the piers. Every sailor and owner of craft there would go for them.

Ques. 90. Do you know Ash Island, and what effect, in your opinion, would piers of the same construction there have on navigation?—The channel at Ash Island is narrow, barely wide enough for my steamer to swing round in; above, at Bloody Island and below at Hospital Island the channel is about 150 feet only. Piers built at Ash Island with an opening of 150 to 200 feet would improve the navigation, particularly if lighted at night. They would not hinder any vessel or raft in any wind, but would rather prevent the latter swinging on the rocks. As far as I am concerned, and I have a strong interest in keeping the navigation unobstructed, I would be glad to see piers at Ash Island. I would remark that so low down in the river there is no swell—the current is slight. The river to the east of Ash Island is not navigable, growing rushes. A bridge across that side would not obstruct anything, as the channel there is useless, and a piled bridge could not check the water or throw it to the other side.

Ques. 91. What effect do you think the extension of the Railroad from St. Johns to Rouse's Point will have on the business of Lake Champlain?—The steamers and other vessels on the lake, which now go to St. Johns, are making arrangements to stop at Rouse's Point; and as that road is nearly finished, I think that after two or three weeks from this time, no vessels except those engaged in lumbering will go into the river, but will stop at Rouse's Point, as much time will be saved, and the business can be done cheaper.

Chas. Seymour, Esq., Secretary of the Montreal and Vermont Junction Railroad Co.; examined.

Ques. 92. Have you any information to lay before the Committee respecting the Bill of the Champlain and St. Lawrence Railroad Company, and if so, state it?—I have examined the Bill introduced by the Champlain and St. Lawrence Railroad Company before the alterations were made, and also since the most objectionable portions of the Bill were struck out. That Company having abandoned their original project of bridging the navigable waters of Lake Champlain, north of the Province Line, and adopted in its stead a plan similar to the one recently granted by the Legislature of New York, which provides for a clear unobstructed channel of 250 feet, there are manifestly less objections to the passing of the Bill in its present shape than as it originally stood. One important and favorable feature in the new plan, is

Appendix
(U. U.)

30th August.

the fact, that the wider the space or channel left for vessels to pass through, the greater is the accommodation afforded to Railways, as a narrow passage way and a short float will not admit of an entire train passing over it at once; while a broader space or channel, requiring or permitting a longer float, will carry a full train at one trip. The steadiness and general capacity of the float or boat will, I am assured, be in proportion to, and increased with its length. The New York Legislature, in making the liberal concession herein alluded to, evidently designed to consult and harmonize both the navigating and railway interests. In obtaining that concession this same Champlain and St. Lawrence Railroad Company were instrumental. The necessity or desirableness of another, crossing north of the Province Line, after the same Company have procured the same privileges at Rouse's Point, may well be questioned; but the newly proposed mode of crossing in either place, is divested of many of the principal objections that existed in regard to the bridge. The business between those two great lines of Railway, east and west of Albany, is many times larger than the business at Rouse's Point or Ash Island, and as yet they have managed to do without a bridge or car-float, and the public interests have not suffered. If I am correctly informed, and I have no doubt upon the subject, the General Government of the United States will not permit any obstruction to the navigation at Rouse's Point, however slight, even with the sanction of the Legislatures of New York and Vermont. If, however, Canada should admit the principle in any degree of interfering with those waters that are considered as public highways, and forming an international navigation and an important channel of inter-communication, it is impossible to say what course the Federal Government of the United States may adopt in reference to any future obstructions that may seriously affect a large number of navigators and vessels employed between the Chambly Canal and ports on Lake Champlain.

[Witness produced the following correspondence in reference to the opinion of the United States Government relative to bridging Lake Champlain.]

(Copy.)

TORONTO, July 14, 1851.

Hon. William Henry,
&c., &c.

DEAR SIR,—During your residence at Washington as a member of the United States Congress, I believe you had occasion to confer with the Secretary of State upon the subject of bridging the navigable waters of Lake Champlain. Permit me to enquire what opinion was expressed regarding the right of any one or two States to grant such a charter, and the probability of such grant being ratified or made by the General Government.

Very Respectfully,
Yours,

BENJ. HOLMES.

TORONTO, July 14, 1851.

DEAR SIR,—In answer to your inquiries in relation to the opinion of Mr. Buchanan, late Secretary of State of the United States, on the subject of Bridging Lake Champlain, I have to say, that he expressed the opinion that the navigable waters of Lake Champlain, not only dividing two States but furnishing a channel of inter-communication between Canada and the United States, are beyond the control of either Vermont or New York or both said States; that the Lake was a national water—a public highway, and no obstruction to its navigation could legally be made without the consent of the General Government.

Mr. Buchanan also expressed the opinion, that policy as well as duty to a neighboring, friendly power, should prevent the General Government from assenting to a measure prejudicial to the interest of the citizens of Canada.

I have the honour to be,

Your obedient servant,

WILLIAM HENRY.

To B. Holmes, Esquire, M. P. P.,
Toronto.Appendix
(U. U.)

30th August.

A P P E N D I X .

C O N T E N T S .

- No. 1.—By-law of the Municipal Council of the County of Simcoe, of 22th January, 1851, providing for a subscription of £50,000 Stock in the Ontario, Simcoe, and Huron Railroad Union Company,
- No. 2.—Schedule of the several Companies incorporated for the construction of Railways in Upper Canada, from the date of the first Act of incorporation to the close of the Session of 1850; shewing the extent of the privileges granted to each corporation, with the proceedings taken thereupon, chronologically arranged.
- No. 3.—Schedule of do. do. in Lower Canada, with a statement of the general Railroad Acts affecting the whole Province.
- No. 4.—Report of the Hon. H. H. Killaly, Civil Engineer, relative to the St. Lawrence and Atlantic Railroad.
- No. 5.—Report of the Directors of the Great Western Railroad Company, for 1851.
- No. 6.—Bill for consolidating in one Act certain provisions usually inserted in Acts authorising the making of Railways (Reported by the Committee.)
- No. 7.—Documents referred to in the Evidence of C. P. Treadwell, Esq.:
- A.—A chapter on the St. Lawrence and the Ottawa,—extracted from a paper by Wm. F. Coffin, Esq., Joint Sheriff of the District of Montreal, entitled, "Three Chapters on a Triple Project."
 - B.—Letters from C. P. Treadwell, Esq., published in the Montreal Herald of 30th Nov., 1850, with Report of a Survey of part of the St. Lawrence and Ottawa Grand Junction Railway by Mr. Robert Hamilton, Provincial Land Surveyor.
 - C.—Letter published in the Montreal Herald of the 25th January, 1851, (signed "Earnest,") pointing out the claims of the Northern Line from Montreal to Caledonia Springs.
 - D.—Letter from Mr. Duncan Sinclair, Provincial Land Surveyor, on the same subject.
 - E.—Extract from the Montreal Gazette of the 12th May, 1851,—containing a letter signed "Ottawa," relative to Mr. Gzowski's Report on the comparative merits of the Ottawa and St. Lawrence routes,—Report of Mr. Fleming on the northerly route,—Letter from Mr. Treadwell, communicating the same to C. A. Low, Esq.,—Statistics prepared by Mr. Treadwell of population, valuation of property, products, &c, along the proposed line,—and Remarks (from the Bytown Packet) shewing the extent and value of the Ottawa Country.
 - F.—Extract from the Montreal Gazette of 9th June, 1851, containing a second communication signed "Ottawa," on the subject of Mr. Gzowski's Report,—and a letter from C. P. Treadwell, Esq., on the subject of Branch Roads, and the gauge to be adopted for the Railroad.
 - G.—Copy of the notice inserted in the Canada Gazette and other papers, of the application to Parliament in favor of the northerly or Ottawa line, with the names of the applicants.
- No. 8.—Returns from various Railroad Companies,—shewing the amount of stock subscribed since the passing of the Act authorizing the Provincial Guarantee to Railroads,—the names of the stockholders, number of instalments paid in, and amount paid thereon.
- A.—Return from Great Western Railroad Company.
 - B.—Return from St. Lawrence and Atlantic Railroad Company. Supplementary Return from do.
 - C.—Return from Quebec and Richmond Railway Company.
 - D.—Return from the Brantford and Buffalo Joint Stock Railroad Company.
 - E.—Return from the Champlain and St. Lawrence Railroad Company.
 - F.—Return from Ontario, Simcoe, and Huron Railroad Union Company.
 - G.—Letter from Secretary of the Montreal and Vermont Junction Railroad Company.

No. 1.

By-Law.—To provide for the taking Stock in the "Ontario, Simcoe and Huron Railroad Company" in the sum of £50,000, issuing Debentures for that amount, and securing payment of the same.

WHEREAS the construction of a Railroad uniting the waters of Lakes Ontario, Simcoe and Huron, would tend materially to the advancement and prosperity of the County of Simcoe:

And whereas certain proposals have been made to the Directors of "The Ontario, Simcoe and Huron Union Railroad Company" for the construction of a Railroad through the County of Simcoe, at and for the sum of six thousand two hundred and fifty pounds per mile, on the terms following, to wit; "That within two years and a half from the period of commencement the said Railroad should be completed, taking in payment the bond of the County of Simcoe for fifty

thousand pounds; the private subscriptions of the people of Toronto guaranteed by the six per cent. bonds of the said Company for fifty thousand pounds; the Stock of the Company at par for one hundred and fifty thousand pounds with the privileges of the Charter; the sum of twenty-five thousand pounds bonus voted by the City of Toronto in aid of the work, and the balance in Government debentures or in the stock of the Company at the option of the Contractors or as may hereafter be agreed upon:

And whereas the Directors of the said Company have on their part and behalf and as far as the same relates to them, accepted the terms of the said proposals:

And wheseas also, under and by virtue of the provisions of certain Acts of the Provincial Legislature, authority has been given to Municipal Corporations to take stock in the said Railroad to an amount not exceeding fifty thousand pounds, and to issue debentures

Appendix
(U. U.)

30th August.

tures for such Stock, providing for the payment in such manner and way as to the said Municipal Corporations shall seem desirable :

And whereas also resolutions have already been passed by the Municipal Council of the County of Simcoe, to the effect that it was expedient for the general welfare of the County that aid should be extended towards the construction of the said Railroad :

And whereas also it is now deemed proper and desirable, and it is the intention of the Municipal Council of the County of Simcoe to assist in the construction and forwarding of the said Road by taking stock to the amount of fifty thousand pounds in the said "Ontario, Simcoe and Huron Union Railroad Company" on the conditions hereinafter expressed, and providing for the payment of the same by the issue of debentures payable in manner and on the terms hereinafter declared, and in conformity with the provisions following ; That the said Municipal Council of the County of Simcoe shall take stock in the said "Ontario, Simcoe and Huron Union Railroad Company" to the amount of fifty thousand pounds, and that the debentures of the County to the said amount of £50,000 shall be prepared payable in twenty years bearing interest at the rate of six per cent. per annum, such interest being payable half yearly, and that such debentures shall be lodged in the hands of the County Treasurer to be by him issued from time to time at by and upon the written order of the Warden of the Municipal Council of the County of Simcoe for the time being ; That such orders shall be given by the said Warden of the Municipal Council of the County of Simcoe upon the written certificate of the Chief Engineer employed in the construction of the work being first had and obtained, to the effect that certain fixed amounts have been actually expended on the same, to wit : that when the amount of ten thousand pounds shall have been laid out and expended by the Contractors in the actual laying down, construction and building of the said Road that the fifth part of such sum or two thousand pounds in debentures shall be issued, and the remainder of said debentures shall be issued at a like ratio of one fifth upon such certificates first had and obtained as aforesaid, until the full sum of fifty thousand pounds debentures shall have been issued, That any profits which may arise during the construction of the work and until the road be completed shall go to and be paid to the said "Ontario, Simcoe and Huron Union Railroad Company ;" That the sum of two hundred and fifty thousand pounds balance shall be paid in Government debentures or in the stock of the Company as may be agreed upon between the Directors and the Contractors employed on said Road ; That three members of the Council be appointed, as Commissioners to complete the contract on the part of the said Municipal Council of the County of Simcoe with the Directors of the "Ontario, Simcoe and Huron Union Railroad Company," which said Commissioners shall retain their appointment until the contract be fully agreed upon and entered into, and shall have full power to transact all and every the necessary business previous to the stock being taken therein, to examine and thoroughly satisfy themselves that the security offered, given and entered into for the construction and completion of the said Railroad, and laying down the same upon the western side of Lake Simcoe, and in every other manner carrying out the said contract be full, ample, perfect and undoubted.

Be it therefore hereby enacted by the Municipal Council of the County of Simcoe, assembled pursuant to the statutes in that case made and provided, and it is hereby enacted by the authority of the same that (£50,000) fifty thousand pounds of stock of the "Ontario, Simcoe and Huron Union Railroad Company"

Appendix
(U. U.)

30th August

be taken forthwith by the Warden of the said Council for and on behalf and in the name of the said Municipal Council of the County of Simcoe, subject to the provisos and conditions in the recital hereinbefore mentioned, and it is hereby enacted that for the payment of such stock there shall be issued by the said Council debentures to the amount of (£50,000) fifty thousand pounds payable in twenty years from the issuing thereof, with interest thereon at the rate of (£6) six pounds per centum per annum, payable half yearly ; And it is also hereby further enacted that there be raised and levied out of, from and upon all assessable property of the said County in each year of the next ensuing four successive years from the date hereof, such sum of money as shall be sufficient for the payment of the interest which shall accrue and become payable on the debentures which shall or may be issued for the above purpose ; It is also hereby further enacted, that for the above purpose and in manner aforesaid, there shall be raised and levied in the next twelve successive years thereafter namely in the years which shall be in the years of our Lord 1855, 1856, 1857, 1858, 1859, 1860, 1861, 1862, 1863, 1864, 1865, and 1866, respectively, such sum of money as shall be sufficient for the payment of the interest which shall accrue and become payable on the debentures which shall or may be issued for the above purpose, and also for the payment of one twentieth ($\frac{1}{20}$ th) part of the principal money of the said (£50,000) fifty thousand pounds of said debentures ; It is also hereby further enacted, that for the above purpose and in manner aforesaid, there shall be raised and levied in each year of the next four successive years which will be in the years of our Lord 1867, 1868, 1869 and 1870, respectively, such sum of money as shall be sufficient for the payment of the interest which shall accrue and become payable on the debentures which shall or may be issued for the above purpose, and also for the payment of one-tenth ($\frac{1}{10}$ th) part of the principal money of the said (£50,000) fifty thousand pounds of said debentures ; And it is also hereby further enacted, that debentures shall and may be issued from time to time, as may be deemed expedient, by the Warden of the said County for the purpose of paying such part of the said (£50,000) fifty thousand pounds of debentures as shall be found requisite and necessary to be paid to the said Railroad Company in accordance with the provisos hereinbefore in the said recital set forth, and that such amount of debentures shall be paid to the Directors of the said Railroad Company whenever the said Directors shall be entitled to receive the same, or within a reasonable time not being more than seven days thereafter. And it is also hereby further enacted, that William Armson, Thomas McConkey and Jonathan Lane, Esquires, be the Commissioners appointed and they are hereby authorised and appointed to do all other things which may be necessary to carry out the objects of the said Municipal Council in relation to the taking of the said (£50,000) fifty thousand pounds of stock in the said Railroad Company, and as to all preliminary arrangements that may be connected therewith which may be in accordance with the spirit of this By-law, the said Commissioners to retain their authority until the said contract be completed.

(Signed,) WM. ARMSON,
Warden C. S.

Certified Copy.

FRED. C. CAPREOL,
Manager.

25th January, 1851.

Certified to be a true copy.

JNO. McWATT,
County Clerk, County of Simcoe.

No. 2.

SCHEDULE of the several Companies incorporated for the construction of Railways in Canada, from the date of the first Act of incorporation, to the close of the Session of 1850: shewing the extent of the privileges granted to each Corporation, with the proceedings taken thereupon—Chronologically arranged.

I. UPPER CANADA.

NAME OF COMPANY INCORPORATED.	DATE OF ACT.	AMOUNT OF CAPITAL.	DIRECTION OF ROUTE.	TIME WITHIN WHICH RAIL-ROAD MUST BE COMPLETED.	REMARKS.
1. COBOURG RAIL-ROAD COMPANY.	4th Wm. IV., c. 28, (6th March, 1834.)	£40,000 in 4,000 shares of £10 each.	From any point on Rice Lake to Lake Ontario, at or near Cobourg. (See Remarks.)	To be commenced within two years, and completed within eight years, from the passing of the Act.	By 6 Wm. IV., c. 19, the time for commencing operations was extended for three years, from 20th April, 1836. By 7 Wm. IV., c. 74, Government Debentures to the amount of £10,000 were authorised to be issued to the Company by way of loan, and the 5th clause of the original Act, which limited the route of the Rail-road "to or near the route surveyed by D. P. Rubidge, Deputy Provincial Surveyor," was repealed. The Act incorporating this Company expired from non-user: but by the 9th Vict., c. 80, it is revived, and the Company are incorporated as "The Cobourg and Rice Lake Plank Road and Ferry Company," who are authorised by that Act to construct a planked or macadamized road from Cobourg Harbour to a certain place known as Gore's Landing, on the south shore of Rice Lake, &c. Their capital is fixed at £6,000, with power to increase the same to double that amount if found necessary;—no time limited under this Act for the completion of the road. By 7 Wm. IV., cap 61, the title of the Company is changed to "The Great Western Rail-road Company." Capital Stock may be extended to £500,000; Company authorised to continue the Railroad from London to Point Edward, at the foot of Lake Huron; Receiver General authorised to issue Debentures to Company to an amount not exceeding £200,000, on certain conditions, by way of loan. Canada Company authorised to construct a Branch Rail-road (to join the Great Western) from Goderich to any point between Hamilton and London; Niagara and Detroit Rivers Rail-road also authorised to connect their road with the Great Western. By 7 Wm. IV., c. 62, payment of interest on the loan for the construction of the Rail-road is secured, by providing that in default of the due payment thereof by the Company, the same shall be levied by assessment upon the Gore, London, and Western Districts. By 7 Wm. IV., c. 63, The Great Western Rail-road is divided into three sections; first, from Hamilton to Woodstock; second, from Woodstock to London; third, from London to its western terminus, and neither section may be commenced until the preceding one has been completed; moreover the Directors are required to call in all the stock subscribed for, within five years. By 8 Vict., c. 86, all the aforesaid Acts are repealed, and the original Act 4 Wm. IV., c. 28, is revived, with certain exceptions. The Company is continued as the Great Western Rail-road Company, and their Capital Stock increased to £1,500,000, in 60,000 shares of £25 each; they are authorised to construct the Rail-road from London to Point Edward, at the foot of Lake Huron; to the River Detroit; and to any point on the Niagara River. Under this Act the Rail-road is to be commenced within four years, and completed within twenty years, from the passing of the Act (29th March, 1845). Further provisions are made with reference to this Rail-road, by 9 Vict., c. 81, especially with respect to stock held by persons in Great Britain, denominated in the said Act English Shareholders. By 10 Vict., c. 110, a Company is incorporated to extend the line of the Great Western Rail-way from Hamilton to Toronto, by the name of the Hamilton and Toronto Rail-road Company. (Vide No. 12.) By 13 & 14 Vict., c. 129, Municipal Corporations throughout the Province are empowered to subscribe for stock in the Great Western Rail-road. And by 13 & 14 Vict., c. 130, the Company are authorised to construct a Branch Rail-road from any point on their main line to the Town of Galt, in the County of Halton.
2. LONDON AND GORE RAIL-ROAD COMPANY, afterwards called "THE GREAT WESTERN RAILWAY COMPANY."	4th Wm. IV., c. 29, (6th March, 1834.)	£100,000 in 8,000 shares of £12 10s. each; but may be extended to £200,000 if Railroad carried to river Thames or Lake Huron. (See Remarks.)	From the Town of London to Burlington Bay, and also to the navigable waters of River Thames and Lake Huron; afterwards extended to Toronto. (See Remarks.)	To be commenced within two years, and finished from London to Burlington Bay within ten years, and from London to River Thames and Lake Huron within twelve years from the passing of the Act.	

SCHEDULE of the several Companies incorporated for the construction of Railways in Canada.—Continued.

NAME OF COMPANY INCORPORATED.	DATE OF ACT.	AMOUNT OF CAPITAL.	DIRECTION OF ROUTE.	TIME WITHIN WHICH ROAD MUST BE COMPLETED.	REMARKS.
3. HAMILTON AND PORT DOVER RAIL-ROAD COMPANY.	5th Wm. IV., c. 17 (16th April, 1835.)	£40,000, with the privilege of extending the same to £100,000.	From the Town of Hamilton to Port Dover on Lake Erie.	To be commenced within four years, and finished in ten years, from the passing of the Act.	Expired from non-user. (See also, No. 6.)
4. ERIE AND ONTARIO RAIL-ROAD COMPANY.	5th Wm. IV., c. 19 (16th April, 1835.)	£75,000, with the privilege of increasing it to £150,000, in case of the extension of the works to Lakes Erie and Ontario.	From some point on the River Welland to the Niagara River, at or below Queenston—with the privilege of extending the same from the River Welland to Lake Erie (or to the Niagara River below Lake Erie); and also, to continue the Railway from Queenston to Lake Ontario, if they shall contract for the same before any other company shall be chartered for such a purpose.	To be commenced within one year, and completed within five years, from the passing of the Act. But by 3 Vict. cap. 49, the time for completing the Road is extended for five years.	By clause 22 the Legislature reserves the right of incorporating hereafter, any other company for constructing a Rail-road in any other part of the country between Lakes Erie and Ontario, so as the same shall not impede the completion of any line of Railway actually begun by this Company within three years from the date of this Act. By 7 Wm. IV., c. 68, £5,000 are authorised to be raised by Debentures, and loaned to the Company to enable them to complete their Rail-road. (This Rail-road is in operation from Queenston to Chippawa, on the River Welland.)
5. TORONTO AND LAKE HURON RAIL-ROAD COMPANY.	6th Wm. IV., c. 5 (20th April, 1836.)	£500,000, in shares of £12 10s. each.	From the City of Toronto to some portion of the navigable waters of Lake Huron, within the limits of the Home District.	Road to be commenced within three years, and completed within ten years, from the passing of the Act.	By the Act 7 Wm. IV., c. 60, with a view to facilitate the completion of this Rail-road with the least possible delay, authority is given for the issue of Government Debentures to the extent of £100,000, to be applied in aid of the road after its construction has been actually commenced, and at certain stages of its progress; the principal and interest thereof to be secured by way of mortgage on the said Rail-road; and if the Railway Directors be unable to meet the interest on such Debentures, the same to be raised by imposing a rate on the inhabitants of Toronto, and of the country through which the Rail-road may pass. The Company are further authorised to construct a Branch Rail-road to any point on Lake Simcoe. By the Act 7 Wm. IV., cap. 63, this Rail-road is divided into three sections: 1st, from Toronto to the South side of the Oak Ridges; 2nd, from thence to the North side of the Oak Ridges; 3rd, from thence to the Township of Nottawasaga, on Lake Huron, or to the terminus in the County of Simcoe; and neither section may be commenced until the preceding one has been completed. The Directors are furthermore required to call in all the stock subscribed for, within five years. The Act incorporating this Company expired by non-user. But by 8 Vict., cap. 83, it was revived, and the Company authorised in their discretion to construct either a Rail, Planked, Macadamized or Blocked road. They were also empowered to fix the terminus of such road at any point on Lake Huron they might deem most advisable; and the time for completing the same is extended four years, from 29th March, 1845. The Stock under this Act is £500,000, as in the former one, but in shares of £5 each. By 10 Vict., cap. 111, the Company are authorised "to construct one or more branches from the main line of road extending westward from Toronto to the waters of Lake Huron, so that the said road may have two or more termini on the navigable waters of Lake Huron, on the outlet of Lake Huron." "The Capital Stock of the Company is extended to £1,500,000 currency. Branches extending North or South of the projected line of Rail-road, West of Toronto, to be completed within twenty years from the commencement thereof. By the Act 10 & 11 Vict., cap. 66, explanatory of the intent and meaning of the aforementioned Act of the 8 Vict., cap. 83, it was enacted, that parties who had become Stockholders in the Rail-road contemplated by the original Act (of the 6 Wm. IV., cap. 5) should not be considered as thereby subscribers to the Stock required under the Act 8 Vict., authorising the construction either of a Planked, Macadamized or Rail-road, in lieu of the original undertaking: Provided always, that liabilities incurred under and by reason of the first mentioned Act (of the 6 Wm. IV.) shall still continue as before. No provision however was made by either of the foregoing Acts for extending the time allowed by the Act 8 Vict., for completing the main line of road; the privilege for constructing which, must therefore have expired in 1849. (See also No. 15.)

6. NIAGARA AND DETROIT RIVERS RAIL-ROAD COMPANY.	6th Wm. IV., c. 6 (20th April, 1836.)	£500,000, in shares of £6 5s. each.	From Niagara River in Township of Bertie, to River Detroit in Township of Sandwiche.	To be commenced in two years, and completed within ten years, from the passing of the Act.	"able waters bounding the Western extremity of this Province, at such points as the Directors of the said Company may deem expedient: provided always, that no such terminus shall be at a point South of Port Sarnia, on the outlet of Lake Huron." The Capital Stock of the Company is extended to £1,500,000 currency. Branches extending North or South of the projected line of Rail-road, West of Toronto, to be completed within twenty years from the commencement thereof. By the Act 10 & 11 Vict., cap. 66, explanatory of the intent and meaning of the aforementioned Act of the 8 Vict., cap. 83, it was enacted, that parties who had become Stockholders in the Rail-road contemplated by the original Act (of the 6 Wm. IV., cap. 5) should not be considered as thereby subscribers to the Stock required under the Act 8 Vict., authorising the construction either of a Planked, Macadamized or Rail-road, in lieu of the original undertaking: Provided always, that liabilities incurred under and by reason of the first mentioned Act (of the 6 Wm. IV.) shall still continue as before. No provision however was made by either of the foregoing Acts for extending the time allowed by the Act 8 Vict., for completing the main line of road; the privilege for constructing which, must therefore have expired in 1849. (See also No. 15.)
7. HURON AND ONTARIO RAIL-ROAD COMPANY.	6th Wm. IV., c. 7 (20th April, 1836.)	£350,000, with privilege to extend the same to £500,000.	From Wellington Square, Burlington Bay, or Dundas, to the Town of Goderich.	To be commenced within four years after the passing of the Act, and finished in ten years.	By clause 7, authority is given to this Company to contract with any other Corporation possessing any Rail-road, Canal, Dam, or Bridge for the right to cross or use such Rail-road, Canal, &c., or to obtain a transfer of the rights and privileges or any of them of any such Company to the Company established by this Act. By clause 28, the Hamilton and Port Dover Rail-road Company (or any other Company now formed or to be hereafter formed) are authorised to establish lateral branches from their line of Rail-road to Queenston, Niagara, Hamilton, London, Chatham, or any other place between the Townships of Sandwiche in the Western District and Bertie in the Niagara District. This Act expired by non-user.
8. LONDON AND DEVENPORT RAIL-ROAD AND HARBOUR COMPANY.	7th Wm. IV., c. 52 (4th March, 1837.)	£50,000 in 8,000 shares of £6 5s. each.	From Town of London to Lake Erie, at or near the Village of Devenport, at mouth of Cat Fish Creek.	To be commenced within two years, and completed within seven years, from the passing of the Act.	By clause 2, the Company have authority to construct a Harbour at the mouth of Cat Fish Creek on Lake Erie, the same to be accessible to, and fit, safe and commodious for vessels navigating Lake Erie; and to construct Moles, Piers, Wharves, Buildings, &c. This Act has expired for non-user.
9. MONTREAL AND KINGSTON RAIL-ROAD COMPANY.	10th Vict., c. 107 (26th Dec., 1846.)	£1,000,000, in 40,000 shares of £25 each. (See Remarks.)	From City of Montreal to Town of Kingston.	To be commenced within four years, and completed within twenty years, from the passing of the Act.	By 34th clause, the Directors are empowered to make arrangements for uniting the Company with any other Railway Company now or hereafter to be chartered in any other part of the country between Montreal and Kingston, and especially with the Montreal and Lachine Rail-road Company, in which case their capital stock shall be increased to the extent of the capital stock of the road thus acquired. This Railway is authorised to be constructed in connection with a contemplated chain of Railway communication, to extend from the Western boundary of the Province to Montreal. This Act has expired from non-user.

SCHEDULE of the several Companies incorporated for the construction of Railways in Canada.—Continued.

NAME OF COMPANY INCORPORATED.	DATE OF ACT.	AMOUNT OF CAPITAL.	DIRECTION OF ROUTE.	TIME WITHIN WHICH RAILROAD MUST BE COMPLETED.	REMARKS.
10. WOLFE ISLAND, KINGSTON AND TORONTO RAIL-ROAD COMPANY.	10th Vict., c. 108. (26th Dec., 1846.)	£1,000,000 in 40,000 shares of £25 each.	From Town of Kingston to City of Toronto, with a Branch from Kingston across Wolfe Island, to Province boundary line.	To be commenced within four years, and completed within ten years from the passing of the Act.	By 35th clause, the Company are authorised, at any time within four years of the passing of the Act, to extend their line of communication (by Rail-road and Steam Ferry) to the Boundary line of the Province, opposite Cape Vincent, in the State of New York, crossing Gardou and Wolfe Islands. This Railway is authorised to be constructed in connection with a contemplated chain of Railway communication, to extend from the Western boundary of the Province to Montreal. This Act has expired from non-user.
11. PETERBORO' AND PORT HOPE RAILWAY COMPANY.	10th Vict., c. 109. (26th Dec., 1846.)	£100,000 in 10,000 shares of £10 each.	From Town of Peterboro' to Lake Ontario, at or near Port Hope.	To be commenced within four years, and completed within twenty years, from the passing of the Act.	By 35th clause, the Company may at any time, within ten years, extend their line of Railway from 'Town of Peterboro' to Chemong Lake, in the Colborne District upon giving thirty days' notice of their intention to do so in all the newspapers published in Peterborough.
12. HAMILTON AND TORONTO RAILROAD COMPANY.	10th Vict., c. 110. (26th Dec., 1846.)	£225,000 in 9,000 shares of £25 each.	From Hamilton to Toronto.	To be commenced within three years, and finished within ten years, from the passing of the Act.	This Railway was authorised to be constructed as a continuation of the line of the Great Western Railway (which see No. 2), and in view of establishment of a grand chain of Railway communication extending from the Western extremity of the Province along the North Shore of Lake Ontario to Montreal. This Act has expired from non-user.
13. WOODSTOCK AND LAKE ERIE RAILWAY AND HARBOUR COMPANY.	10th & 11th Vict., c. 117. (24th June, 1848.)	£250,000 in 50,000 shares of £5 each.	From Town of Woodstock to some point on Lake Erie between the Harbours of Port Dover and Port Burwell, inclusive.	To be commenced within five years, and completed within ten years, from the passing of the Act.	This Company is empowered to build Steam Boats or other Vessels for conveying, for the purposes of the said Road only, passengers, goods, &c., from any ports on Lake Erie to any necessary place; and also construct Harbours, Wharves and Piers, for the use of the said Vessels. By clause 30, the Directors are forbidden to permit any travelling on this Railway on Sundays.
14. BYTOWN AND BRITANNIA RAILWAY COMPANY.	10th & 11th Vict., c. 118. (24th June, 1848.)	£10,000 in 2,000 shares of £5 each, with authority, should this amount prove insufficient, to raise a further sum of £10,000, to complete the Road.	From the Town of Bytown to some place or places in the Township of Nepean, at or near Britannia Mills.	To deposit Map and Book of Reference within one year, and complete the Railway within three years, from the passing of the Act.	The Company have also the privilege of erecting Wharves, Warehouses, &c., at such places on the line of Railway as they may deem expedient; and to possess Steam Boats or other vessels to ply on the Ottawa River from the upper terminus of the Railway, or any place above the same, to Fitzroy Harbour, and thence to Portage du Fort in the Township of Ross.
15. TORONTO AND GODERICH RAILWAY COMPANY.	10th & 11th Vict., c. 123. (24th June, 1848.)	£750,000 in shares of £25 each, with power to raise an additional sum of £250,000, if required.	From the City of Toronto, passing through the Town of Guelph, and the waste lands of the Crown lying north of the Huron Tract, to the Fort of Goderich, on Lake Huron.	Survey Map and Book of Reference to be deposited within three years, and Railway to be completed within ten years, from the passing of the Act.	By clause 58, the Company have the exclusive privilege (during the term of their charter) to construct a Railway or Railways from Bytown to Britannia (and at Fitzroy) so that no other Railway shall be constructed between the two places which shall at any point approach within three miles thereof. This Act has expired from non-user.

16. TORONTO, SIMCOE, AND LARK HURON UNION RAIL-ROAD COMPANY.	12th Vict., c. 196. (29th Aug., 1848.)	£500,000 in shares of £5 each.	From the City of Toronto to some point on the southerly shore of Lake Huron, touching at the Town of Barrie, or at some point or points on Lake Simcoe.	Survey of Road to be deposited within three years, and Road to be completed within ten years, from the passing of the Act.	Railway until shares to the amount of one hundred and fifty thousand pounds shall have been taken in the Capital Stock, and ten per centum shall have been paid into the hands of the Treasurer of the Company. By their Act of Incorporation the Company are empowered to raise the amount of Stock required either by Subscription or by way of Lottery: but in either case it is provided that the whole proceeds thereof shall be devoted to the purposes of the Rail-road. Amended by the Act 13 & 14 Vict., cap. 131, and the title changed to "Ontario, Simcoe and Huron Rail-road Union Company," and the Company are authorised to construct the Rail-road from any point on Lake Ontario, west of the Township of Darlington, in the County of York, to any point of the southerly shore of Lake Huron, touching at the Town of Barrie, or at some point on the shore of Lake Simcoe.
17. BYTOWN AND PRESCOTT RAILWAY COMPANY.	13th & 14th Vict., c. 132. (10th Aug., 1850.)	£150,000 in 15,000 shares of £10 each, with authority to increase the same to £250,000, if necessary.	From some place or places on the River Ottawa, at or near Bytown, to some place or places on the River St. Lawrence, at or near Prescott.	Plan of Railway, &c., to be deposited within five years, and Railway to be completed within ten years, from the passing of the Act.	This Company have authority to erect Warehouses, Wharves, &c., at such places as may be necessary, and to possess one or more Steam or other Vessels to ply on the Rivers Ottawa and St. Lawrence, to any place not more than twelve miles from either of the termini.

SCHEDULE of the several Companies incorporated for the construction of Railways in Canada—(continued)—with a statement of the general Railroad Acts affecting the whole Province.

No. 3.

II. LOWER CANADA.

NAME OF COMPANY INCORPORATED.	DATE OF ACT.	AMOUNT OF CAPITAL.	DIRECTION OF ROUTE.	TIME WITHIN WHICH RAILROAD MUST BE COMPLETED.	REMARKS.
1. THE COMPANY OF PROPRIETORS OF THE CHAMPLAIN AND ST LAWRENCE RAIL-ROAD.	Wm. IV., c. 58 (25th Feb., 1832.)	£50,000 in 1000 shares of £50 each with power to increase the same to £65,000 if necessary.	From, at or near the Village of Dorchester, commonly called St. Johns, to at or near the Village of Laprairie, on the River St. Lawrence, or to some point between Laprairie and the upper end of the Island of St. Helen's, opposite the City of Montreal. By 13 & 41 Vict., ch. 114, the Railway may be extended from St. Johns to the Province line, at or near Rouse's Point; and also a branch line be constructed to the River St. Lawrence, opposite Montreal.	Within three years from the passing of the Act, and Book and Plan to be prepared and deposited within twelve months. (But See Remarks.)	By clause 36, after the expiration of the first entire year from the opening of the Rail-road, the several rates of charge for the transport of passengers and goods thereon to be yearly regulated by the amount of dividend declared in the preceding year. By 3 Wm. IV., cap. 7, (3rd April, 1833,) the time for completing the Rail-road is extended for four years from passing of this Act, and Book of Reference may be deposited at any time before the first day of December, 1834. By 6 Wm. IV., cap. 6, (21st March, 1836,) the Company of Proprietors are authorized to establish a ferry across the River St. Lawrence, for the transport of passengers and goods in connection with their Railway, which ferry shall not be an exclusive right. By clause 2, the rates of charge to be taken by the Company for Passengers, Produce, Merchandise, &c., conveyed on the said ferry, are fixed and defined. By clause 3, the Steamboats, Barges, or other Vessels employed on the said ferry are authorized to make use of the public wharves in the Port and Harbour of Montreal. By Ordinance 4 Vict., cap. 18, the Company are relieved from the necessity of erecting gates where the Rail-road crosses any public highway, on condition of keeping a sufficient look-out. Certain further amendments are also made in the minor details of the Act of Incorporation. By the Act 13 and 14 Vict., chap. 114, the privilege granted to the Montreal and Province Line Railway Company of constructing their proposed Railway, is transferred to the Champlain and St. Lawrence Rail-road Company, who are authorized to construct a Branch-Railway from some point on their present Line to the River St. Lawrence, opposite, or nearly opposite Montreal; and further, to continue their Railway from at or near the terminus at St. Johns, to the Province Line at or near Rouse's Point, there to connect with the American Rail-roads now constructing, and thereby afford an uninterrupted line of communication from Montreal to Boston, New York, or to the West. Plans and books of reference respecting this extension of the line to be deposited within two years, and said extension to be completed within six years from the passing of this Act (i. e., from 24th July, 1850). By clause 16, the Company are authorized to establish a ferry from the point where proposed branch may terminate on the River St. Lawrence to the City of Montreal, and to charge thereupon certain prescribed rates for freight or passage money. This Railway has been completed throughout.
2. QUEBEC AND PROVINCE LINE.	6th Wm. IV., c. 59. (29th Oct., 1836.)	Cannot be ascertained from as no copy of the Act could be procured.	From Quebec to Province Line, near Monument Stream, in the State of Maine.	To be commenced within five and completed within ten years from the passing of the Act.	Expired by non-user.
3. CANADA UNION RAIL-ROAD COMPANY.	Ordinance of Special Council, 3rd & 4th Vict., c. 41. (25th June, 1840.)	£100,000, in 4000 shares of £25 each, with power to raise a further sum of £25,000 if necessary.	From the City of Montreal to the Division Line between Upper and Lower Canada, at or near Point-a-laudet,* with a view to its connection with a Rail-road to be constructed to Dickey-on's Landings, Brockville, or Prescott, in Upper Canada.	From the City of Montreal to be deposited within eighteen months; Rail-road to be completed within five years, and at least one Section to be in operation within two years from the passing of this Ordinance. (But See Remarks.)	By clause 37, the Company are authorized to divide the work into five sections, viz: 1st, from Montreal to Lachine; 2nd, from Lachine to St. Ann's; 3rd, from St. Ann's to Vaudreuil; 4th, from Vaudreuil to Coteau du Lac; 5th, from Coteau du Lac to Province Line; and to finish either or all in the order they may deem most advisable, and to take toll on any section when completed, though no dividend may be declared till the whole road is finished. By clause 52, the Company are authorized to build Bridges, (with Wharves, &c.,) to connect the Island of Montreal, at or near St. Ann's, with the main land at or near Vaudreuil, and across the outlets of the Ottawa River in that vicinity. By the Act 4 and 5 Vict., chap. 49, the time for constructing this Rail-road is extended for six years from the passing of the Act (i. e. from 18th September, 1841).
4. THE COMPANY OF PROPRIETORS OF THE UPPER AND LOWER OTTAWA RAIL-ROAD.	Ordinance of Special Council, 3rd & 4th Vict., c. 46. (26th June, 1840.)	£30,000 in 600 shares of £50 each, with authority to raise a further sum of £15,000 if required.	From the River Ottawa, at or near Carillon, to a point on said River, at or near Grenville.	The Road to be completed within three years, and Book and Plan to be deposited within twelve months from the passing of the Ordinance.	This Act expired from non-user.
5. THE CARILLON AND GRENVILLE RAILWAY COMPANY.	10th & 11th Vict., c. 119. (24th June, 1848.)	£60,000 in 2400 shares of £25 each.	From some place in the County of Two Mountains, at or near Carillon, to some place in said County at or near Grenville.	Book and Plan of Reference to be deposited within eighteen months, and Road to be completed within five years from the passing of the Act.	This Charter was granted without reference to the one that had expired from non-user. By clause 46, the Company are required to pay over as a duty to Government, one moiety of their net income, exceeding three pounds currency, on each and every share, after the dividends declared shall have amounted in the whole to ten per cent. per annum on their paid-up Stock from the beginning.
6. THE COMPANY OF PROPRIETORS OF THE EASTERN TOWNSHIPS RAIL-ROAD.	Ordinance of Special Council, 4th Vict., c. 10. (21st Jan., 1841.)	£150,000 in 12,000 shares of £12 10s. each, with authority to raise a further sum of £40,000 if necessary.	From the Town of Sherbrooke by the way of the outlet of Lake Memphrémagog, in County of Stanstead, to some point on either bank of the River Richelieu.	To be completed within ten years, Book and Plan deposited within two years, and at least one Section to be in use within five years from the passing of this Act.	By the 51st clause, the Company are authorized to build Bridges over the Rivers Richelieu and Magog, and to erect Wharves, &c., thereon; but they may not obstruct the free navigation of the River Richelieu, or interfere with the privileges granted to the Champlain and St. Lawrence Rail-road Company, or in any way affect the use and value of the Chambly Canal, or interfere with the privileges granted to the Honble. Robert Jones, as regards a Bridge over the River Richelieu at St. John's, near the Rapids, without his express consent. By clause 53, the Company are authorized to divide the route into five sections: first, from the town of Sherbrooke to the outlet of Lake Memphrémagog; second, from said outlet to Broome Lake, or Waterloo, in the Township of Shefford; third, fourth and fifth, into equal sections towards the River Richelieu; and to proceed with each in the order they may deem most advisable: [Provided that the Rail-road shall commence at Sherbrooke, and be continued uninterruptedly towards the River Richelieu, but by Act 4 and 5 Vict., ch. 47, this proviso is repealed.] with the privilege of taking toll on any section when completed, though no dividend may be declared till the whole road is finished.

SCHEDULE of the several Companies incorporated for the construction of Railways in Canada.—Continued.

NAME OF COMPANY INCORPORATED.	DATE OF ACT.	AMOUNT OF CAPITAL.	DIRECTION OF ROUTE.	TIME WITHIN WHICH RAILROAD MUST BE COMPLETED.	REMARKS.
7. ST. LAWRENCE AND ATLANTIC RAILROAD COMPANY.	8th Vic., c. 25. (17th March, 1845.)	£600,000 in 12,000 shares of £50 each, with authority to raise a further sum of £500,000 if necessary. By 1 Vic., c. 176, clause 4, amount of shares reduced to £25 each.	From the River St. Lawrence as nearly opposite the City of Montreal as may be found desirable, in the general direction of St. Hyacinthe and Sherbrooke, to such a point on the Boundary Line between this Province and the United States, near the Connecticut River, as may admit of its most advantageous connection with "The Atlantic and St. Lawrence Railroad," to be constructed from Portland, in the State of Maine, to said boundary line. They are further authorised to construct a Branch Line of Railway, from the most favorable point on their Road to the Province boundary line, in the County of Stanstead, with a view to unite the same with any Rail-road which may be constructed in the State of Vermont. Also, to make a Branch Rail-road from the south bank of the St. Lawrence, as nearly opposite to the City of Quebec as may be desirable to connect with their main line at any point within the Province.	Main Line of Road to be completed within ten years, and a branch to Stanstead within a similar period. Branch to Quebec to be constructed within a further period of ten years from the passing of this Act.	By the 40th clause, at the expiration of the first entire year from the time of the opening of the Rail-road, the rates chargeable for freight and passengers shall be yearly regulated by the amount of dividends declared in the preceding year; and when the dividends declared shall exceed six pounds per share per annum, one moiety of the net income over and above the same, shall be paid over as a Tax to the Provincial Treasury. By Act 9 Vic. chap. 79, certain amendments are made in the Act of Incorporation, respecting the power of the Company to regulate the rate of Tolls on their line of Rail-way, and to prevent impediments in the navigation of Rivers across which they may construct Bridges, or upon which they may make Wharves or Piers. By 10 and 11 Vic., chap. 65, the Act of Incorporation is amended in various particulars, to insure its practical efficiency. Clause 12 authorises the Company, in the event of any parties being incorporated to build a Bridge across the River St. Lawrence, near Montreal; to construct a Branch Rail-road from some point on their main line to the end of the Bridge on the South bank of the St. Lawrence; and from the end of the bridge on the other side of the River to the City of Montreal; and to agree with the Bridge Company for liberty to use the same for said Rail-road. By clause 14, the Company have power to establish a ferry between the terminus of their Road in the Parish of Longueuil to any point in the Island of Montreal, but they have not the exclusive privilege of such ferry, and are required to charge the rates of ferriage specified in the Schedule of this Act. By 12 Vic., chap. 176, various amendments are made in the Act of Incorporation with a view to facilitate the operations of the Company. By clause 5, the remaining shares of the Capital Stock unsubscribed for, shall, on being subscribed for, entitle the holder to a preference in the division of profits, being distinguished as shares "of the new and preferential stock" of the Company. By clause 13, the Corporation of Montreal or the Ecclesiastics of the Seminary of St. Sulpice, or any other Corporate bodies, Civil or Ecclesiastical, within the Province, may take Stock or lend Money to the said Company, in like manner as any private individual. By the Act 13 and 14 Vic., chap. 118, further amendments are made to the Act of Incorporation for the purpose of facilitating the prosecution of this undertaking; and by clause 10 thereof the Company are authorised to avail themselves of the provisions of the Act 12 Vic., chap. 29, to provide for affording the Provincial guarantee to the Bonds of Railway Companies on certain conditions. By clause 12, they are exempted from the necessity of erecting gates at the intersection of Highways by their Rail-road on condition of providing sufficient guard-boards thereat. By clause 44, the Company are required when their Dividend shall exceed six pounds per share per annum to pay over to the Provincial Treasury, one moiety of their net income above this amount, provided that said tax shall not be payable until the dividends declared shall have amounted in the whole to ten per cent. per annum on the paid-up stock. By clause 56, the Legislature may transfer the Right of Property in this Rail-road upon certain conditions to any incorporated Company which shall, before such assumption, have completed (or expended not less than £100,000 towards the completion of) a Rail-road from Lachine to Kingston, by the way of Prescott in Upper Canada.
8. MONTREAL AND LACHINE RAILROAD COMPANY.	9th Vic., c. 82. (5th June, 1846.)	£75,000 in 1500 shares of £50 each, with power to increase the same to £100,000 if necessary. In consequence of £75,000 being insufficient to complete this Rail-road, and	From the City of Montreal to the Parish of Lachine.	Map and Plan to be deposited within six months, and the Road to be completed within three years from the passing of this Act.	By the 10th and 11th Vic., chap. 63, divers provisions necessary to the effective working of the Act of Incorporation, and which were omitted in the same, are supplied. By clause 4 of 12 Vic., c. 177, all Corporations within the Province, whether Ecclesiastical or Civil, are authorised to subscribe for the new Stock to be raised under this Act. And by clause 5, provision is made for the sale of the Rail-road, should it become necessary so to do. Such sale is not to operate as a dissolution of the Company, but the parties purchasing the same to become the Company. Rights of third parties, suits, &c., not to be affected by the sale. Certain doubts as to the power of the Corporation to become parties to promissory notes, are removed. By the 13th and 14th Vic., chap. 112, the Montreal and Lachine Rail-road Company are authorised, if a majority of the Directors of the two Companies shall think fit, to amalgamate with the Lake St. Louis and Province Line Railway Company, and to form a new Company, to be called "The Montreal and New York Rail-road Company for the purpose of forming a line of Railway from the City of Montreal to the Province Line." By the 13 and 14 Vic., chap. 113, the Montreal and Lachine Rail-road Company are authorised to extend their line of Railway from Lachine to some place at or near Prescott, in Upper Canada; to make Bridges across any Rivers, Canals, &c., they may intersect; to erect Wharves, &c. at such places as they may deem expedient; and to possess one or more Steam or other Vessels to ply on the Rivers Ottawa and St. Lawrence, or either of them, in connection with said Railway. To enable them to complete this undertaking, they are authorised to raise Stock to the amount of £750,000, in 60,000 shares, of £12 10s. each (in addition to the Stock created by the Acts 9 Vic., chap. 82, and 12 Vic., chap. 177). The Company with the enlarged powers granted by this Act, are authorised (so soon as they have completed twenty-five miles of the additional Road,) to change their name to "The St. Lawrence and Ottawa Grand Junction Rail-road Company," provided that it is understood that they do not thereby become a new Corporation. By clause 22, it is provided, that if it be not in the power of the Montreal and Lachine Rail-road Company to undertake the proposed extension of this Road, then certain persons therein named shall be incorporated as a new Company for that purpose, under the name of "The St. Lawrence and Ottawa Grand Junction Rail-road Company." If the contemplated extension of the Line be undertaken by the Montreal and Lachine Rail-road Company, they are required to commence the same within three years, and complete it within ten years from the passing of this Act (i. e., from 10th August, 1850). But if such extension of the line be undertaken by the new Company aforementioned, then they are required to commence the same within three years from the expiration of the time allowed to the Montreal and Lachine Rail-road Company, and to complete it within ten years from the same time.

of its proving impossible, by reason of the depreciation of the Company's stock to raise the further sum above mentioned, under the Act of Incorporation, the Company are authorised by the 12th Vic., chap. 177, to raise the sum of £40,000 to finish their undertaking, by creating new stock to that amount.

Map and Book of Reference to be deposited within eighteen months and Rail-road to be completed within five years from the passing of the Act.
Time extended to within eighteen months and five years respectively, from the 10th August, 1850, (by 13 and 14 Vic., c. 112 sec. 5.)

From the Village of Sault Ste. Louis, in the County of Huntingdon, to some convenient point in the Counties of Huntingdon or Beauharnois, within three miles from the line dividing the Township of Hemmingford from the County of Huntingdon, with a view to its junction with some Railway to be constructed to connect the North Western part of the State of New York with Lake Champlain.

£150,000 in 3000 shares of £50 each, with authority to raise a further sum of £50,000 if necessary.

10th & 11th Vic., c. 120. (24th June, 1848.)

THE LAKE ST. LOUIS AND PROVINCE LINE RAILWAY COMPANY.

SCHEDULE of the several Companies incorporated for the construction of Railways in Canada.—Continued.

NAME OF COMPANY INCORPORATED	DATE OF ACT.	AMOUNT OF CAPITAL	DIRECTION OF ROUTE.	TIME WITHIN WHICH RAIL-ROAD MUST BE COMPLETED.	REMARKS.
10. THE ST. LAWRENCE AND INDUSTRY VILLAGE RAIL-ROAD COMPANY.	10th and 11th Vict., c. 64. (28th July, 1847)	£12,000 in 480 shares of £25 each, with power to raise a further sum of £4000 if required.	From some place on the River St. Lawrence, in the Parishes of Lavallée or Lanoraie, District of Montserrat, to some place in the Parish of St. Charles Barronée, at or near Industry Village.	Map and Book of Reference to be deposited within six months, and the Road to be completed within three years from the passing of this Act.	By clause 21, it is provided, That one-tenth of the Capital Stock shall be paid up and deposited in one or more chartered Banks in the Province, before the Road shall be commenced. By clause 43, the Company are required to pay one moiety of their net income exceeding six pounds per share per annum, as a tax to the Government, so soon as the dividends declared shall have amounted in the whole to ten per cent. per annum on the paid-up Stock.
11. MONTREAL AND PROVINCE LINE JUNCTION RAILWAY COMPANY.	10th & 11th Vict., c. 121. (24th June, 1848.)	£40,000 in 800 shares of £50 each, with power to raise a further sum of £25,000 if necessary. Capital stock increased to £75,000 by the 12th Vict., ch. 179.	From the present terminus of the Champlain and St. Lawrence Railway at St. Johns, to or near the Province Line at Rouse's Point, or thereabouts, with a view to the junction with some American Railroad, and the formation of an uninterrupted Line of Railway communication between Boston, New York, and Montreal.	Map and Book of Reference to be deposited within one year, and road to be completed within six years from the passing of the Act.	This Act, together with the 12 Vict., chap. 179, amending the same, repealed by 13 and 14 Vict., ch. 114, and a similar privilege conferred on the Champlaine and St. Lawrence Railway Company, (No. 1.)
12. THE CANADA, NEW BRUNSWICK AND NOVA SCOTIA RAILWAY COMPANY.	10th & 11th Vict., c. 122. (24th June, 1848.)	£3,000,000 Cy., and that £2,000,000 be first raised in 100,000 shares of £20 Sterling or \$100 Cy. each.	From Melbourne, or Drummondville, to Point Levy, opposite Québec, and thence by Rivière du Loup to the Province Line of New Brunswick.	Map and Book of Reference to be deposited within twelve months, and Railway to be completed within twelve years from the passing of the Act.	By clause 59, the Company are not allowed to commence the Railway until Stock to the amount of £500,000 shall have been subscribed for, and ten per cent. thereon, paid up; nor until after the Directors of the Company have been elected.
13. THE MONTREAL AND VERMONT JUNCTION RAILWAY COMPANY.	12th Vict., c. 178. (30th May, 1849)	£100,000 in 4000 shares of £25 each, Company may raise a further sum of £40,000 if necessary.	From the River St. Lawrence, opposite Montreal, to such point at the Province Line near Highgate, State of Vermont, as the Company may deem expedient for forming a junction with a Railway from Burlington Vermont, and crossing the River Richelieu at St. Johns, by a Draw-bridge, to be erected exclusively for the use of the Railway.	Map and Book of Reference to be deposited within one year, and Railway to be completed within six years, from the passing of this Act.	With respect to the Draw-bridge over the River Richelieu, required for this Railway, provision is made to protect the rights of the Honourable Robert Jones, in the Bridge across the said River, belonging to him, and enabling the Company, with his consent, to purchase the said Bridge. Also, authorising a Junction to be formed upon certain conditions with a Line of Railway which may be constructed, by the Champlain and St. Lawrence Railway Company, from St. Johns to some point which may be agreed upon opposite Montreal, provided such Branch-Railway be completed within two years. By clause 46, it is provided, that when the profits of the Railway shall exceed ten per cent. per annum, half the overplus shall be paid as a duty to Her Majesty.

Appendix (U. U.)
30th August.

Appendix (U. U.)
30th August.

14. THE SAINT LAWRENCE AND OTTAWA GRAND JUNCTION RAIL-ROAD COMPANY.	13th & 14th Vict., c. 113. (10th Aug., 1850.)	£750,000 to be divided into 60,000 shares of £12 10s. each.	To carry on the present Line of Railway from Montreal to Lachine from some convenient place in the Parish of Lachine, to, at or near Prescott, in Upper Canada, either in the direction of St. Anns, Vaudreuil, Rigaud, and towards Hawkesbury, or in the direction of St. Eustache, St. Andrews, Grenville, and thence to some point at or near Prescott, aforesaid.	To be commenced within three years and completed within ten years from the expiration of the time allowed to the Montreal and Lachine Railway Company, and to be completed within six years, from the passing of this Act.	This Company is incorporated to construct the proposed Line of Railway, in the Montreal and Lachine Railway Company being unable to undertake the extension of their Road to Prescott, as by certain provisions in this Act they are allowed a prior right of doing (See Montreal and Lachine Railway Company, No. 8.) By clause 15, the Company are authorised to divide the Rail-road into Sections, and to construct any one section thereof, and receive tolls thereon, before the commencement of another.
15. THE INDUSTRY VILLAGE AND RAWDON RAIL-ROAD COMPANY.	13th & 14th Vict., c. 115. (10th Aug., 1850.)	£9000 in 1800 shares of £5 each, with the privilege of raising a further sum of £4000 if necessary.	From the Village or Township of Rawdon, in the District of Montreal, to some place in the Parish of St. Charles Barronée, at or near Industry Village.	Map and Book of Reference to be deposited within one year, and Road completed within four years from the passing of the Act.	By clause 21, it is provided that one-tenth of the Capital Stock shall be paid up before the Rail-road is commenced. By clause 43, one-half of the net income from the Rail-road, exceeding twenty pounds per cent. is required to be paid over as a tax to the Provincial Treasury; provided that no such duty shall be payable until the dividends shall have amounted in the whole to ten per cent. per annum on the paid-up Capital Stock.
16. THE QUEBEC AND RICHMOND RAIL-ROAD COMPANY.	13th & 14th Vict., c. 116. (10th Aug., 1850.)	£650,000 in 52,000 shares of £12 10s. each.	From some point on the River St. Lawrence as nearly opposite the City of Québec as may be found desirable, to the River St. Francis, at or near the Village of Richmond, in the Township of Shipton, there to connect with the St. Lawrence and Atlantic Rail-road.	Rail-road to be completed within ten years from the passing of the Act.	The Company are authorised to possess Steam or other vessels to ply across the River St. Lawrence, from the Railway terminus on the South shore to the City of Québec, or to such other point on the North shore of the River as may be deemed expedient, and to make a Line of Railway from the landing place to the City of Québec. By clause 24, the Company are empowered to create new and preferential Stock, out of shares remaining unsubscribed for. By clause 28, all Corporations, Civil, Ecclesiastical, or Collegiate, within the Province are authorised to take stock in or loan money to this undertaking; provided that if the Québec City Corporation loan money to, or take stock in the same, the Mayor of the City shall, <i>ex officio</i> , be a Director of the Company without being subject to election. By clause 46, one-half of the net income of the Company exceeding £72 per cent. per annum is required to be paid over as a tax to the Provincial Treasury; provided that no such duty shall be payable until the dividend shall have amounted, in the whole, to ten per cent. per annum on the paid-up Capital Stock.
17. THE QUEBEC AND ANDREWS RAIL-ROAD COMPANY.	13th & 14th Vict., c. 117. (10th Aug., 1850.)	£750,000 in 30,000 shares of £25 each.	From Point Lévi, opposite Québec, or any other station on the River St. Lawrence within or below the County of Dorchester, to the Boundary Line between this Province and New Brunswick, there to connect with any Line of Railway that may be made from St. Andrews, or any other part of the Province of New Brunswick.	Map and Book of Reference to be deposited within two years, and Railway to be completed within fifteen years from the passing of the Act.	By clause 32, the Company is empowered to possess such Steam or other Vessels as may be necessary to ply, in connection with their Railway, across the River St. Lawrence to Québec. By clause 56, any other Railway Company within the Province is authorised to form a Junction with this Line of Road, at any point thereupon which may be considered desirable.

Appendix (U. U.)
30th August.

GENERAL ACTS RESPECTING RAILWAYS.

<p>To make certain general Provisions regarding Services which the Government may require of Rail-road Companies, whose Acts of Incorporation make them subject to such general provisions.</p>	<p>12th Vict., c. 28. (30th May, 1849.)</p>	<p>This Act provides that every Railway Company whose Act of incorporation contains a provision subjecting it to any general law respecting Railways, shall be bound at all times, on being thereunto lawfully required, to render every service to Government in the conveyance of Troops, Mails, Naval or Military Stores and Ammunition, Police and others, travelling on Her Majesty's service; and to place at the disposal of Government, when called upon, any Electric Telegraph in their possession. By clause 2, no By-laws of any Railway Company imposing or altering Tolls, or binding any party other than the Company's members, or servants, shall have any force or effect until sanctioned by the Governor in Council.</p>
<p>For affording the Guarantee of the Province to the Bonds of Railway Companies on certain conditions, and for rendering assistance in the construction of the Halifax and Quebec Railway.</p>	<p>12th Vict., c. 29. (30th May, 1849.)</p>	<p>This Act authorises the Government to guarantee upon certain conditions, the payment of interest on loans to be raised by any Railway Company, Chartered by Act of the Provincial Parliament, of not less than seventy-five miles in extent. But no such guarantee may be afforded until half the entire Line of Road shall have been completed, nor without due security for the re-payment of the loan. By clause 5, it is provided that if Her Majesty's Government, either directly, or through some private Company, shall undertake the construction of the proposed Railway between Halifax and Quebec, it shall be lawful for the Provincial Government to pay yearly in proportion as the work advances, a sum not exceeding £20,000 Sterling, in aid thereof, and to procure and place at the disposal of the Imperial Government all land within the Province required for the purposes of the Railway, as well as all ungranted lands lying on the line of Railway to the extent of ten miles on each side thereof.</p>
<p>To amend and extend the provisions of the Act 12 Vict. ch. 84. authorising the formation of Joint Stock Companies for the construction of Roads, &c., in Upper Canada.</p>	<p>13th & 14th Vict. ch. 72. (10th August, 1850.)</p>	<p>This Act extends the provisions of the recited Act of the 12 Vic. ch. 84, to all Rail or Tram Roads, whether constructed of iron, wood, or stone, which may be undertaken by Joint Stock Companies under said Act, provided that any such Road, to be made under the provisions of this Act, shall be subject to such supervision and controul by the Governor and Council of the Province, as may be directed by any general Rail-road Act. By clause 6, the time allowed for completing any Road under the Act aforesaid, shall, in the case of any Rail or Tram Road, be extended to the period of five years.</p>

ST. CATHERINES, 3rd January, 1851,
WELLAND CANAL OFFICE.

30th August.

SIR,—The desire of the Executive that I should go down to Montreal and receive your instructions having been intimated to me, I at once proceeded there, and I have now the honour to report, for your information upon the state of the works generally of the Montreal and Atlantic Railroad; and also to lay before you the results of my inspection and examination of them, and to furnish as explicitly as I can, the information required by the instructions given me by you. In doing so, I shall touch upon the several matters in the order in which they are referred to, in your instructions. The principal points in which are:

First, To make as full and as detailed an examination of the line of road, and of the several structures thereon as the weather would admit of.

Second, To determine generally the extent of the portion of road worked upon, the amount of work already done, with reference also to the amount still to be done—to report thereon, as well as on the style and manner in which the works so far have been constructed.

Third, To ascertain from the general and monthly estimates, and from such other documents as I might find it necessary to examine, the amount of monies expended up to the present on the work and contingencies necessarily attendant thereon—and the amount or quantity of the materials delivered or provided for it.

Fourth and finally, To ascertain generally the amount of work remaining to be done—the probable cost thereof, and to report the same, together with all the general matter or matter of detail, connected with the undertaking, that it is necessary the Executive should be made acquainted with, so as to be enabled duly to carry out the provisions of the Act chap. 29, Vict. 12.

The necessary arrangements having been made for the inspection, I had the honour of being accompanied by you and also by Messrs. Young and Galt, Directors of the Montreal and Atlantic Railroad, and by Mr. Webster, their secretary, and by Mr. Gzowski their engineer, over that portion of the line from the St. Lawrence to a point about seven miles beyond St. Hyacinthe in the usual passenger train—from thence attended by Mr. Galt and Mr. Gzowski, I proceeded leisurely along the remainder of the line of works on foot. The ground being clear of snow, I had a full opportunity of seeing every part of the work—immediately after which the snow commenced to fall heavily. Had this fall of snow taken place but a day or two earlier, it would have been impossible for me to have proceeded with the duty on which I was sent.

I now proceed to give the results of my inspection and examination on the several points as they occur in your instructions.

First, As I have already stated, after having inspected the several buildings, &c., at the terminus at Longueuil, I proceeded by train to about seven miles beyond St. Hyacinthe, stopping at the several way stations and bridges, &c., so as to make the necessary inspection of each—from thence I walked the remainder of the line, resting at night in the sub-contractors' shanties. I was thus enabled fully to examine the work in its various stages to judge of the materials and mode of construction, the nature of the rock and earth cuttings, embankments, &c.

30th August.

Second, The total length of the road, from the St. Lawrence to the Provincial line may be set down as one hundred and twenty-six miles; of this, about seventy-one miles, as near as may be, have been worked upon, and on that portion of these seventy-one miles, from the St. Lawrence to St. Hyacinthe (thirty miles) the trains have been running daily for about two years. These thirty miles constitute the "first section" of the road. On it there are several large and expensive bridges—one over the Grand Canal about seven miles from Longueuil,—another of nine hundred and fifty feet in length over the Richelieu—another over the Huron River about six miles east of the Richelieu. The piers and abutments of all the bridges are of excellent heavy ashlar masonry—the superstructure are of good materials and well framed, and altogether the structures exhibit all the qualities necessary to efficiency and durability. This section is chiefly embankment, which may be averaged throughout at 6 $\frac{1}{2}$ feet, but although it has been so long in actual use, it is by no means completed—indeed the superstructure may be said to have been in great part only temporarily laid, and it must be raised and relaid. The ballasting is chiefly yet to be done. The travel over it, in many places is very rough, but when ballasted and the rails relaid, the road will be found to have been benefitted by the length of time during which the embankment will have had to settle and consolidate, prior to the final laying of the rails. The engineer sets down the sum of £18,000 as required for these purposes. From the rates at which this work of ballasting is let, and the progress made in it, I have no doubt but that this sum will be found sufficient.

The second section into which the line is divided, is from St. Hyacinthe to the St. Francis, thirty-eight miles. Of this length the rails are now laid on, about twelve miles—and the cross ties to take the rails on, about three miles more. The remainder of this section, has been worked on continuously and is so far advanced that the Contractor calculates on having the rails laid on the whole of it early in spring. I am however of opinion that the section will not be ready for the cars before the latter end of July. Upon this section also, there are several heavy bridges crossing the Yamaska, two branches of the Black river, Moose river, Shingle creek, &c., &c.. The bridge over the Yamaska may be looked on as finished, and the piers and abutments of all the others are also nearly completed—the masonry of the entire is very creditable—considerable progress is made on the superstructure of these bridges also, which can be finished before the other parts of the road are ready. For this section the whole of the cross ties, and of the rails, chains and spikes are ready on hand.

The principal works remaining to be done are the completion of such embankment, and rock cutting in two or three places. The force employed on them is necessarily restricted, either from the nature of the drainage or the manner in which the work must be carried on from the ends.

Section No. 3, comprises that portion of the line from the St. Francis, (including the bridge over that river) to the depôt at Sherbrooke being 27 $\frac{1}{4}$ miles. Of this distance about three miles terminating at the depôt in Shipton are in progress, and the works thereon very forward, some heavy culverts built, the cuttings and embankments well advanced, and a very large amount of the work done at the bridge over the St. Francis. The masonry in the abutments and pier of this bridge, although of stone not so capable of being well dressed as that in the other bridges, is also of the most solid and permanent description. The rails, chains, spikes and cross ties for these three miles are also on hand. On the remainder of this

Appendix
(U. U.)Appendix
(U. U.)

30th August.

30th August.

section to Sherbrooke, about twenty-four and a quarter miles, nothing has been done, for this distance the line is very favourable throughout, and no difficulties whatever present themselves.

The fourth and last section is from the depôt in Sherbrooke to the Province line. On this section nothing has been done: its length is about thirty and three-quarter miles.

In concluding my general remarks upon the points referred to in the second section, I would state that "the style and manner in which the works, so far, have been constructed" is creditable to the skill and management of the engineer, and ensures that the road when completed, will be a sound and durable structure, and of cheap maintenance. There are some of the embankments which from the soft nature of the base on which they stand, and the quality of the material of which they are composed, will in my judgment, be subject to much settlement for some years, and will require to be raised and the superstructure relaid several times before they finally stand to their grade. This difficulty, more or less to be encountered in all such works, will be probably greater on this, from the fact of some of these banks being formed at once, in one lift, either by tumbling

carts or wheel-barrows, and no means taken to consolidate the materials.

Third. In proceeding to comply with the third instruction to me, namely, to ascertain from the monthly estimates and such other estimates or documents as I might find necessary, "the amount expended up to the present" on the work and its contingencies, I have to express my acknowledgment of the full and free manner in which I was permitted access to the estimates, accounts, exhibits of disbursements, &c., as well in the engineer's office as in that of the secretary.

When, on my inspection, the estimates for the month of November were prepared and ready for payment, and there being a fixed force on the work, there was no difficulty in ascertaining what the disbursements for December also would be. In order therefore to furnish a "statement of the amount expended up to the present," I had an exhibit prepared which I now give, showing the amounts paid on the several heads, to November—the amounts to be paid for November and December (the means for which Mr. Galt informs me are in hand) and thus I am enabled to give you the statement required

ABSTRACT of the disbursements of the St. Lawrence and Atlantic Railroad Company, in the construction and equipment of the Railway up to the 25th October, 1850, together with an estimate of the disbursements made and to be made in the months of November and December, 1850 forming an estimate of the expenditure of the Company up to the 1st January, 1851.

CONSTRUCTION, DIRECT EXPENDITURE.	PAID.			TO BE PAID.			TOTAL.		
	£	s.	d.	£	s.	d.	£	s.	d.
Engineering	15706	6	8	800	0	0	16506	6	8
Land, stations and fencing	15602	17	11	1600	0	0	17202	17	11
Grading	92447	7	1	1471	0	0	93918	7	1
Superstructure	14661	4	9	0	0	0	14661	4	9
Iron	45379	13	2	0	0	0	45379	13	2
Laying track	6773	19	9	0	0	0	6773	19	9
Freight and passenger Buildings	3857	12	10	0	0	0	3857	12	10
Machine and workshops	2684	0	5	0	0	0	2684	0	5
Water stations	872	1	5	0	0	0	872	1	5
Turn tables	1531	7	8	0	0	0	1531	7	8
Snow ploughs	17	1	5	0	0	0	17	1	5
	£ 199533	13	1	3871	0	0	203404	13	1
Black, Wood & Co. under their contract	162538	6	9	17595	16	3	180129	3	0
Total	£ 362066	19	10	21466	16	3	383533	16	1

INCIDENTAL EXPENDITURE.

	PAID.			TO BE PAID.			TOTAL.		
	£	s.	d.	£	s.	d.	£	s.	d.
Office expenses	4034	17	9	354	12	6	4389	10	3
Agency	2166	3	8	0	0	0	2166	3	8
Presidents	500	0	0	..	..	..	500	0	0
Law expenses	703	5	9	..	..	..	703	5	9
Advertising	994	16	5	123	19	2	1068	15	7
Insurance	409	2	1	..	..	..	409	2	1
Loss on Bills of Exchange	179	11	2	..	..	..	179	11	2
Profit and loss	11	3	7	..	..	..	11	3	7
Contingencies	2349	2	0	474	11	3	2823	13	3
Interest	7354	2	2	2250	0	0	9604	2	2
Interest on instalments	3131	12	4	..	..	..	3131	12	4
Total	£ 21783	16	11	3203	2	11	24986	19	10

Appendix
(U. U.)

EQUIPMENT.

Appendix
(U. U.)

30th August.

30th August.

	PAID.			TO BE PAID.			TOTAL.		
	£	s.	d.	£	s.	d.	£	s.	d.
Locomotives.....	10302	13	0	1000	7	2	11303	0	2
Passenger carriages.....	3720	10	7	..	..	..	3720	10	7
Freight and platform cars.....	3197	7	9	2253	4	8	5450	12	5
Total	£ 17280	11	4	3253	11	1	20534	3	2

GENERAL RESULT.

Construction—

Direct Expenditure	£383,533	16	1
Incidental Expenditure	24,986	19	10
Total	408,520	15	11
Equipment.....	20,534	3	2
Total Expenditure to 1st January, 1851.....	429,054	19	1

"The amount of materials provided for the work" consists of 4,098 tons of iron rail, 20 tons of iron for bridges, 123 tons of rail chairs, 106 tons of rail spikes, between 60 and 70,000 cross ties for rails, 220,000 feet of timber, 4,800 yards of stones, &c., the value of which is paid and included in the above amounts.

Fourth, The extent of "rolling stock" now on the road is as follows:

One Engine—"The Longueuil" American.
Two do "Britannia," "Princess"—Scotch.
Three do "Morin," "Montreal," "Sherbrooke"—American.
Two first class passenger cars.
One first and second do
One second class do
Ten freight cars do
Ten platform do
Ten earth do

In Construction.

Ten platform cars.
One second class carriage.

Fourth and last instruction. To furnish the information required by this instruction in detail, would involve much time,—in fact it would make it necessary for me to go into a detailed measurement and estimate of the works in the remainder of the line. But although it is impossible for me now so to give it, I conceive I am enabled to give you such information on the state of the road generally, whether as relates to the proportion of work done, compared with what remains to be done, and the amount expended on it, contrasted with the amount still to be expended, as will enable you to advise the Executive in the application of the provisions of 29th chap. Vict. 12th to this case.

The following is the estimate I make of the cost of this road, exclusive of equipment. I entertain a strong belief that it is quite sufficient for its proper construction. This estimate is based on the following principle, viz: cost of Section No. 1, is taken to be the amount already paid on it, to which is added the amount to be paid, the amount required for the ballasting and re-laying the rails, and one-fourth of the sum given in the statement of expenditure and under the head of "Incidental Expenditure," the remaining three-fourths being put on the other three sections.

Section 1. Thirty miles in length and in use:

Amount paid	£199,533
" to be paid on work done	3,871
Ballasting and re-laying.....	16,529
The difference between this amount and £18,000, being embraced in the preceding item. One-fourth of preliminary and incidental expenses	6,246
	£226,179

Section 2. 38 miles—12 miles in use:

The rails &c., &c., delivered for the remainder which may be used in July next.	
Thirty-eight miles @ £6550 per	£248,900
Add for three way and water stations	1,050
One-fourth of preliminary and incidental expenses.....	6,246
	£256,196

Section 3. 27½ miles, rails:

For three miles delivered, and works much advanced.	
Twenty-seven and a quarter miles @ £6,550 per	£178,487
Add for two main stations and engine house and way station	12,350
Proportion of incidental expenses	6,246
	£197,083

Section 4. 30¾ miles—nothing done:

Thirty and three quarters miles @ £6550 per	£201,412
Add for one main station and engine house and three way stations	7,050
One-fourth incidental expenses...	6,246
	£214,708

General Charges:

Engineering and office expenses	£10,000
Contingencies—although in fact these are covered by the mileage, say	£10,000
	£214,166

From the forward state of sections one and two, there can be no doubt as to the sufficiency of the amount set down in the foregoing estimates, for their full completion. Nor have I any doubt of the sum stated for section 3 being also ample. From the details and information afforded me by Mr. Gzowski, I am equally persuaded that the amount

Appendix
(U. U.)
30th August.

for section 4 is sufficient, and that, in short, therefore the sum of £914,166 will cover the cost of constructing the road. The three sections 2, 3 and 4 are under contract, with Black & Co., who are experienced and intelligent contractors, and well capable of judging at what price work can be done for. Prior to entering into contract, they examined the ground closely, and had full access to the Engineer's detailed measurements and estimates, on all of which they based their price. The section No. 4, as then located by Mr. Morton, was, throughout, on the east side of the Coaticook River, from near Lennoxville to the Province line. It crossed the summits of the country—had very deep cuttings and embankments—some bad curves and grades, some of the latter being as high as fifty-eight feet to the mile. It is now proposed to cross the Coaticook River about seven miles south of Lennoxville, and follow up the valley of that river on the west side to the Province line. The route has been explored and selected by Mr. Gzowski. The summit by it is three hundred and six feet lower than on the eastern route. It is very direct, and about a mile shorter than the other, the deep cuttings and embankments of which are avoided, and the greatest grade on it will be but forty-five feet to the mile. These are all great advantages towards the after maintenance of the line, as well as in favour of the contractors, and, together with the draw back which the Company are entitled to keep in hands, amounting to £50,000, ensure, in my judgment, the construction of the road for the sum stated.

Besides the above numerated very favourable features in favour of the line west of the Coaticook, another most important advantage to be obtained by its adoption would be, that it admits of a direct connection with the "Boston Passumpsic Road." From the point where the west Coaticook line crosses the frontier, to "Clyde Pond," at which the Boston Road would come in, is about fourteen miles. The Boston Road is now completed to St. Johnsbury, which is about thirty-five miles from Clyde Pond. From Clyde Pond to a common point on the Connecticut River (where either the east or west Coaticook route would join) is about sixteen miles. The west Coaticook route would be nine miles longer than the other, but this increased length (independent of thus having the direct junction with Boston) is made up by the much more favourable country through which it passes. One object aimed at in the foregoing, is to show that all those changes found to be desirable since the contract with Messrs. Black & Co. was entered into, tend directly to lessen the cost of construction.

On the construction therefore of the Quebec Branch, the Montreal and Atlantic Railroad would have two northern terminations; one at Quebec and one at Montreal; and two southern terminations; one at Boston and one at Portland; and that portion of the line from Richmond in Canada to Clyde Pond in Vermont, a length of seventy-two miles, would be a Main Trunk Line between all those places; and of these seventy-two miles, fifty-eight would be in Canada.

By the contract, the contractors were to receive in payment £125,000 of Montreal City Bonds—and one-fourth of the amount of their contract in the stock of the Company at par, and further, be paid such amount in stock also, as might be due them on the work until half the amount of it was done and the Provincial guarantee Debentures issued, when such stock then in the hands of the contractors over and above the proportion of one-fourth as stated already, was to be exchanged for an equal amount of the guaranteed Debentures. By this transaction,

Appendix
(U. U.)
30th August.

the spirit of the Act would not have been acted on, as one-half of the full cost of the road would not *bona fide* have been paid by the Company prior to their obtaining the guarantee, which under all circumstances should strictly be enforced. But by a late arrangement this condition, namely, replacing the amount of the surplus payment in stock with guaranteed debentures, is quashed and waived by the contractors, and the guarantee when issued is to be solely disposed of for the completion of the remaining half of the works of the road. As shewn in the estimate, the total cost of constructing the road is set down at £914,166. The whole expenditure on the construction of the road by the Company to the first of January 1851, £108,519. The position therefore of the Company, as to the issuing of the guarantee, is this:

Half the cost of constructing the road is £457,083
Amount expended by the Company to first

January 408,519

Leaving a balance of £48,564 still to be expended by them, before they would be entitled to the guarantee. But out of this sum they claim credit for £20,534 expended by them on equipment now in use, requiring them, if this view is adopted to expend £28,030 before the guarantee be afforded. At the present rate of expenditure on the works, this amount will be expended in six or eight weeks.

Although not immediately pressing, I consider it may be satisfactory to lay before you an estimate of the cost of the requisite equipment, which will be required on the completion of the road. A large portion of the expenditure, however, will not be called for until after its completion.

Approximate estimate of the cost of equipment
Say twenty-six first class Engines @
£2,500 per..... £65,000
Say for carriages and cars 49,000
£114,000
Deduct value of equipment on hand and
paid for by the Company..... 20,500
Ultimately required £93,500

Of this sum say one-half may be required within eighteen months, and the remainder as the trade may make necessary; but no guarantee can be called for until the Company can show that they have expended one half, say £46,750 or, if they are given credit in their present negotiations for the expenditure of £20,500, they will have to show an expenditure of £57,000 before they would be entitled to the guarantee on this amount.

In the estimate herein given, I have not embraced the item of interest, as I considered it was more properly the province of the Finance Department. It may be well that I should refer to the subject generally.

Calculating on an equable rate of progress on the works, and that the Company would be enabled to obtain the usual allowance or time in the payment for the iron, &c., the gross amount of guaranteed bonds that may be required prior to the road coming fully into operation would be probably £400,000 and at the following rates and periods.

£100,000 1st April, 1851
" 1st July, "
" 1st January, 1842
" 1st April, "

The interest payable semi-annually.

On this calculation there would be the sum of £24,000 required to meet the interest from the

Appendix
(U. U.)

80th August.

present to the 1st January, 1853, inclusive. Within this same period the Company should receive from the lease of the road executed with Black & Co. the sum of £34,000.

It will be at once perceived from the foregoing that the construction I put on the words in the Act "until one half of the entire line of road shall have been completed," is (the correctness and sufficiency of the estimate being first ascertained and admitted) that the Company are entitled to the guarantee, so soon as they can show an actual expenditure on the road of one-half the estimated cost of construction. I consider that such is not only the reasonable interpretation of the Act, but that, in the present case, it is infinitely more desirable and for the interest of the road and of the public, that such interpretation should be put on it—rather than (as some might be disposed) to require one-half the actual number of miles to be completed, without any reference to the works of the other half, before the guarantee is granted.

Every practical man, acquainted with such works, knows that their speedy and proper completion may be advanced and ensured more by the heavy portions of the road throughout being carried on simultaneously, than by confining the operations to one-half the road.

The only reason that I can imagine to be advanced in support of the view of having one-half the mileage completed in the first instance is that thereby the local way travel of the road would be obtained. But the reason, however applicable, and probably very judicious in some cases, is not applicable to this—inasmuch the centre of this road terminates in the centre of an extensive part of marsh lands, and is several miles distant from any road whatever.

Should these, my views, however, not be adopted, the next six months must in my opinion be entirely devoted to overcoming two or three minor obstacles near the St. Francis, and the ultimate completion of the road be correspondingly delayed, without the slightest practical benefit.

On my late inspection, I found a large force employed on the forming up to grade several miles of road in consequence of the impression on the minds of the Company that one-half the mileage would be required. The frozen state of the ground and the nature of the material renders this course not only a most wasteful expenditure of their means, but by it also the work will be retarded, the frost kept in the ground and the proper formation of the road seriously interfered with. So strong is this my impression, that I would recommend, the Company should at once be required to discontinue this unseasonable work, at the same time authorizing them immediately to commence on the several points along the line generally, where heavy rock or earth work is to be encountered. By adopting this course, a worse than useless expenditure will be put a stop to, and the proper completion and durability of the road accelerated and rendered more certain.

All of which is respectfully submitted, by Sir,

Your very obedient Servant,

(Signed,) HAMILTON H. KILLALY.

To the Honorable Joseph Bourret,
Commissioner of Public Works.

Certified to be a true copy of the original
filed in this office.

THOMAS A. BEGLY,
Secretary.

Department of Public Works,
Toronto, 23rd January, 1851.

No. 5.

GREAT WESTERN RAILROAD COMPANY.

Appendix
(U. U.)

80th August

At a Meeting of the Stockholders of the Company, held in the Court House, on Monday, the 2nd instant, for the purpose of electing Directors for the ensuing year:

E. C. Thomas, Esq., Sheriff, presided; J. T. Gilkinson, Esq., acting as Secretary.

The Chairman, having explained the object of the meeting, called on the Secretary to read the Report of the retiring Directors:

To the Stockholders of the Great Western Railroad Company.

The Directors avail themselves of your annual meeting to report their proceedings during their year of office, in which they include a review of the present position and prospects of your Company.

At your meeting, 14th October last, held to authorise calls for instalments, your Directors submitted a Report, detailing their proceedings to that date; in which they announced the subscription for stock by the City of Hamilton, and the actual commencement of the work by the contractors. They have now to acquaint you of the additional subscriptions for stock by the County of Oxford and the Towns of London and Galt, each for twenty-five thousand pounds Provincial currency, and of the unanimous passage of a by-law, by the rate payers of the County of Middlesex, authorising the proper officers of that County to confirm and subscribe for a similar amount, which subscription is expected to be perfected very shortly,—and other municipalities are willing to take stock if required.

With the foregoing stock taken by corporations, and the subscriptions of private shareholders, your Board felt justified in gradually extending the works, and there is at the present time a force employed on the line, between this city and Woodstock, equal to three thousand men, besides the necessary engineers, agents, &c., &c. The sections between Woodstock and London are staked out, ready for work, and the contractors notified to commence the grading operations. The cuttings on this part of the line, however, are light, and can be made ready for the superstructure in a much shorter period of time than the heavier works on the east side of the Grand River.

Your Board, relying on the Provincial Guarantee, to furnish one-half the cost of the road, have resolved to limit the issue of shares to forty thousand: ten thousand of which they have placed at the disposal of Mr. Buchanan and Mr. Atcheson, the agents for the Company in Great Britain; and other ten thousand shares they have, by agreement, reserved for subscriptions by Railroad Corporations and Capitalists, interested in your road, belonging to the neighbouring States; and with the view of this latter subscription, being carried into effect at an early day, three gentlemen of the highest respectability, having very great experience in railway matters, and being connected with and possessing the confidence of corporations and individuals from whom the largest subscriptions are to be got: viz., Erastus Corning, of Albany, John M. Forbes, of Boston, and J. W. Brooks, of Detroit, Esquires, have become, by the purchase of stock, qualified to be Directors of your Company, and the retiring Directors beg to recommend the election of the said gentlemen by the stockholders present, as part of the Board for the coming year.

Until the subscription for stock sent to Great Britain, or for the United States, are perfected, and

Appendix
(U. U.)Appendix
(U. U.)

the necessary instalments paid thereon, your Board have confined, and are restricting the outlay of money to the parts of the road which can be finished with the present available resources of the Company, that is to say, the division between this City and London, and the line to Galt; and so soon as the subscriptions referred to are received, (and no doubt is entertained of their being perfected during the present month,) the retiring Directors recommend their successors to force the completion of the whole line without delay.

The receipts of the Company to the present time amount to eighty-one thousand five hundred and seventy-nine pounds, two shillings and five pence, currency, and the disbursements to fifty-eight thousand eight hundred and seventy-one pounds, twelve shillings and ninepence, leaving on hand (the balance) twenty-two thousand seven hundred and seven pounds, nine shillings and eightpence. The Directors have further to state, that an arrangement has been concluded with your Bankers, by which a current credit to the extent of fifty thousand pounds Provincial currency has been established, on terms considered favourable to the Company.

All which is respectfully submitted.

(Signed,) ROBERT W. HARRIS,
President.

Railway Office, Hamilton,
2nd June, 1851.

Moved by W. L. Distin, Esq., seconded by Mr. R. Bull,

Resolved,—That the Report just read and submitted to this meeting be adopted, and the same be published.

Moved by Dr. Hamilton, seconded by W. L. Distin, Esq.,

Resolved,—That the thanks of the Shareholders are especially due to the President, Robert W. Harris, Esq., for the time and attention he has devoted to the affairs of the Company during the past year, and that the sum of two hundred and fifty pounds be presented to him, not as an adequate remuneration, but as an acknowledgment of the valuable services he has rendered the Company at a period of so much importance to their interests.

(In acknowledging which, the President respectfully declined accepting the £250.)

Moved by Miles O'Reilly, Esq., seconded by Edward Jackson, Esq.,

Resolved,—That the thanks of this meeting are due, and that they are hereby tendered, to the Directors for the past year.

Moved by John Whyte, Esq., seconded by Jas. B. Ewart, Esq.,

Resolved,—That the special thanks of this Company are due, and are hereby tendered, to Sir Allan N. MacNab, the representative of this City, for the services which he has rendered to the Company in his place in Parliament.

Moved by Sir Allan N. MacNab, second by Geo. S. Tiffany, Esq.,

Resolved,—That Alex. Campbell, and W. L. Distin, Esqrs., be requested to act as scrutincers.

The election of Directors was then proceeded with, and the following gentlemen declared duly elected:—

Robert W. Harris, Esq., Hamilton; Sir Allan N. MacNab, Dundurn; Henry McKinstry, Esq., Richard Jason, Esq., Jno. Young, Esq., George S. Tiffany, Esq., Hamilton; W. H. Dickson, Esq., M. P. P., Niagara; W. P. McLaren, Esq., Hamilton; Erastus Corning, Esq., Albany; John M. Forbes, Esq., Boston; J. W. Brooks, Esq., Detroit.

On motion of Walter H. Dickson, Esq., the Sheriff left the Chair, and the same being taken by Sir Allan N. MacNab, the thanks of the meeting, were then given to the Sheriff for his conduct in the Chair.

(Signed,) J. T. GILKISON,
Secretary.

Court House,
Hamilton, June 3, 1851.

At a meeting of the Directors, subsequent to the above, Robert W. Harris, and W. P. McLaren, Esqrs. were respectively elected President and Chairman of the Company.

(Signed,) J. T. GILKISON,
Secretary.

Office of the Great Western Rail-road Co.,
Hamilton, June 3, 1851.

No. 6.

BILL,—An Act for consolidating in one Act certain provisions usually inserted in Acts authorizing the making of Railways.

WHEREAS it is expedient to comprise in one general Act sundry provisions usually introduced into Acts of the Provincial Parliament, authorising the construction of Railways in this Province, as well for the purpose of avoiding the necessity of repeating such provisions in each of the several Acts relating to such undertakings, as for insuring greater uniformity in the provisions themselves: Be it therefore enacted, &c.,

I. That this Act shall apply to every Railway which shall, by any Act which shall hereafter be passed be authorised to be constructed, and this Act shall be incorporated with such Act; and all the clauses and provisions of this Act, save so far as they shall be expressly varied or excepted by any such Act, shall apply to the undertaking authorised thereby, so far as the same shall be applicable to such undertaking, and shall, as well as the clauses and provisions of every other Act, which shall be incorporated with such Act, form part of such Act, and be construed together therewith as forming one Act.

II. That in citing this Act, in any special Railway Act and in other Acts of Parliament, and in legal instruments, it shall be sufficient to use the expression, "*The Railway Clauses Consolidation Act.*"

III. That for the purpose of making any incorporation of this Act with special Acts hereafter to be passed, it shall be sufficient in any such Acts to enact that the clauses of this Act, with respect to the matter so proposed to be incorporated, describing such matter as it is described in this Act, in the words introductory to the enactment with respect to such matter, shall be incorporated with such Acts, and thereupon all the clauses and provisions of this Act, with respect to the matter so incorporated shall, save so far as they shall be expressly varied or excepted by such Acts, form part thereof, and such Acts shall be construed as if the substance of such clauses and provisions were set forth therein with reference to the matter to which such Acts shall relate.

30th August.

Appendix
(U. U.)

30th August.

IV. The power given by the special Act to construct the Railway, and to take lands for that purpose, shall be exercised subject to the provisions and restrictions contained in this Act, and compensation shall be made to the owners and occupiers of and all other parties interested in any such lands so taken or injuriously affected by the construction of the Railway, for the value and for all damages sustained by reason of such exercise, as regards such lands, of the powers by this or the special Act, or any Act incorporated therewith, vested in the Company; and, except where otherwise provided by this Act or the special Act, the amount of such compensation shall be ascertained and determined in the manner provided by this Act.

V. Any Company desirous to obtain a Special Act for the construction of a Railway, shall be hold to deposit with the Secretary of the Province, previous to the application to the Legislature, a copy of their Stock-Book, showing the number of their subscribers, and the actual *bona fide* amount of the subscriptions; and that at least one quarter of the intended capital has been actually subscribed, the truth whereof shall be supported by the affidavit or solemn affirmation, as the case may be, of two of the Directors or Shareholders of the Company, and the Company shall also at the same time deposit with the said Secretary a certificate of the Cashier of any chartered Bank in this Province of the deposit therein of a sum equal to ten per cent. upon the amount of subscriptions, with authority to the Secretary to control the withdrawal of the said deposit for such time as the Secretary may think proper, not longer than six months after the Railway shall have been actually commenced and proceeded with.

VI. No Bill for a Special Act for the allowance or establishment of a Railway shall be received by the Legislature unless and until there shall be deposited with the clerks of both branches, a certificate from the Secretary of the Province, that the Company applying has complied in all respects with the requirements of the next preceding clause.

INTERPRETATION.

VII. And with respect to the construction of this Act, and of any Special Act, and of other Acts to be incorporated therewith, be it enacted as follows:

1. The expression "the special Act," used in this Act shall be construed to mean any Act which shall be hereafter passed, authorising the construction of a Railway, and with which this Act shall be so incorporated as aforesaid; and the word "prescribed," used in this Act in reference to any matter herein stated, shall be construed to refer to such matter as the same shall be prescribed or provided for in the special Act; and the sentence in which such word shall occur shall be construed as if, instead of the word "prescribed," the expression "prescribed for that purpose in the special Act" had been used; and the expression "the lands," shall mean the lands which shall, by the special Act, be authorised to be taken or used for the purpose thereof; and the expression "the undertaking," shall mean the Railway and works of whatever description, by the special Act authorised to be executed.

2. The following words and expressions, both in this and the special Act, shall have the meanings hereby assigned to them, unless there be something in the subject or context repugnant to such construction; (that is to say)

The word "Lands" shall include all real estate, messuages, lands, tenements and hereditaments of any tenure:

The word "Lease" shall include any agreement for a lease:

The word "Toll" shall include any rate or charge or other payment payable under this Act or the special Act for any passenger, animal, carriage, goods, merchandize, articles, matters or things conveyed on the Railway:

The word "Goods" shall include things of every kind conveyed upon the Railway:

The expression "Superior Courts" shall mean the Courts of Chancery, Queen's Bench and Common Pleas in Upper Canada, and the Superior Court in Lower Canada, as the case may be:

The word "County" shall include any Riding or like division of a County, or any division thereof into separate Municipalities:

The word "Highways" shall mean all public roads, streets, lanes, and other public ways and communications:

The word "Sheriff" shall include Under Sheriff or other legal competent Deputy; and where any matter in relation to any lands is required to be done by any Sheriff or Clerk of the Peace, the expression "the Sheriff," or the expression "Clerk of the Peace," shall in such case be construed to mean the Sheriff or Clerk of the Peace of the District, County, Riding, Division, or place where such lands shall be situate; and if the lands in question, being the property of one and the same party, be situate not wholly in one District, County, Riding, Division, or place, the same expression shall be construed to mean the Sheriff or Clerk of the Peace of any such District, County, Riding, Division, or place where any part of such lands shall be situate:

The word "Justice" shall mean Justice of the Peace acting for the District, County, Riding, Division, City or place where the matter requiring the cognizance of any such Justice shall arise, and who shall not be interested in the matter; and where such matter shall arise in respect of lands being the property of one and the same party, situate not wholly in any one District, County, Riding, Division, City or place, shall mean a Justice acting for the District, County, Riding, Division, City, or place where any part of such lands shall be situate, and who shall not be interested in such matter; and where any matter shall be authorised or required to be done by two Justices, the expression "two Justices" shall be understood to mean two Justices assembled acting together:

Where under the provisions of this Act or the Special Act any notice shall be required to be given to the owner of any lands, or where any act shall be authorised or required to be done with the consent of any such owner, the word "owner" shall be understood to mean any Corporation or person who under the provisions of this Act, or the Special Act, or any Act incorporated therewith, would be enabled to sell and convey lands to the Company:

The expression "the Company" shall mean the company or party which shall be authorised by the Special Act to construct the Railway:

The expression "the Railway" shall mean the Railway and works by the Special Act authorised to be constructed:

The word "clause" shall mean any separate section of this Act, or any other Act therein referred to, distinguished by a separate number:

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

The word "shareholder" shall mean every subscriber to or holder of stock in the undertaking, and shall extend to and include the personal representatives of the shareholder.

3. The Interpretation Act of this Province shall, in so far as the provisions thereof shall apply hereto, be deemed to form part hereof in the particulars not provided herein.

INCORPORATION.

VIII. Every Company established under any Special Act shall be and is hereby declared to be, a body corporate under such name as shall be declared in the Special Act, and shall and is hereby invested with all the powers, privileges and immunities which are or may be necessary to carry into effect the intentions and objects of this Act and of the Special Act therefor, and which are incident to such Corporation as are expressed or included in the Interpretation Act of this Province.

POWERS.

IX. The Company shall have power and authority ;

1. To receive, hold, and take all voluntary grants and donations of land or other property which shall be made to it, to aid in the construction, maintenance and accommodation of the Railway, but which shall be held and used for the purpose of such grants or donations only.

2. To purchase, hold and take of any corporation or person any land or other property necessary for the construction, maintenance, accommodation and use of the Railway, and also to alienate, sell or dispose of the same.

3. To take, use, occupy and hold, but not to alienate except by way of lease, so much of the public beach or of the land covered with the waters of any river or lake in this Province as may be required for the Railway, doing no damage to, nor causing any obstruction in the navigation of the said rivers or lakes: provided that the lease shall be conditioned not to extend beyond the time during which such beach or land is required for the Railway.

4. To make, carry or place the Railway across or upon the lands of any Corporation or person whomsoever on the line of the Railway, or within the distance from such line as may be stated in the Special Act, although the name of such party be not entered in the book of reference hereinafter mentioned, through error or any other cause, or although some other party be erroneously mentioned as the owner of or entitled to convey, or be interested in such lands.

5. To construct, maintain and work the Railway across, along, or upon any stream of water, water course, canal, highway or railway which it shall intersect or touch; but the stream, water course or canal so intersected or touched, shall be restored by the Company to its former state, or to such state as not unnecessarily to have impaired its usefulness.

6. To make, complete, alter and keep in repair the Railway with one or more sets of rails or tracks to be worked by the force and power of steam, or of the atmosphere, or of animals, or by mechanical power, or by any combination of them.

7. To erect and maintain all necessary and convenient buildings, stations, depots, wharves and fixtures, from time to time to alter, repair or enlarge the same, and to purchase and acquire stationary or locomotive engines and carriages, waggons, floats and other machinery and contrivances necessary for the accommodation and use of the passengers, freights and business of the Railway.

8. To make branch Railways, if required and provided by the Special Act, and to manage the same, and for that purpose to exercise and possess all the powers, privileges and authorities necessary therefor, in as full and ample a manner as for the Railway.

9. To turn and change the course of any river not being a navigable river, or of any brook, stream or water course requisite or convenient for the Railway.

10. To erect a bridge across any navigable river or stream, or any tide water, for the sole and exclusive travel on the Railway, provided such bridge shall be so constructed as not unnecessarily to obstruct or impede the navigation of such river, stream or water.

11. To construct, erect and make all other matters and things which shall be necessary and convenient for the making, extending and using of the Railway, in pursuance of and according to the meaning and intent of this Act, and of the Special Act.

12. To take, transport, carry and convey persons and goods on the Railway, to regulate the time and manner in which the same shall be transported, and the tolls and compensation to be paid therefor, and to receive such tolls and compensation.

13. To borrow from time to time, either in this Province or elsewhere, such sums of money as may be expedient for completing, maintaining and working the Railway, and at a rate of interest not exceeding eight per cent. per annum, and to make the bonds, debentures or other securities granted for the sums so borrowed, payable either in currency or in sterling, and at such place or places within this Province or without as may be deemed advisable, and to sell the same at such prices or discount as may be deemed expedient, or as shall be necessary, and to hypothecate, mortgage or pledge the lands, tolls, revenues and other property of the Company for the due payment of the said sums and the interest thereon, but no such debenture shall be for a less sum than twenty-five pounds.

14. To enter into and upon any lands of Her Majesty without previous license therefor, or of any Corporation or person whatsoever lying in the intended route or line of the Railway.

15. To make surveys, examinations, or other necessary arrangement on such lands necessary for fixing the site of the Railway, and to set out and ascertain such parts of lands as shall be necessary and proper for the Railway.

16. To take, remove and use for the necessary construction, maintenance and repair of the Railway, any earth, gravel, stone, sand, timber or other materials necessary therefor, on or upon the lands taken, or upon or out of the lands of any person adjoining or lying convenient to the line of the Railway.

17. To fell or remove any trees standing in any woods, lands or forests, where the Railway shall pass, to the distance of six rods from either side thereof.

18. To cross, intersect, join and unite the Railway, with any other Railway at any point on its route

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

and upon the lands of such other Railway, with the necessary conveniences for the purposes of such connection; and the owners of both Railways may unite in forming such intersection, and grant the facilities therefor; and in case of disagreement upon the amount of compensation to be made therefor, or upon the point or manner of such crossing and connection, the same shall be determined by arbitrators to be appointed by a Judge of the Superior Courts in Lower Canada or Upper Canada as the case may be.

PLANS AND SURVEYS.

X. Plans and surveys shall be made and corrected as follows:

1. Surveys and levels shall be taken and made of the lands through which the Railway is to pass, together with a map or plan thereof, and of its course and direction, and of the lands intended to be passed over and taken therefor, so far as then ascertained, and also a book of reference for the Railway, in which shall be set forth a general description of the said lands, the names of the owners and occupiers thereof, so far as they can be ascertained, and every thing necessary for the right understanding of such map or plan; and the map or plan and book of reference shall be examined and certified by the person performing the duties formerly assigned to the Surveyor General or his deputies, who shall deposit copies thereof in the office of the Clerks of the Peace in the Districts or Counties through which the Railway shall pass, and also in the Office of the Secretary of the Province, and shall also deliver one copy thereof to the said Company; and all persons shall have liberty to resort to such copies, and to make extracts or copies thereof, as occasion shall require, paying to the said Secretary of the Province, or to the said Clerks of the Peace, at the rate of *six pence* for every hundred words; and the said triplicates of the said map or plan and book of reference so certified, or a true copy thereof certified by the Secretary of the Province or by the Clerks of the Peace, shall be, and is and are hereby declared to be, good evidence in any Court of Law and elsewhere.

2. Any omission, mis-statement or erroneous description of such lands, or of such owners or occupiers thereof, in any map or plan or book of reference, may be corrected by two Justices on application made to them, after giving ten days' notice to the owners of such lands, for the correction thereof, and the parties shall certify the same accordingly if it shall appear to them that such omission, mis-statement or erroneous description arose from mistake; and the certificate shall state the particulars of any such omission, and the manner thereof, and shall be deposited with the said Clerks of the Peace of the Districts or Counties, respectively, in which such lands shall be situate, and be kept by them respectively along with the other documents to which they relate; and thereupon such map or plan, or book of reference shall be deemed to be corrected according to such certificate; and it shall be lawful for the Company to make the Railway in accordance with such certificate.

3. If any alterations from the original plan or survey be intended to be made in the line or course of the Railway, a plan and section in triplicate of such alterations as shall have been approved of by Parliament, on the same scale and containing the same particulars as the original plan and survey shall be deposited in the same manner as the original plan, and copies or extracts of such plan and section as shall relate to the several Districts or Counties in or

through which such alterations shall have been authorised to be made, shall be deposited with the Clerks of such several Districts and Counties.

4. Until such original map or plan and book of reference, or the plans and sections of the alterations, shall have been deposited as aforesaid, the execution of the Railway or of the part thereof affected by the alterations, as the case may be, shall not be proceeded with.

5. The Clerks of the Peace shall receive and retain the copies of the original plans and surveys, and copies of the plans and sections of alterations, and copies and extracts thereof respectively, and shall permit all persons interested to inspect any of the documents aforesaid, and to make copies and extracts of and from the same, under a penalty for default of currency.

6. The copies of the maps, plans and books of reference, or of any alteration or correction thereof, or extracts therefrom, certified by any such Clerk of the Peace, which certificate such Clerk of the Peace shall give to all parties interested when required, shall be received in all Courts of Justice or elsewhere as good evidence of the contents thereof.

7. No deviation of more than one mile from the line of the Railway or from the places assigned thereto, in the said map or plan and book of reference or plans or sections shall be made, nor into, through, across, under or over any part of the lands shewn in such map or plan and book of reference, or plans or sections, or within one mile of the said line and places, save in such instances as are provided for in the Special Act.

8. Provided that the Railway may be carried across or upon the lands of any person on the line or within the distance from such line as aforesaid, although the name of such person be not entered in the book of reference, through error or any other cause, or although some other person be erroneously mentioned as the owner of or entitled to convey, or be interested in such lands.

9. The lands which may be taken without the consent of the proprietor thereof, shall not exceed thirty yards in breadth, except in such places where the Railway shall be raised more than five feet higher, or cut more than five feet deeper than the surface of the line, or where offsets shall be established, or where stations, depots or fixtures are intended to be erected, or goods be delivered, and then not more than two hundred yards in length by one hundred and fifty yards in breadth, without the consent of the person authorised to convey such lands; and the places at which such extra breadth is to be taken, shall be shewn on the map or plan, or plans or sections, so far as the same may be then ascertained, but their not being so shewn shall not prevent such extra breadth from being taken, provided it be taken upon the line shewn or within, the distance aforesaid from such line.

10. The extent of the public beach or of the land covered with the waters of any river or lake in this Province, taken for the Railway, shall not exceed the quantity limited in the next preceding clause.

LANDS AND THEIR VALUATION.

XI. The conveyance of lands, their valuation and the compensation therefor, shall be made in manner following:

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

1. All corporations and persons whatever, tenants in tail or for life, *graves de substitution*, guardians, curators, executors, administrators, and all other trustees whatsoever, not only for and on behalf of themselves, their heirs and successors, but also for and on behalf of those whom they represent, whether infants issue unborn, lunatics, idiots, *femes couvertes* or other persons, who are or shall be seized, possessed of or interested in any lands, may contract for, sell and convey unto the Company all or any part thereof; and any contract, agreement, sale, conveyance and assurance so to be made, shall be valid and effectual in law to all intents and purposes whatsoever, any law, statute, usage or custom to the contrary thereof in any wise notwithstanding, and such corporation or person, so conveying as aforesaid, is hereby indemnified for what he shall respectively do by virtue of or in pursuance of this Act.

2. Provided, that any contract or agreement made by any party authorised by this Act to convey lands, and made before the deposit of the map or plan and book of reference, and before the setting out and ascertaining of the lands required for the Railway, shall be binding at the price agreed upon for the same lands, if they shall be afterwards so set out and ascertained within one year from the date of the contract or agreement, and although such land may, in the mean time, have become the property of a third party; and possession of the land may be taken and the agreement and price may be dealt with, as if such price had been fixed by an award of arbitrators as hereinafter provided, and the agreement shall be in the place of an award.

3. All corporations or persons who cannot in common course of law sell or alienate any lands so set out and ascertained, shall agree upon a fixed annual rent as an equivalent, and not upon a principal sum, to be paid for the lands; and if the amount of the rent shall not be fixed by voluntary agreement or compromise, it shall be fixed in the manner herein prescribed, and all proceedings shall in that case be regulated as herein prescribed; and for the payment of the said annual rent, and every other annual rent agreed upon or ascertained, and to be paid for the purchase of any lands, or for any part of the purchase money of any lands, which the vendors shall agree to leave unpaid, the Railway and the tolls thereon shall be, and are hereby made liable and chargeable, in preference to all other claims and demands thereon whatsoever, the deed creating such charge and liability being duly registered in the Registry Office of the proper County.

4. Whenever there shall be more than one party proprietor of any land as joint tenants or tenants in common, or *par indivis*, and contract or agreement made in good faith with any party or parties proprietor or being together proprietors of one-third or more of such land, as to the amount of compensation for the same or for any damages thereto, shall be binding as between the remaining proprietor or proprietors as joint tenants or tenants in common and *par indivis* and the proprietor or proprietors who have so agreed, may deliver possession of such land, or empower the entry upon the same, as the case may be.

5. After one month from the deposit of the map or plan and book of reference as aforesaid, and from notice thereof in at least one newspaper published in in each of the Districts and Counties through which the Railway is intended to pass, application may be made to the owners of lands or to parties empowered to convey lands, or interested in lands which may suffer damage from the taking of materials or the exercise of any of the powers granted for the Railway, and thereupon agreements and contracts may

be made with the said parties touching the said lands or the compensation to be paid for the same, or for the damages, or as to the mode in which the said compensation shall be ascertained, as shall seem expedient to both parties, and in case of disagreement between them, or any of them, then all questions which shall arise between them, shall be settled as follows, that is to say:

6. The deposit of a map or plan and book of reference and the notice of such deposit, given as aforesaid, shall be deemed a general notice to all such parties as aforesaid of the lands which will be required for the said Railway and works.

7. A notice served upon the party, containing a description of the lands to be taken, or of the powers intended to be exercised with regard to any lands, describing them; a declaration of readiness to pay some certain sum, or rent as the case may be, as compensation for such lands or for such damages, and the name of a person to be appointed as the Arbitrator of the Company, if their offer be not accepted; and such notice shall be accompanied by the certificate of a sworn Surveyor for either Province, as the case may be, disinterested in the matter and not being the Arbitrator named in the notice, that the land, if the notice relate to the taking of land, is shown on the said map or plan and is required for the Railway, or is within the limits of deviation hereby allowed; that he knows the land, or the amount of damage likely to arise from the exercise of the powers; and that the sum so offered, is in his opinion, a fair compensation for the land, and for the damages as aforesaid.

8. If the opposite party be absent from the District or County in which the lands lie, or be unknown, then upon application to a Judge of the District or Circuit Court, as the case may be, accompanied by such certificate as aforesaid, and by an affidavit of some officer of the Company that the opposite party is so absent, or that after diligent enquiry the party on whom the notice ought to be served cannot be ascertained, the Judge shall order a notice as aforesaid, but without the certificate, to be inserted three times in the course of one calendar month in some newspaper published in the said District or County.

9. If within ten days after the service of such notice, or within one month after the first publication thereof as aforesaid, the opposite party shall not notify to the Company his acceptance of the sum offered by them, or notify to the name of a person whom he appoints as Arbitrator, then the Judge shall, on the application of the Company, appoint a sworn Surveyor for Upper or Lower Canada, as the case may be, to be sole Arbitrator for determining the compensation to be paid as aforesaid.

10. If the opposite party shall, within the time aforesaid, notify to the Company the name of his Arbitrator, then the two Arbitrators shall jointly appoint a third, or if they cannot agree upon a third, then the Judge shall, on the application of the party or of the Company, (previous notice of at least one clear day having been given to the other party,) appoint a third Arbitrator.

11. The Arbitrators, or any two of them, or the sole Arbitrator, being sworn, before some Justice of the Peace for the County in which the lands lie as aforesaid, faithfully and impartially to perform the duties of their office, shall proceed to ascertain the said compensation in such way as they or he, or a majority of them, shall deem best, and the award of such Arbitrators, or any two of them, or of the sole Arbitrator, shall be final and conclusive: Provided, that no such award shall be made or any official act

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

be done by such majority, except at a meeting held at a time and place of which the other Arbitrator shall have at least one clear day's notice, or to which some meeting at which the third Arbitrator was present, shall have been adjourned; and no notice to either of the parties shall be necessary, but they shall be held sufficiently notified through the Arbitrator they shall have appointed, or whose appointment they shall have required.

12. Provided, that if in any case where three Arbitrators shall have been appointed, the sum awarded be not greater than that offered, the costs of the the Arbitration shall be borne by the opposite party, and deducted from the compensation, but if otherwise, they shall be borne by the Company, and in either case they may, if not agreed upon, be taxed by the Judge aforesaid.

13. The Arbitrators, or a majority of them, or the sole Arbitrator, may examine on oath or solemn affirmation the parties, or such witnesses as shall voluntarily appear before him or them, and may administer such oath or affirmation; and any wilfully false statement made by any witness, under such oath or affirmation, shall be deemed wilful and corrupt perjury, and punishable accordingly.

14. The Judge by whom any third Arbitrator or sole Arbitrator shall be appointed, shall, at the same time, fix a day on or before which the award shall be made, and if the same be not made on or before such day, or some other day to which the time for making it shall have been prolonged, either by the consent of the parties or by the order of the Judge, as it may be for reasonable cause shewn, on the application of such sole Arbitrator or of one of the Arbitrators after one clear day's notice to the others, then the sum offered by the Company as aforesaid shall be the compensation to be paid by them.

15. If the Arbitrator appointed by such Judge, or if any Arbitrator appointed by the parties, shall die before the award be made, or be disqualified, or refuse or fail to act within a reasonable time, then, upon the application of either party, such Judge being satisfied by affidavit or otherwise of such disqualification, refusal or failure, may, in his discretion, appoint another Arbitrator in the place of him by the Judge previously appointed, and the Company and party may each appoint an Arbitrator in the place of their Arbitrator deceased or otherwise not acting as aforesaid, but no recommencement or repetition of prior proceedings shall be required in any case.

16. Any such notice for lands, as aforesaid, may be desisted from, and new notice given with regard to the same or other lands, to the same or any other party, but in any such case the liability to the party first notified for all damages or costs by him incurred in consequence of such first notice and desistment shall subsist.

17. The Surveyor or other person offered or appointed as Valuator, or as Arbitrator, shall not be disqualified by reason that he is professionally employed by either party, or that he has previously expressed an opinion as to the amount of compensation, or that he is related or of kin to any member of the Company, provided he is not himself personally interested in the amount of the compensation; and no cause of disqualification shall be urged against any Arbitrator appointed by the Judge after his appointment, but shall be made before the same, and its validity or invalidity shall be summarily determined by the Judge; and no cause of disqualification shall be urged against any Arbitrator, appointed by the Company or by the opposite party, after the appointment

of a third Arbitrator; and the validity or invalidity of any cause of disqualification urged against any such Arbitrator, before the appointment of a third Arbitrator, shall be summarily determined by any such Judge, on the application of either party, after one clear day's notice to the other, and if such cause be determined to be valid, the appointment shall be null, and the party offering the person so adjudged to be disqualified, shall be held to have appointed no Arbitrator.

18. No award made as aforesaid shall be invalidated from any want of form or other technical objection, if the requirements of this Act shall have been complied with, and if the award shall state clearly the sum awarded, and the lands or other property, right or thing for which such sum is to be the compensation; nor shall it be necessary that the party or parties to whom the sum is to be paid be named in the award.

19. Upon payment or legal tender of the compensation or annual rent so awarded or agreed upon as aforesaid to the party entitled to receive the same, or upon the deposit of the amount of such compensation in the manner hereinafter mentioned, the award or agreement shall vest in the said Company the power forthwith to take possession of the lands, or to exercise the right, or to do the thing for which such compensation or annual rent shall have been awarded or agreed upon; and if any resistance or forcible opposition shall be made by any person to their so doing, the Judge may, on proof to his satisfaction of such award or agreement, issue his warrant to the Sheriff of the District or County, or to a Bailiff, as he may deem most suitable, to put the said Company in possession, and to put down such resistance or opposition, which the Sheriff or Bailiff, taking with him sufficient assistance, shall accordingly do: Provided that such warrant may also be granted by any such Judge, without such award or agreement, on affidavit to his satisfaction that the immediate possession of the lands or of the power to do the thing mentioned in the notice, is necessary to carry on some part of the said Railway with which the said Company are ready forthwith to proceed; and upon the said Company giving security to his satisfaction, and in a sum which shall not be less than double the amount mentioned in the notice, to pay or deposit the compensation to be awarded within one month after the making of the award, with interest from the time at which possession shall be given and with such costs as may be lawfully payable by the Company.

20. The compensation for any lands which might be taken without the consent of the proprietor, shall stand in the stead of such lands; and any claim to or incumbrance upon the said lands, or any portion thereof, shall, as against the Company, be converted into a claim to the compensation, or to a like proportion thereof, and they shall be responsible accordingly whenever they shall have paid such compensation, or any part thereof, to a party not entitled to receive the same, saving always their recourse against such party: Provided that if the Company shall have reason to fear any claims or incumbrances, or if any party to whom the compensation or annual rent, or any part thereof shall be payable shall refuse to execute the proper conveyance and guarantee, or if the party entitled to claim the same cannot be found, or be unknown to the Company, or if for any other reason the Company shall deem it advisable, it shall be lawful, if the lands be situated in Upper Canada, for them to pay such compensation into the office of either of the Superior Courts for Upper Canada, with the interest thereon for six months and to deliver to the Clerk of the Court an authentic copy of the convey-

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

ance, or of the award or agreement if there be no conveyance, and such award or agreement shall thereafter be deemed to be the title of the Company to the land therein mentioned; and a notice, in such form and for such time as the said Court shall appoint, shall be inserted in some newspaper published in the District or County in which the lands are situate, and in the City of Toronto, which shall state that the title of the Company, that is, the conveyance, agreement or award, is under this Act, and shall call upon all persons entitled to the land, or to any part thereof or representing or being the husbands of any parties so entitled, to file their claims to the compensation or any part thereof, and all such claims shall be received and adjudged upon by the Court, and the said proceedings shall for ever bar all claims to the lands, or any part thereof, including dower, as well as all mortgages or incumbrances upon the same; and the Court shall make such order for the distribution, payment or investment of the compensation, and for the securing of the rights of all parties interested as to the right and justice, and according to the provisions of this Act, and the special Act and to law, shall appertain; and the costs of the proceedings, or any part thereof, shall be paid by the Company, or by any other party as the Court shall deem it equitable to order; and if such order of distribution as aforesaid be obtained in less than six months from the payment of the compensation into Court, the Court shall direct a proportionate part of the interest to be returned to the Company, and if from any error, fault or neglect of the Company, it shall not be obtained until after the six months are expired, the Court shall order the Company to pay to the proper claimants the interest for such further period as may be right.

21. That if the lands so taken be situate in Lower Canada, and if the said Company shall have reason to fear any such claim, mortgage, hypothec, or incumbrance, or if any party to whom the compensation or annual rent, or any part thereof, shall be payable, shall refuse to execute the proper conveyance and guarantee, or if the party entitled to claim the compensation or rent cannot be found, or be unknown to the Company, or if for any other reason the Company shall deem it advisable, it shall be lawful for them to pay such compensation into the hands of the Prothonotary of the Superior Court for the District in which such land is situate, with the interest thereon for six months, and to deliver to the said Prothonotary an authentic copy of the conveyance, or of the award, if there be no conveyance, and such award shall thereafter be deemed to be the title of the said Company to the land therein mentioned, and proceedings shall thereupon be had for the confirmation of the title of the said Company, in like manner as in other cases of confirmation of title, except that, in addition to the usual contents of the notice, the Prothonotary shall state that the title of the Company (that is, the conveyance or award,) is under this Act, and shall call upon all persons entitled to the lands, or any part thereof, or representing or being the husbands of any party so entitled, to file their oppositions for their claims to the compensation, or any part thereof, and all such oppositions shall be received and adjudged upon by the Court; and the judgment of confirmation shall for ever bar all claims to the land or any part thereof, (including dower not yet open,) as well as any mortgage, hypothec or incumbrance upon the same: and the Court shall make such order for the distribution, payment or investment of the compensation, and for the security of the rights of all parties interested, as to right and justice, and the special Act, and according to the provisions of this Act and to law, shall appertain; and the costs of the said proceedings, or any part thereof, shall be paid by the Company, or by any other party, as the Court shall deem it equitable to

order; and if judgment of confirmation be obtained in less than six months from the payment of the compensation to the Prothonotary, the Court shall direct a proportionate part of the interest to be returned to the Company, and if from any error, fault or neglect of the Company, it shall not be obtained until after the six months are expired, the Court shall order the Company to pay the Prothonotary the interest for such further period as may be right.

22. If the said Railway shall pass through any land belonging to or in possession of any tribe of Indians in this Province, or if any act occasioning damage to their lands shall be done under the authority of this Act or the special Act, compensation shall be made to them therefor, in the same manner as is provided with respect to the lands or rights of other individuals; and whenever it shall be necessary that Arbitrators shall be chosen by the parties, the chief officer of the Indian Department within this Province is hereby authorized and required to name an Arbitrator on behalf of the Indians, and the amount which shall be awarded in any case, shall be paid, where the lands belong to the Indians, to the said chief officer, for the use of such tribe or body.

23. Whenever it shall be necessary for the Company to occupy any part of the lands belonging to the Queen's Majesty, or which may at any time heretofore have been especially set apart and reserved, or which are designated or commonly known as Crown, Clergy or School Lands, or lands reserved for Military purposes, they shall first apply for and obtain the license or consent of Her said Majesty, under the hand and seal of the Governor for the time being, and having obtained such license and consent, they may at any time or times enter into or upon, have, hold, use, occupy and enjoy any of the said lands for the purposes of the Railway.

XII. HIGHWAYS AND BRIDGES

SHALL BE REGULATED AS FOLLOWS:

1. The Railway shall not be carried along any existing highway, but merely cross the same in the line of the Railway, unless leave be obtained from the proper Municipal authority therefor; and no obstruction of such highway with the works shall be made without turning the highway so as to leave an open and good passage for carriages, and, on completion of the works, replacing the highway, under a penalty of _____ for any contravention; but, in either case, the rail itself, provided it does not rise above or sink below the surface of the road more than one inch, shall not be deemed an obstruction.

2. No part of the Railway which shall cross any highway, without being carried over by a bridge, or under by a tunnel, shall rise above or sink below the level of the highway more than one inch; and the Railway may be carried across or above any highway within the limits aforesaid.

3. The space of the arch of any bridge erected for carrying the Railway over or across any highway shall at all times be, and be continued of the open and clear breadth and space, under such arch, of not less than twenty feet, and of a height from the surface of such highway to the centre of such arch of not less than twelve feet; and the descent under any such bridge shall not exceed one foot in twenty feet.

4. The ascent of all bridges erected to carry any highway over any Railway shall not be more than one foot in twenty feet increase over the natural

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

ascent of the highway; and a good and sufficient fence shall be made on each side of every bridge, which fence shall not be less than four feet above the surface of the bridge.

5. Signboards stretching across the highway crossed at a level, by any Railway, shall be erected and kept up at each crossing at such height as to leave sixteen feet from the highway to the lower edge of the signboard, and having the words "Railway Crossing" painted on each side of such signboard, and in letters not less than six inches in length; and for every neglect to comply with the requirements of this section, a penalty not exceeding currency shall be incurred.

XIII. FENCES.

1. Fences shall be erected and maintained on each side of the Railway, of the height and strength of an ordinary division fence, with openings, or gates, or bars therein and farm crossings of the road, for the use of the proprietors of the lands adjoining the railway; and also cattle guards at all road crossings, suitable and sufficient to prevent cattle and animals from getting on the railway; and until such fences and cattle guards shall be duly made, the Company shall be liable for all damages which shall be done by their trains or engines to cattle, horses or other animals on the Railway; and after the fences or guards shall be duly made, and while they are duly maintained, no such liability shall accrue for any such damages unless negligently or wilfully done; and if any person shall ride, lead or drive any horse or other animal upon such Railway and within the fences and guards other than the farm crossings, without the consent of the Company, he shall for every such offence forfeit a sum not exceeding

and shall also pay all damages which shall be sustained thereby to the party aggrieved; and no person other than those connected with, or employed by, the Railway, shall walk along the track thereof, except where the same shall be laid across or along a highway.

2. Within six months after any lands shall be taken for the use of the Railway, and if thereunto required by the proprietors of the adjoining lands respectively, but not otherwise, the lands shall be, by the Company, divided and separated, and kept constantly divided and separated from the lands or grounds adjoining thereto, with a sufficient post or rail, hedge, ditch, bank or other fence sufficient to keep off hogs, sheep and cattle, to be set and made on the lands so taken, and which the Company shall, at their own costs and charges, from time to time, maintain, support and keep in sufficient repair.

XIV. TOLLS

SHALL BE ESTABLISHED AS FOLLOWS:

1. Tolls shall be from time to time fixed and regulated by the by-laws of the Company, by the Directors, if made thereunto authorised by the by-laws, or by the shareholders at any general meeting, and shall and may be demanded and received for all passengers and goods transported upon the Railway, or in the steam vessels to the undertaking belonging, and which shall be paid to such persons and at such places near to the Railway, in such manner and under such regulations as the by-laws shall direct; and in case of denial or neglect of payment of any such tolls, or any part thereof, on demand, to such persons,

the same may be sued for and recovered in any competent Court, or the agents or servants of the Company may, and they are hereby empowered to seize the goods for or in respect whereof such tolls ought to be paid, and detain the same until payment thereof; and in the meantime the said goods shall be at the risk of the owners thereof: and all or any of the said tolls may, by any by-law, made at any general meeting, be lowered and reduced and again raised as often as it shall be deemed necessary for the interests of the undertaking: Provided that the same tolls shall be payable at the same time and under the same circumstances, upon all goods and persons, so that no undue advantage, privilege or monopoly may be afforded to any person or class of persons by any by-laws relating to the tolls.

2. In all cases a fraction in the distance over which goods or passengers shall be transported on the Railway shall be considered as a whole mile; and for a fraction of a ton in the weight of any goods, a proportion of the tolls shall be demanded and taken, according to the number of quarters of a ton contained therein, and a fraction of a quarter of a ton shall be deemed and considered as a whole quarter of a ton.

3. The Directors shall, from time to time, print and stick up, or cause to be printed and stuck up, in the office, and in all and every of the places where the tolls are to be collected, and in every passenger car, in some conspicuous place there, a printed board or paper exhibiting all the tolls payable, and particularizing the price or sum of money to be charged or taken for the carriage of any matter or thing.

XV. GENERAL MEETINGS.

The Shareholders shall always have power to assemble together at general meetings for purposes connected with or belonging to the undertaking, and may at any general meeting remove and elect Directors, and remove any officers under them, make, revoke, amend or change any by-laws, rules or orders, the method of calling general meetings and their time and place of assembling only excepted, for the regulation of the undertaking and Railway, and for the well governing of all persons travelling, or the transport of goods carried on the Railway, and by such by-laws, to impose fines or forfeitures for the breach of such by-laws rules or orders, not exceeding the sum of pounds for every offence. Provided, that no By-laws shall be binding, unless they shall have been approved of by the Governor in Council, nor until after their publication in the Canada Gazette for at least fifteen days.

XVI. DIRECTORS: THEIR ELECTION AND DUTIES.

1. A Board of Directors of the undertaking to manage its affairs, the number whereof shall be stated in the special Act, shall be chosen annually by a majority of the shareholders voting at such election, and if such election shall not be held on the day appointed by the by-laws, it shall be the duty of the Directors to notify and cause such election to be held within thirty days after the day so appointed; and on the day so notified, no person shall be admitted to vote except those who would have been entitled to vote had the election been held on the day when, by such articles or by-laws, it ought to have been held; and vacancies in the Board of Directors shall be filled in such manner as may be prescribed by the

Appendix
(U. U.)

30th August.

Appendix
(U. U.)
30th August.

by-laws; and no person shall be a Director unless he be a stockholder, owning stock absolutely in his own right, and qualified to vote for Directors at the election at which he shall be chosen.

2. The method of calling general meetings, and the time and place of the first meeting of stockholders for the appointment of Directors shall be determined and settled in the special Act.

3. The number of votes to which each Shareholder shall be entitled on every occasion when the votes of the members are to be given, shall be in the proportion to the number of shares held by him, unless otherwise provided by the special Act; and all shareholders, whether resident in this Province or elsewhere, may vote by proxy, if they shall see fit; Provided that such proxy do produce from his constituent an appointment in writing, in the words or to the effect following, that is to say:

"I, _____, of _____ one of the shareholders of the _____, do hereby appoint _____ of _____ to be my proxy, and in my absence to vote or give my assent to any business, matter or thing relating to the said undertaking, that shall be mentioned or proposed at any meeting of the shareholders of the said Company, or any of them, in such manner as he, the said _____ shall think proper. In witness whereof I have hereunto set my hand and seal, the _____ day of _____, in the year _____."

4. The votes by proxy shall be as valid as if the principals had voted in person; and every matter or thing proposed or considered in any public meeting of the shareholders shall be determined by the majority of votes and proxies then present and given as aforesaid, and all decisions and acts of any such majority shall bind the Company, and be deemed the decisions and acts of the Company.

5. The Directors first appointed, or those appointed in their stead in case of vacancy, shall remain in office until the next annual election of Directors at the time appointed by the by-laws therefor, at which time an annual general meeting of the shareholders shall be held to choose Directors for the ensuing year, and generally to transact the business of the Company: Provided always, that the said Directors, in case of the death, absence, resignation or removal of any of them, may appoint others in their stead; but if such appointment be not made, such death, absence, resignation or removal shall not invalidate the acts of the remaining Directors.

6. The Directors shall, at their first or at some other meeting, after the day appointed for the annual general meeting, elect one of their number to be the President of the Company, who shall always, when present, be the Chairman of and preside at, all meetings of the Directors, and shall hold his office until he shall cease to be a Director or until another President shall be elected in his stead; and they may in like manner elect a Vice-President, who shall act as Chairman in the absence of the President.

7. The Directors at any meeting at which not less than a *quorum* to be settled by the Special Act shall be present, shall be competent to use and exercise all and any of the powers vested in the said Directors, but no one Director shall have more than one vote at any meeting except the Chairman, who shall, in case of a division of equal numbers, have the casting vote, and the Directors shall be subject to the examination and control of the Shareholders at their annual meetings and be subject to all by-laws of the Company, and to the orders and directions

from time to time made at the annual or at any special meetings, such orders and directions not being contrary to any express directions or provisions of this Act or the Special Act: And provided also, that the Act of any majority of a *quorum* of the Directors present at any meeting regularly held, shall be deemed the act of the Directors.

8. No person holding any office, place or employment, in, or being concerned or interested in any contracts under or with the Company, shall be capable of being chosen a Director or of holding the office of Director.

9. The Directors shall make by-laws for the management and disposition of the stock, property and business affairs of the Company, not inconsistent with the laws of this Province, and for the appointment of all officers, servants and artificers, and prescribing their respective duties.

10. The Directors may from time to time, make such calls for money upon the respective Shareholders, in respect of the amount of capital respectively subscribed or owing by them, as they shall deem necessary, provided that thirty days' notice at the least be given of each call, and that no call exceed the prescribed amount to be determined therefor in the Special Act, nor made at a less interval than two months from the previous call, or a greater amount be called in, in any one year, than the prescribed amount therefor in the Special Act, and every Shareholder shall be liable to pay the amount of the call so made in respect of the shares held by him to the persons and at the times and places from time to time appointed by the Company or the Directors.

11. If before or on the day appointed for payment, any Shareholder do not pay the amount of any call, he shall be liable to pay interest for the same, at the rate of six per centum per annum, from the day appointed for the payment thereof to the time of the actual payment.

12. If at the time appointed for the payment of any call, any Shareholder shall fail to pay the amount of the call, he may be sued for the same, in any Court of Law or Equity having competent jurisdiction, and the same may be recovered with lawful interest from the day on which such call was payable.

13. In any action or suit to recover any money due upon any call, it shall not be necessary to set forth the special matter, but it shall be sufficient to declare that the Defendant is the holder of one share or more, stating the number of shares, and is indebted in the sum of money to which the calls in arrear shall amount, in respect of one call or more upon one share or more, stating the number and amount of each of such calls, whereby an action hath accrued to the said Company by virtue of the Special Act.

14. The certificate of proprietorship of any share shall be admitted in all Courts as *prima facie* evidence of the title of any shareholder, his executors, administrators, successors or assigns to the share therein specified; nevertheless the want of such certificate shall not prevent the holder of any share from disposing thereof.

15. Any persons neglecting or refusing to pay a rateable share of the calls as aforesaid, shall forfeit a sum not exceeding *five pounds* for every one hundred pounds of their respective shares in the undertaking; and all such persons neglecting to pay their rateable calls as aforesaid, for the space of two calendar months after the time appointed for the payment thereof, shall forfeit their respective shares

Appendix
(U. U.)

30th August.

in the undertaking, and all the profit and benefit thereof; all which forfeitures shall go to the Company for the benefit thereof.

16. Provided that no advantage shall be taken of the forfeiture unless the same shall be declared to be forfeited at a general meeting of the Company, assembled at any time after such forfeiture shall be incurred, and every such forfeiture shall be an indemnification to and for every Shareholder so forfeiting against all actions, suits or prosecutions whatever, to be commenced or prosecuted for any breach of contract or other agreement between such Shareholder and the other Shareholders with regard to carrying on the said undertaking.

17. The Directors of the said Company may sell, either by public auction or private sale, and in such manner and on such terms as to them shall seem meet, any shares so declared to be forfeited, and also any shares remaining unsubscribed for, in the capital stock of the Company, or pledge such forfeited or unsubscribed shares for the payment of loans or advances made or to be made thereon, or of any sums of money borrowed or advanced by or to the Company.

18. A certificate of the Treasurer of the Company that the forfeiture of the shares was declared, shall be sufficient evidence of the fact therein stated, and of their purchase by the purchaser; and with the receipt of the Treasurer for the price of such shares shall constitute a good title to the shares, and the certificate shall be by the said Treasurer enregistered in the name and with the place of abode, and occupation of the purchasers, and shall be entered in the books required to be kept by the by-laws of the Company, and such purchaser shall thereupon be deemed the holder of such shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity in the proceedings in reference to such sale, and any shareholder may purchase any shares so sold.

19. Shareholders willing to advance the amount of their shares or any part of the money due upon the respective shares beyond the sums actually called for, may pay the same, and upon the principal moneys so paid in advance, or so much thereof as from time to time shall exceed the amount of the calls then made upon the shares in respect of which such advance shall be made, the Company may pay interest at the legal rate of interest for the time being, as the shareholders paying such sum in advance and the said Company may agree upon: Provided, such interest shall not be paid out of the capital subscribed.

20. The Directors shall and they are hereby required to cause a true, exact and particular account to be kept and annually made up and balanced on the thirty-first day of December in each year, of the money collected and received by the Company, or by the Directors or Managers thereof, or otherwise, for the use of the Company, and of the charges and expenses attending the erecting, making, supporting, maintaining and carrying on of the undertaking and of all other receipts and expenditures of the Company or the Directors, and at the general meetings of the Stockholders of the undertaking, to be from time to time holden as aforesaid, a dividend shall be made out of the clear profits of the said undertaking, unless such meetings shall declare otherwise; and such dividend shall be at and after the rate of so much per share upon the several shares held by the Shareholders in the stock of the Company, as such meeting shall think fit to appoint or determine: Provided always, that no dividend shall be made whereby the capital of the said Company shall be in any degree

reduced or impaired, or be paid thereout, nor shall any dividend be paid in respect of any share, after a day appointed for payment of any call for money in respect thereof until such call shall have been paid.

21. The Directors of the Company may, in their discretion, until the Railroad shall be completed and opened to the public, pay interest at any rate not exceeding six pounds per centum per annum, on all sums called up in respect of the shares, from the respective days on which the same shall be paid, such interest to accrue and be paid at such times and places as the Directors shall appoint for that purpose; Provided always, that no interest shall accrue to the proprietors of any share upon which any call shall be in arrear, in respect of such shares or any other share to be holden by the same shareholder during the period which such call shall remain unpaid, nor shall any interest be paid or taken from the capital subscribed or any part thereof.

22. The Directors shall from time to time appoint such and so many officers as they may deem requisite, and take from them such sufficient security by one or more bond or bonds, in a sufficient penalty or penalties or otherwise from the manager and officers for the time being, for the sake of keeping and accounting of the moneys to be raised by virtue of this Act and the Special Act for the faithful execution by them of their offices respectively, as the Directors shall think proper.

XVII. SHAREHOLDERS, SHARES AND THEIR TRANSFER.

Shares in the undertaking may be, by the parties, sold and disposed of by deed, to be made in duplicate in the form following, one part of which shall be delivered to the Directors, to be filed and kept for the use of the said Company, and an entry thereof shall be made in a book to be kept for that purpose; but no interest on the shares transferred shall be paid by the purchaser until said duplicate shall be so delivered, filed, and entered.

Sales shall be in the form following, varying the the names and descriptions of the contracting parties, as the case may require:

I, A B, in consideration of the sum of
paid to me by C D, hereby do sell and transfer to
him share (or shares) of the stock of
the to hold to him the said
C D, his Heirs, Executors, Administrators and
Assigns, subject to the same rules and orders, and on
the same conditions that I held the same immediately
before the execution thereof. And I, the said C. D.,
do hereby agree to accept of the said
share (or shares) subject to the same rules, orders
and conditions. Witness our hands and seals,
this day of
in the year of

XVIII. MUNICIPALITIES.

1. All Municipal Corporations in this Province, may subscribe for any number of shares in the Capital Stock of, or lend to or guarantee the payment of any sum of money borrowed by the Company from any Corporation or person, or indorse or guarantee the payment of any debenture to be issued by the Company for money by them borrowed, and shall have power to assess and levy from time to time upon the whole rateable property of the Municipality a sufficient sum for them to discharge the debt or engagement so contracted, and for the like purpose.

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

to issue Debentures payable at such times and for such sum respectively, not less than twenty-five pounds currency, and bearing or not bearing interest, as such Corporation may think meet.

2. Any such debenture issued, in lored or guaranteed, shall be valid, and binding upon such Corporation, if signed or indorsed, and countersigned by such officer or person, and in such manner and form as shall be directed by any by-law of such Corporation, and the Corporation seal thereto shall not be necessary, or the observance of any other form with regard to the Debenture than such as shall be directed in such by-law as aforesaid.

3. No Municipal Corporation shall subscribe for Stock or incur any debt or liability under this Act or the Special Act, unless and until a by-law to that effect shall have been duly made, and adopted with the consent first had of a majority of the qualified electors of the Municipality, to be ascertained in such manner as shall be determined by the said by-law, after public advertisement thereof containing a copy of such proposed by-law, inserted at least four times in each newspaper printed within the limits of the Municipality, or if none be printed therein, then in some one or more newspapers printed in the nearest City or Town thereto and circulated therein.

4. The Mayor, Warden or Reeve, being the head of such Municipal Corporation, subscribing for and holding Stock in the Company, to the amount of £25,000, or upwards, shall be and continue to be *ex officio* one of the Directors of the Company, in addition to the number of Directors authorised by the Special Act, and shall have the same rights, powers and duties as any of the Directors of the Company.

XIX. SHAREHOLDERS.

1. The Stock of the Company shall be deemed personal estate, and shall be transferable in the manner prescribed by the by-laws of the Company; but no shares shall be transferable until all previous calls thereon shall have been fully paid in, or the said shares shall have been declared forfeited for the non payment of calls thereon.

2. Each Shareholder shall be individually liable to the creditors of the Corporation to an amount equal to the amount unpaid on the Stock held by him, for the debts and liabilities thereof, and until the whole amount of his Stock shall have been paid up; and all the Shareholders shall be jointly and severally liable for all the debts due or owing to any of the laborers and servants of the Company for services performed for them, but shall not be liable to an action therefor before an execution against the Company shall have been returned unsatisfied in whole or in part, and the amount due on such execution shall be the amount recoverable with costs against such Shareholders.

3. The original Capital Stock may be increased from time to time to any amount, but such increase must be sanctioned by a vote in person or by proxy, of at least two thirds in amount of all the Shareholders, at a meeting of them expressly called by the Directors for that purpose, by a notice in writing to each Shareholder, served on him personally, or properly directed to him, and deposited in the Post Office nearest to his place of residence, at least twenty days previous to such meeting, stating the time and place and object of the meeting, and the amount of increase, and the proceedings of such

Appendix
(U. U.)

30th August.

meeting must be entered on the minutes of the proceedings, and thereupon the Capital Stock may be increased to the amount sanctioned by such a vote.

4. The funds of the Company shall not be employed in the purchase of any stock in their own or in any other Corporation.

XX. ACTIONS FOR INDEMNITY AND FINES AND PENALTIES AND THEIR PROSECUTION.

1. All suits for indemnity for any damage or injury sustained by reason of the Railway, shall be instituted within six calendar months next after the time of such supposed damage sustained, or if there shall be a continuation of damage, then within six calendar months next after the doing or committing such damage shall cease, and not afterwards; and the Defendants may plead the general issue and give this Act and the Special Act and the special matter in evidence at any trial to be had thereupon, and may aver that the same was done in pursuance of and by authority of this Act and the Special Act.

2. All persons by any means or in any manner or way whatsoever, obstructing or interrupting the free use of the Railway or the carriages, vessels, engines or other works incidental or relative thereto, or connected therewith, shall, for every such offence, be deemed guilty of a misdemeanor, and on conviction thereof, shall be punished by imprisonment in the Provincial Penitentiary, for a term not to exceed five years.

3. All persons wilfully and maliciously, and to the prejudice of the Railway, breaking, throwing down, damaging or destroying the same, or any part thereof, or any of the buildings, stations, depôts, wharves, vessels, fixtures, machinery or other works or devices incidental and relative thereto, or connected therewith, or doing any other wilful hurt or mischief, or wilfully or maliciously obstructing or interrupting the free use of the Railway, vessels or works, or obstructing, hindering or preventing the carrying on, completing, supporting and maintaining the Railway, vessels or works, shall be adjudged guilty of a misdemeanor, unless the offence committed shall, under some other Act or Law, amount to a felony, in which case such person shall be adjudged guilty of a felony, and the Court by and before whom the person shall be tried and convicted, shall have power and authority to cause such person to be punished in like manner as persons guilty of misdemeanor, or felons (as the case may be) are directed to be punished by the laws in force in this Province.

4. All fines and forfeitures imposed by this Act, or the Special Act, or which shall be lawfully imposed by any by-law, the levying and recovering of which are not particularly herein directed, shall, upon proof of the offence before any one or more Justice or Justices of the Peace for the District, County or place where the act occurred, either by the confession of the parties, or by the oath or affirmation of any one credible witness, which oath or affirmation such Justice or Justices is or are hereby empowered and required to administer without fee or reward, be levied by distress and sale of the offender's goods and chattels, by warrant under the hand and seal or hands and seals of such Justice or Justices: and all fines, forfeitures, and penalties, the application whereof is not hereinbefore particularly directed, shall be paid into the hands of the Treasurer of the Company, to be applied to the use thereof and the overplus of the money so raised, and after deducting the penalty and

Appendix
(U. U.)

30th August.

the expenses of the levying and recovering thereof, shall be returned to the owner of the goods so distrained and sold; and for want of sufficient goods and chattels whereof to levy the said penalty and expense, the offender shall be sent to the common Gaol for the County or District in which he shall have been convicted, there to remain without bail or mainprize, for such term, not exceeding one month as the Justice or Justices shall think proper, unless the penalty or forfeiture and all expenses attending the same, shall be sooner paid and satisfied; but every such person or persons may, within four calendar months after the conviction, appeal against the same to the Court of General Quarter Sessions, to be holden in and for the County or District.

5. All contraventions of this Act or the Special Act by the Company or by any other party, for which no punishment or penalty is herein provided, shall be a misdemeanor, and shall be punishable accordingly; but such punishment shall not exempt the Company, if they be the offending party, from the forfeiture by this Act, and the Special Act, of the privileges conferred on them, by the said Acts, if by the provisions thereof or by law, the same be forfeited by such contravention.

6. All By-laws, Rules and Orders regularly made shall be put into writing and signed by the Chairman or person presiding at the meeting at which they were adopted, and shall be kept in the office of the Company; and a printed copy of so much of them as may relate to or affect any party other than the members or servants of the Company, shall be affixed openly in all and every passenger car, and in all and every of the places where tolls are to be gathered, and in like manner as often as any change or alteration shall be made to the same; and the By-laws, Rules and Orders shall be binding upon and observed by all parties, and shall be sufficient in any Court of Law or Equity to justify all persons who shall act under the same; and any copy of the same or any of them certified as correct by the President or Treasurer, shall be deemed authentic, and shall be received as evidence thereof in any Court, without further proof: Provided nevertheless, that all such By-laws, Rules and Orders shall be submitted from time to time, to the Governor General or person administering the Government of this Province for approval.

7. That copies of the minutes of proceedings and resolutions of the Shareholders of the Company, at any general or special meeting, and of minutes of proceedings and resolutions of the Directors, at their meetings, extracted from the minute-books kept by the Treasurer of the Company, and by him certified to be true copies, extracted from such minute-books, shall be *prima facie* evidence of such proceedings and resolutions in all Courts of civil jurisdiction, and all notices given by the Treasurer of the Company, by order of the Directors, shall be deemed notices by the said Directors and Company.

XI. WORKING OF THE RAILWAY.

1. Every servant of the undertaking employed in a passenger train or at stations for passengers, shall wear upon his hat or cap a badge, which shall indicate his office, and he shall not without such badge, be entitled to demand or receive from any passenger any fare or ticket, or to exercise any of the powers of his office, nor meddle or interfere with any passenger or his baggage or property.

2. The trains shall start and run at regular hours to be fixed by public notice, and shall furnish sufficient accommodation for the transportation of all such pas-

sengers and goods as shall, within a reasonable time previous thereto, be offered for transportation at the place of starting, and at the junctions of other Railways, and at usual stopping places established for receiving and discharging way-passengers and goods from the trains, and such passengers and goods shall be taken, transported, and discharged, at, from, and to such places, on the due payment of the toll, freight or fare legally authorised therefor, and the party aggrieved by any neglect or refusal in the premises, shall have an action therefor against the Company.

3. Checks shall be affixed by any agent or servant to every parcel of baggage having a handle, loop, or fixture of any kind thereupon, and a duplicate of such check shall be given to the passenger delivering the same; and if such check be refused on demand, the Company shall pay to such passenger, the sum of _____ to be recovered in a civil action; and further, no fare or toll shall be collected or received from such passenger, and if he shall have paid his fare, the same shall be refunded by the Conductor in charge of the train; and any passenger producing such check, may himself be a witness in any suit brought by him against the Company, to prove the contents and value of his baggage not delivered to him.

4. The baggage, freight, merchandize or lumber cars shall not be placed in rear of the passenger cars, and if any such be so placed, the officer or agent directing or knowingly suffering such arrangement, and the Conductor of the train, shall severally be deemed guilty of a misdemeanor, and be punished accordingly.

5. Every Locomotive Engine shall be furnished with a bell, of at least thirty pounds weight, or a steam whistle; and the bell shall be rung, or the whistle sounded at the distance of at least eighty rods from every place where the Railway shall cross any highway, and be kept ringing or be sounded at short intervals, until the engine shall have crossed such highway, under a penalty of _____ for every neglect thereof, to be paid by the Company, who shall also be liable for all damages sustained by any person by reason of such neglect, one half of which penalty and damages shall be chargeable to and collected by the Company from the Engineer having charge of such engine and neglecting to sound the whistle or ring the bell as aforesaid.

6. Passengers refusing to pay their fare, may, by the Conductor of the train and the servants of the Company, be with their baggage put out of the cars, using no unnecessary force, at any usual stopping place, or near any dwelling house, as the conductor shall elect, first stopping the train.

7. All persons in charge of a Locomotive Engine, or acting as the conductor of a car or train of cars, who shall be intoxicated on the Railway, shall be deemed guilty of a misdemeanor.

8. Any passenger injured while on the platform of a car, or on any baggage, wood or freight car, in violation of the printed regulations posted up at the time in a conspicuous place, inside of the passenger cars then in the train, shall have no claim for the injury, provided sufficient room inside of such passenger cars sufficient for the proper accommodation of the passengers was furnished at the time.

XII. GENERAL PROVISIONS.

1. When and as often as any contractor for the construction of any part of a Railway in progress of construction shall be indebted to any labourer for

Appendix
(U. U.)

30th August

Appendix
(U. U.)

30th August.

thirty or any less number of days' labour performed in constructing said Railway, the Company shall become liable to pay such labourer the amount due to him for such labour, and for the recovery of which an action may be maintained by him against the Company, if notice in writing shall have been given by him to the Company within twenty days after the performance of the labour claimed by him, stating the amount, and number of days' labour for which the claim is made, and the time when and the name of the contractor for whom the same was performed; and the notice shall be signed by the labourer or his attorney; and shall be served on an engineer, agent, or superintendent employed by the Company, and having charge of the section of the road on which such labour was performed, personally or by leaving the same at the office or usual place of business of such engineer, agent or superintendent, with some person of suitable age: Provided always that no such action shall be obtained under the provisions of this section, unless the same have been commenced within thirty days after notice then given as above provided.

2. The Company shall not be bound to see to the execution of any trust, whether express, implied or constructive, to which any of the shares may be subject; and the receipt of the party in whose name any shares shall stand in the books of the Company, or if it stands in the name of more parties than one, the receipt of one of the parties named in the register of shareholders shall from time to time be a sufficient discharge to the Company for any dividend or other sum of money payable in respect of the share, notwithstanding any trust to which the share may then be subject, and whether or not the Company have had notice of the trusts, and the Company shall not be bound to see to the application of the money paid upon such receipts.

3. Her Majesty's Mail, Her Majesty's Naval or Military Forces or Militia, and all artillery, ammunition, provisions or other stores for their use, and all policeman, constables, and others travelling on Her Majesty's service, shall at all times, when thereunto required by Her Majesty's Deputy Postmaster General, the Commander of the Forces, or any person having the superintendance or command of any police force, and with the whole resources of the Company if required, be carried on the Railway, on such terms and conditions, and under such regulations as the Governor in Council shall make, and the Company may be required by the Governor or any person thereunto authorized by him, to place any electric telegraph and the apparatus and operators they may have, at the exclusive use of the Government, receiving thereafter reasonable compensation for such service: provided that any further enactments which the Legislature of this Province may hereafter make, for the carriage of the Mail or Her Majesty's Forces, and other persons and articles as aforesaid, or the tolls therefor, or in any way respecting the use of any electric telegraph or other service to be rendered to the Government, shall not be deemed an infringement of the privileges intended to be conferred by this Act or the Special Act.

4. A true and perfect account of the names and places of abode of the several shareholders shall be kept and entered in a book to be kept for that purpose, as well as of the several persons who shall from time to time become proprietors of, or entitled to any share therein, and of all the other acts, proceedings and transactions of the said Company and of the Directors for the time being.

5. A map and profile of the completed Railway and of the land taken or obtained for the use

thereof, shall within a reasonable time after completion of the undertaking be made and filed in the office of the commissioners of public works, and also like maps of the parts thereof located in different counties shall be filed in the Registry Offices for the Counties in which such parties shall be respectively; and every such map shall be drawn on such a scale and on such paper as may from time to time be designated for that purpose by the Chief Commissioner of Public Works, and shall be certified and signed by the president or engineer of such corporation.

6. An account shall be annually submitted to the three branches of the Legislature, within the first fifteen days after the opening of each Session of the Provincial Parliament after the opening of the Railway or any part thereof to the public, containing a detailed and particular account, attested upon oath of the President, or Vice-President in his absence, of the moneys received and expended by the Company, and a classified statement of the passengers and goods transported by them, with an attested copy of the last annual statement; and no further provisions with the Legislature may hereafter make with regard to the form or details of such account or the mode of attesting or rendering the same, shall be deemed an infringement of the privileges hereby granted to the Company.

7. If the construction of the Railway shall not have been commenced, and ten per cent. on the amount of the capital shall not have expended thereon, within three years after the passing of the Special Act or if the Railway shall not be finished and put in operation in ten years from the passing of such Special Act as aforesaid, its corporate existence and powers shall cease.

8. No Corporation formed under this Act shall lay down or use, in the construction or repair of its road, any iron rail of less weight than pounds to the lineal yard, except for turnouts, sidings and switches; nor shall the gauge of any such road be broader or narrower than feet.

9. The Parliament of this Province, may from time to time reduce the tolls upon the Railway, but not, without consent of the Company, or so as to produce less than ten per cent. per annum profit on the capital actually expended in its construction; nor unless, on an examination made by the Commissioners of Public Works of the amount received and expended by the Company, the net income from all sources, for the year then last passed, shall have been found to exceed ten per cent. upon the capital so actually expended.

10. The Provincial Parliament, may at any time annul or dissolve any corporation formed under this Act; but such dissolution shall not take away or impair any remedy given against any such corporation, its shareholders, officers, or servants, for any liability which shall have been previously incurred.

11. Nothing herein contained shall affect or be construed to affect, in any manner or way whatsoever, the rights of Her Majesty, Her Heirs and Successors, or of any person or persons, or of any bodies politic, corporate or collegiate, such only excepted as are herein mentioned.

Appendix
(U. U.)

30th August.

A.—Chapter on the St. Lawrence and the Ottawa, from a pamphlet by Wm. F. Coffin, Esq., Joint Sheriff of the District of Montreal, entitled "Three Chapters on a triple project."

THE ST. LAWRENCE AND THE OTTAWA.

Having thus far endeavoured to point out, as the first feature in a system or scheme of railroads, one that should connect the Province of Canada with the great American cities of the Atlantic seaboard, with the least circuit or delay; let us now turn to another feature in such scheme, a feature of equal importance to the Province and of still greater importance to the metropolis of Canada. We allude to a line of railroad communication from Montreal upwards to Prescott on the St. Lawrence.

So far as this subject has elicited any expression of opinion, that opinion appears to indicate a preference of a line of route, following the course of and running almost parallel to the St. Lawrence, as the most feasible and desirable; labouring however, under the evident disadvantage of competition both with the St. Lawrence and the canal. We would suggest another and a very different route, presenting, as we imagine, a combination of more extensive advantage, of greater facility, and of equal, if not lesser, expense. We would propose a line of railroad, to commence at the Lachine terminus of the Montreal and Lachine Railroad, to cross the Island of Montreal and the Isle Jésus to St. Eustache, then ascend the course of the Rivière du Chêne to St. Andrews, and from St. Andrews to Grenville Basin, a distance altogether, as a railroad would run, of about 55 miles. It may be as well to mention here, that a charter actually exists for the construction of a railroad from St. Andrews to Grenville, that a line has been run, and other preliminary proceedings taken. At Grenville the Ottawa presents many and remarkable facilities for bridging. At this point the Railroad might be conveyed across the river, at or about the Hawkesbury Mills, striking through the Ottawa, Eastern, and Johnstown Districts of Canada West, through the Townships of Hawkesbury or Caledonia, through Roxborough and Finch, and Winchester and Mountain, through Matilda or Edwardsburg to Prescott. This line of country, from the Ottawa to the St. Lawrence, is stated, upon very reliable information, to be singularly level, and peculiarly adapted to railroad operations. The facilities which this line of country offers, suggested, many years since, the idea of a canal to connect the waters of the St. Lawrence with those of the Ottawa, from Prescott to below the Carillon Rapids. This line was surveyed and reported upon; it was invested not only with "a local habitation," but "a name." It was designated as the "Petite Nation" Canal, and the length is stated as fifty miles. The inference is, that a line of country adapted to a canal, can offer no great obstacles to the construction of a Railroad.

From the imperfect statistics at our disposal, on a short notice, it is difficult to ascertain what amount of intermediate transport this section of country may be expected to furnish. We look for information and assistance in these important details to those resident and interested in the locality; but we know that many of the above enumerated townships, through most of which the road will most probably run, are rich, fertile, highly cultivated, and productive. A railroad running through the heart of a country, derives supplies from both sides: it is more beneficial

and more likely to be benefited than one which, flanked by a river, is restricted to unilateral operations. But, at Prescott, this Railroad would arrest and bring down to Montreal so much of the traffic of the West, both passenger and freight, as might not already have been embarked on our canal, or have been attracted by the rival line of Railroad at Ogdensburg. This Ogdensburg Railroad, recollect, is not yet *un fait accompli*. It has been undertaken with an intelligent foresight, an energy and enterprise highly honorable to its projectors, but it has yet to be constructed. A Railroad such as this is not to be built in a day. It involves immense labour, enormous expenses; it takes a tortuous and protracted course, through a mountainous and most difficult country: it offers little or no intermediate transportation, and in length equals at least the whole of the suggested line from Prescott to Grenville, and from Grenville to Montreal. And yet, with all the disadvantages on their side, and the advantages on ours, how little has been done by us, and how much by them!

In contrasting the merits of the two lines of communication from Montreal to Prescott, by the St. Lawrence, or by the Ottawa, it may be as well to take into consideration first, the question of distance. The distance from Montreal to Prescott by the St. Lawrence is 130 miles; the distance from Montreal to Prescott, via the Ottawa, is not more. This assertion is made in the absence of all exact survey, but with every wish to approach exactitude, and will be better understood by referring to a good map, and by noting the course of the Ottawa in reference to that of the St. Lawrence. The "bridging," and expenses contingent on the same, may be calculated at about equal.

Thus much for comparative distances. In facility of construction it is unrivalled. From Lachine to St. Eustache the country is a dead flat, and the passages of the Ottawa easy, and may be rendered still more so by the selection of points where the river is either narrowed in its course or intersected by rocks and islands. From St. Eustache to St. Andrews, by following the course of the Rivière du Chêne, the gradient will be one of very trifling inclination. This is affirmed from personal observation and from the best corroborative statements. From St. Andrews to Grenville it is a level, or nearly so. From Hawkesbury on the Ottawa to the St. Lawrence it is affirmed, as before stated, that the country is singularly level, and peculiarly adapted to railroad operations.

With regard to the amount or extent of intermediate transportation, it may be as well to observe, that whereas fifty-five miles of railroad extending in the direction of Prescott by the St. Lawrence, would most probably terminate in an open field some twenty miles or so below Cornwall; and whereas it is very clear that the road must be completed throughout, to Prescott before it could either compete or co-operate advantageously with river and canal, the same extent of railroad by way of the Ottawa would terminate at Grenville, from whence Bytown may now be reached by uninterrupted steam navigation in the space of from three to four hours. Commanding the route to Grenville, we should for ever command the trade of an immense section of country, of unknown and inexhaustible resources, the progress and improvement of which has been thus far retarded by an indifference to its claims, and by a disregard of interests which are peculiarly those of Montreal. We owe reparation both to it and to ourselves, and trust that the opportunity of doing it justice, and ourselves an inestimable benefit will not be lost for want of an effort. There is not on this Continent a line of road

Appendix
(U. U.)

30th August.

which offers greater opportunity of gradual completion by sections, of which each section, as completed, will not only promote the progress of a great and general design, but will possess within itself sufficient resources to repay the investment.

It is not at all necessary that parties engaged in this enterprise should prosecute it at once from Grenville to Lachine. The Grenville and Carillon section might be completed at once, and would pay on completion. It would be as easy, and perhaps more expedient, to commence another section at Lachine, and extend from that point to the Riviere du Chêne, and at a subsequent and more convenient period, complete the connection by the intermediate link from St. Eustache to St. Andrews. The distance from Lachine to St. Eustache is not supposed to exceed 16 miles—it is called 20 from Montreal. At St. Eustache, the railroad would attract all the internal traffic, the natural route of which towards Montreal is through that village, and which between that village and Montreal has to encounter bad, and at this season of the year impassable roads, the ascent of the Montreal mountain, two toll bridges or ferries, and one turnpike. The farmer could bring a heavy load from the North River or the Gore to Saint Eustache, transfer it to the rail-cars, and proceed himself to Montreal, dispose of his produce, realize the proceeds, and be home again in less time than in the present state of the communication he could expect to reach Montreal.

The scarcity and the uncertainty of the supply of the Montreal markets at this particular season is always a cause of suffering and complaint. This year it has weighed grievously on the poor, and has been severely felt by every class of householders. The cost of food is doubled in Montreal, simultaneously with the cost of fuel, until "the river takes." During the interval that elapses between the close of the navigation and the freezing of the St. Lawrence, we are dependent for the necessaries of life either on the stores in hand, or on the imperfect and inadequate resources of the Island of Montreal. The state of the roads, impracticable or nearly so at this season, contracts still more the limits of this circle. Supplies are doled out to us with the deliberation or the indifference of the monopolist, who can command his times and his prices. We must remedy this defect, we must place ourselves beyond the vicissitudes of a scanty or arbitrary supply. If Montreal is to become a great and populous city, we must have cheap food at all seasons, and abundance of it.

By a railroad to St. Andrews, we shall receive equable and sufficient supplies to our market at any season of the year. Up to the present time of writing, the beginning of February, rail cars from that point might have reached Montreal daily without interruption. We believe that in this section of country a Railroad could operate throughout the winter with but slight or very temporary hindrance, and no one will doubt what effect a daily intercourse with the substantial farmer of the Counties of Two Mountains and Ottawa would have upon the inhabitants of Montreal. Nor is it essential to this result that such a railroad should actually reach St. Andrews. Every step in that direction will be an invitation and an encouragement. The supplies of that section will meet our advances more than half way. So soon as the Railroad reaches St. Eustache, so soon will both the stockholders and the citizens of Montreal experience the benefits of its operation; benefits which will increase and multiply with the progress of the undertaking.

No thinking man with data such as these before him—data which, however imperfect or incomplete,

Appendix
(U. U.)

30th August.

are full of promise and reasonable hope,—will doubt of the expediency of this undertaking; an undertaking which, so far as the city of Montreal is concerned, should be looked upon, not so much as a question of expediency, not so much in the light of a speculation, as a matter of positive necessity. But there is no man resident within this most populous section of Canada East to whom this project does not hold out the most evident, undeniable and immediate advantages. To the farmer it secures constant demand; to the citizen unfailing supply; to the capitalist prompt and undoubted returns. Let the matter be but fairly stated, without exaggeration or extenuation, let the attention of the public be, but once, thoroughly aroused to the real importance of the subject, and we may appeal with confidence to its support. It is not to the capitalist alone that we are to look for assistance. The monied man, practised and "wide awake," requires neither inducement nor suggestion. He understands his own interest. Let the investment be but profitable and we shall find him there, nothing loth. We look to the farmer, the sturdy "old country" settler, who has chopped and cleared his way to competence, whose earnings, small but steadily acquired, await secure investment. To this man we look with confidence; his shrewd sense will teach him that no more advantageous investment can be found than the employment of his money in the construction of a railroad almost to his own door, which, while it insures him interest at the rate of seven or eight per cent., will double the value of his property, his produce and his labour. And we rely equally on the French Canadian farmer, the wealthy and intelligent *habitant*, to whom a want of enterprise and confidence has been imputed, with an equal lack of generosity and justice. Of confidence he has naturally only too much; in his particular line he lacks neither enterprise nor energy, but the ways of the rail are, as yet, not his ways. If we have preceled him in this matter, it is our good fortune, not his blame. What experience has taught us, experience will impress upon him. He may look timidly at first upon a costly project disagreeably suggestive of other and still more specious failures; but he will see as we saw, and he will be convinced as we were convinced, not one whit more slowly or more cautiously; and once convinced, he will embark in undertakings of this nature with as much alacrity and courage as any other constituent of the population of Canada.

But to inspire confidence among all classes of men and every variety of race, requires something more than individual exertion. The motive of an individual may be misunderstood or misrepresented. The most disinterested zeal differs not in appearance from the eagerness of selfish interest. The man may mar the cause, "*non specie tantum sed approbatio quoque.*" It is to the representatives of the people in their respective categories; it is to those who have acquired and who enjoy a legitimate influence, whose influence has been endorsed by the suffrages of their fellow citizens, that we must look for the most beneficial exercise of that influence,—in social intercourse, in conversation, by personal explanation and exhortation. The man who feels strongly, impresses deeply. We turn to the Members of the Legislature in their individual capacity in their several spheres and localities, as the best and most efficient propagandists of improvement; we rely upon their exertions and upon their support, and feel assured that in this reliance we shall not be disappointed.

But it is upon the Legislature itself that all eyes turn at this conjuncture. Newly elected and full of promise, it cannot be for one moment doubted but that all projects of public improvement and advance, all measures of general and comprehensive utility,

Appendix
(U. U.)

30th August.

more especially Railroads and Canals, will receive earnest attention and warm encouragement. It is in the power of Parliament to give an impulse to Canadian enterprise and Canadian prosperity; to give it, at the same time, such a direction and tendency as will secure it alike from depression, or change, or competition. It may place us at once, not only above rivalry, but in a position inaccessible to rivalry; it may secure to the commerce of this country immense and permanent advantages; not by invidious and irritating legislation, not by pandering to the mean instincts of our nature, not by dividing distinctions, and differences, and disabilities, but by asserting the superiority which nature has conferred upon us, and by employing that superiority for the benefit of mankind. It is in the power of our Legislature, at this peculiar crisis, by the judicious encouragement of local undertakings, based upon a well designed and well matured system, to make this Province the highway to the West. Do but hold out to capital and enterprise every legitimate inducement, and we shall ere long, see grow up a complete line of canal communication connecting the waters of the Ocean with the waters of the Lakes. We shall see grow up a continuous Railroad communication, connecting the St. Lawrence with the Ottawa, the Ottawa with Montreal, and Montreal with the World. Canada will monopolize the travel and the traffic of the West upon the catholic basis of economy, convenience and speed, and she will exercise that monopoly with universal acquiescence and approval.

What the nature and measure of the inducement ought to be may vary with circumstances. We have no lack of examples or precedents. Without going to the East or West Indies, to the Island of Trinidad, or Ceylon, or to the Colony of Demarara, we find in our sister Colonies of Nova Scotia and New Brunswick new and familiar instances of wise and fostering legislation. The great St. Andrews and Fredericton Railway, the first skein in that web of communication which will, at no remote period, connect the British Provinces with each other, and with Europe, has obtained the necessary capital, without difficulty or hesitation, on the guarantee of the Province of five per centum per annum on the amount of capital invested in the enterprise. The certainty of five per cent., the character of the security, and the contingency of six or eight per cent., have overcome all scruples and will surmount every obstacle. The application of like principles here will insure like results. Let the Legislature of this Province but guarantee like interest on the capital invested in such enterprises as the St. Lawrence and Lake Champlain Canal, the St. Lawrence and Ottawa Grand Junction Railway, the St. Lawrence and Atlantic, and the Great Western Railroad, all grand trunk lines of road, of general interest and benefit to the Province at large, and the means of prosecuting these great works will be forthcoming. We claim no assistance for the line connecting the St. Lawrence, opposite to Montreal, with Swanton, in Vermont; first, because we do not view it as an enterprise of Provincial interest; and, secondly, because we look upon its construction inevitable on the completion of the canal and the Vermont Railroads, either by the existing Company to St. Johns, or by others who watch and await their decision; but we claim the Provincial guarantee to the projects above named, with perfect confidence that the effects of that guarantee will be such as to render the guarantee itself a mere work of supererogation.

But we demand something more from our Provincial Legislature. We demand the abandonment and repeal of those restrictive principles in railway legislation—principles equally unjust, impolitic, and fallacious—which have dictated the limitation of

railway profits. We can hardly imagine a greater absurdity, a more glaring anomaly in the legislation of a new country, deficient in means, rich in resources, and covetous of the means to develop those resources, than enactments which blow hot and blow cold, which invite and repel, which court the assistance of the capitalist in the spirit of the hawker who puffs his wares and at the same time drives a hard bargain. It has the effect, too, of all hard bargains; it deters custom, it provokes retaliation, it encourages cheater. It is a matter of notoriety, all the world over, that the attempted limitation of railway profits is of none effect. It is eluded openly, and the evasion, an act of public immorality, is greeted on all hands with the chuckle of public approbation. Why, therefore, this Legislature provocative to sin? Why persist in enactments unjust in principle, immoral in tendency, and impotent in purpose? If the St. Lawrence and Lake Champlain Railroad Company could legally declare a dividend of twenty per cent., or the Montreal and Lachine Railroad Company a dividend of fifteen, we should soon dispense with the necessity and the humiliation of running after capital. Capital would run after us. The "delicate attentions" would be all the other way. Canadian stocks would be at a high premium, and our money market pant under a phlethora of ingots and doubloons. We do most earnestly hope that Provincial enterprise will be ridded forthwith of this hamper and incumbrance. We in no way object to a wholesome governmental supervision of railway tariffs of tolls and charges. We object not to the reservation of right to the public to take possession of any Railroad, on certain specified and equitable conditions; but we protest against restrictions. Let us have free trade and unlimited profits.

Thus much for our triple project. It consists of three designs, all conducive to the same object. The first being a canal connecting the waters of the St. Lawrence with the waters of Lake Champlain; the second, a Railroad connecting Montreal with Swanton and Burlington, Boston and New York; the third, but second in importance, and in equal in public utility with the canal, a railroad connecting the upper waters of the Saint Lawrence with the waters of the Ottawa, and the waters of the Ottawa with Montreal. We have called it a triple project, because although each feature in the triplet may be entertained and acted upon independently, the combination of the three will secure to this Province the following great and enduring advantages:

It will give to our waters, to our canals, to our communications, the transport of a vast amount of the freight traffic of the west, an amount which has been aptly called "the lion's share;"

It will augment in proportion the tolls on our canals, and the revenues of the Province;

It will cheapen the cost of descending freight, and enable those who bring down cheaply to take back cheaply. It will put economy in competition with speed, and will place the Canadian canal on a fair footing of advantageous rivalry with the American Railroad;

At all points of contact in the Canadian territory, it will give increased intercourse, and create increased wants, demands and consumption;

It will transfer to our Railroads a large proportion of the passage traffic from the United States to the west;

It will afford a new outlet to the trade of the Ottawa;

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

It will impart fresh vigour to that trade by increasing its certainty, and giving to it a choice of markets;

It will make Montreal a thoroughfare and an emporium; a thoroughfare of commerce and commercial travel, and a depôt capable of supplying all markets, at any notice and to any extent;

It will secure to this metropolis cheap and well regulated supplies at all seasons;

It will give a fresh and permanent impulse to the activity and energy, the progress and prosperity of Canada.

We expect this from the newly convened Parliament. We repeat our conviction that the guarantee demanded, if applied with prudence and judgment, will ultimately prove to have been superfluous and unnecessary. It will have proved most valuable as a security and an inducement, as ensnaring the capitalist, both indigenous and foreign, with confidence and courage. The Legislature may lend us its name without fear of dishonour. We shall not fail to meet these engagements. It will have endorsed our securities, it will have imparted currency to our credit without the risk or even the apprehension of real responsibility. But if from unforeseen or unimaginable obstacles, or from untoward or uncontrollable circumstances, the Legislature should withhold the guarantee, let us not lose heart or countenance. Let us not relax nor desist, nor rest satisfied with the indolent commentary "where is the money to come from?" The money, assuredly, will not be found if it is not sought; let us endeavour to find it, or, at the least, put ourselves in a position to employ it if it is to be found. Let us get from the Legislature all that it is competent or inclined to give. Let us get intelligent legislation, based upon broad and attractive principles. Hold out to the stockholder every inducement consistent with the public security. But while Parliament "gives all it can," it will never do for us to play the voluptuous sluggard, and "dream the rest." The first railroad undertaken by the Bostonians encountered still greater difficulties and surmounted heavier discouragement. That same railroad now returns a steady income of eight per cent.

"*Aide toi et Dieu t'aidera.*" Let us cease from calling upon Hercules, and grapple with the churlish god. To complete works of the contemplated magnitude would unquestionably require a large expenditure of capital. But the canal is a work which will most probably be assumed by the Province. The railroad between the St. Lawrence, the Ottawa, and Montreal, appeals strongly to the interest and common sense of the native capitalist. The return will be immediate, the expenditure will spread over a number of years. It holds out remarkable facilities for completion by sections, of which each section as completed, will pay. The calls upon the stockholders will be graduated by circumstances; they will of no necessity be heavy or hurried, and will in a great degree depend upon the apparent success of the undertaking, and the increasing confidence of the public.

From England we are taught to expect no assistance. We are told that her present engagements already exceed her means. Not so. For all rational and legitimate engagements she has the necessary means, and means to spare. She emerges from the fiery furnace, cleansed of the dross of mad speculation. Parties have suffered, but not the strength or the wealth of the nation. England has the means even now, and will soon have more to employ in prudent investment. Capital will accumulate in despite of pressure or crisis or panic: it must find

employment. It will ever be attracted by fair promise and adequate security, and amid the late monetary mishaps of mankind we see no particular reason to question the credit, or despair of prospects of Canadian enterprise.

From old England we turn, naturally enough, to New England. The abolition of differential restrictions, the equalization of duties in this colony, will give rise to new commercial relations with the manufacturing States of the Union. Distance and climate, freight and insurance, costs and charges considered, the manufactures and the machinery of Boston will compete extensively in Canada with those of England. A new market is opened to "Yankee notions," and American ingenuity. All that is wanted now is to render that market accessible by short, speedy, safe and cheap communications, ways of traffic and modes of conveyance which will at the same time create and employ capital. Can we for one moment doubt that those who have invested millions in opening up devious communications with visionary markets in the remote West, who by slow but sure degrees have realized these visions, will neglect the field of enterprise presented to them almost at their own doors. Will those who have undertaken the Ogdensburgh Railroad, a work of immense labour, immense expenditure, profitless in itself, and useful alone as a link of communication, be so blind to their own interests as to refuse assistance to projects which are emphatically their own, which will make the road to Boston not the mail route only, but the commercial highway to Europe, which will enable them to supply Montreal and its 60,000 inhabitants, and the dense population of Canada, with their manufactures and their imports; which will return to them, at the same time, the produce of the Ottawa and of the west; and which, in fact, to all the advantages contemplated by the Ogdensburgh Railroad will combine many more, with greater conveniences, more concentration, and far less cost.

In conclusion, and in apology, we again repeat that we have ventured upon the observations and suggestions contained in the foregoing pages, in the earnest hope that our efforts, we will add even our own inaccuracies, may have the effect of attracting public attention to these matters *at once*. If anything is to be done towards the promotion of these objects, it is to be done *now*. This is the time and the opportunity; let it not escape us. Let us no longer palter with doubts and fears and misgivings. Let us meet and grapple with the difficulty, if any exist; determined to win the best or know the worst, provident of the present, hopeful for the future, resolute to lose nothing by our own apathy, and mindful ever, that

In the disproof of chance
Lies the true proof of man.

B—LETTER from C. P. Treadwell, Esquire, published in Montreal Herald of 30th November, 1850, with Report of a survey of part of the St. Lawrence and Ottawa Grand Junction Railway.

This Survey was performed in compliance with the request and under the particular direction, of Mr. Sheriff Treadwell and other gentlemen of the Ottawa District. It commences on the Long Sault on the Ottawa, about a mile below the Hawkesbury Mills, and a at point, in the opinion of competent judges, the most suitable for the construction of a bridge.

From this place to the Hawkesbury Village the distance is one mile and twenty-seven chains. In the first twenty chains of this distance the ascent does

Appendix
(U. U.)

30th August.

Appendix
(U. U.)
30th August.

not much exceed ten feet above the present level of the water, but in the next seven it rises to twenty-four. At midway it reaches the height of twenty-eight and throughout the remainder of the distance there is an easy, gradual descent of six feet, making the height of the village, a little beyond the creek, about twenty-two feet above the water's edge. The next mile and three quarters of the route passes over an even clayey surface, having an ascent of about seven feet to the mile. At the Seignior line, thirty-four chains further onward, the highest elevation on the line between the Ottawa and the Springs is obtained—viz: fifty-eight feet.

From this point to the road at Hartwick's the distance is seventy-two chains, with a descent of twenty feet; thence to L'Original the distance is one mile and thirty-eight chains, and the height forty-two feet: but this last distance presents different elevations, some of which are not more than twenty-five feet. From L'Original, in direct line to the Springs, the distance, is $7\frac{1}{2}$ miles. This part of the route presents every facility that could be desired in the construction of a Railroad. With the exception of a small eminence of a few feet, the whole distance may be calculated upon as nearly level, and I feel confident in asserting that a better site, from L'Original to the Springs, could not be obtained. With respect to the line here laid down between Hawkesbury Village and L'Original, I am not prepared to advocate it as the only route, except for the convenience of lumbermen. On the contrary, I can see no necessity for it touching at any point on the Ottawa between these two places. The course from Hawkesbury Village to L'Original should be direct, as well with a view of shortening the distance as of securing a more eligible and uniform route.

ROBERT HAMILTON,
Provincial Land Surveyor.

HAWKESBURY,
January, 22, 1849.

THE OTTAWA and St. Lawrence Grand Junction Railroad.

This contemplated Railroad will unite with that of the St. Lawrence and Atlantic at Montreal, and with the Ottawa River at Hawkesbury and L'Original; it will also touch the St. Lawrence at Prescott, and thereby connect with the Ogdensburgh and Boston Railroad. The last-named line is opposed to the one in question: nevertheless, they will, when completed, create an immense amount of business for each other, and render an important benefit to the Railroad to the Atlantic and Portland; for it is generally admitted that commerce and travel increase in proportion to the facilities afforded by speedy and cheap conveyance.

Permit me through the medium of your paper to enumerate some of the advantages which, in my opinion, will arise from the completion of the great work above alluded to. In the first place it will increase the value of real estate, which at the present moment is far below an average, in comparison with other countries possessing no greater advantages.

It will also, by connecting Lachine with St. Eustache, bring an excellent farming country within forty minutes of the city, so that persons wishing to reside in the country, and enjoy the luxury as well as the economy of such a residence, and at the same time attend to their interests in town, will be enabled to do so with comparatively little expense; neither must it be forgotten that the markets will be better supplied with all kinds of country produce,

Appendix
(U. U.)
30th August.

whilst the vast water power afforded by the two branches of the river which form the Islands of Montreal and Jésus, will induce capitalists to engage in various kinds of manufactures, by which the country would progress in commerce and increase in wealth. As the line proceeds upwards between the Grand and Petite Brulé, it will pass over a level tract of land well adapted for cultivation.

Only scatter among its present contented people a few Lowland Scotch, Irish, English, and German farmers, who will introduce an improved system of husbandry among the settlers, and this section, which, the Montreal merchants will well remember, was admitted to be the best wheat growing country in Canada, will produce more abundant crops than when first reclaimed, and furnish a greater quantity of vegetables, poultry, sheep, cattle, and pigs for the Montreal markets than it has ever yet been able to bring forward.

The next place of importance after leaving the Brulé, will be St. Andrews on the North River. This fine stream is peculiarly adapted to manufacturing purposes, and should the present improvement be carried out, will at no distant day form a town of no mean note, and produce a handsome revenue to the Railroad interest. At Carillon the lumber merchant, who may have run over the rapids, will embark in the train, and save one half of his expense and a great deal of hard labour to the men. At this place also a large amount of business in freight may be expected, not only from the resident merchants, but from the farmers in the more remote districts.

The next great object to the Company will be the crossing of the Ottawa. This I am confident, will be found practicable at any point from Stuther's Island to the large pier at Hawkesbury Mills; the only question for the engineers to determine being the place of easiest approach to, and departure from the river.

The above named mills belong to the estate of the late Hon. George Hamilton, and were carried on with great advantage under the management of Messrs. Hamilton and Low. They have been visited by several of our Governors, and other persons of distinction, and have been declared to be the most perfect and best regulated establishments for the manufacture of deals in the British Provinces. They are now under the direction of Messrs. Hamilton and Thompson, and may be stated to manufacture, annually, nearly half a million of pine deals for the British market.

Now, if all the bright deals made by this establishment were taken from the mills by Railroad, and could be shipped from the wharf at Montreal, and sold there for only one pound additional per hundred pieces, being the difference between bright and floated deals, this alone would secure to the Railroad Company a yearly income of nearly five thousand pounds, and at the same time make deals worth as much at the mills as they are now at the shipping port, and whenever the trade shall become unprofitable, either from scarcity or otherwise, the vast water privilege, and the great extent of the facilities for employing it, may yet render this place the Manchester of Canada.

At L'Original the freight and passengers of the upper section of the Ottawa will be secured. This, together with that of the country around, will, it is confidently expected, form a very large annual item, and when the communication shall be opened up from the Ottawa to the French River and to Lake Huron, this place will be on the direct route thence to the Atlantic, both at Portland and by the Gulf of the St. Lawrence.

Appendix
(U. U.)

30th August.

From L'Original to the Caledonia Springs, a distance of about seven miles, is a perfect level. The business of the Caledonia Springs will also be an object of importance to the Railroad, not only from the conveyance of passengers and freight, but also from the transmission of its far-famed waters, which are now being sent to all the principal cities and towns in Canada, to many parts of the United States, to England, Ireland, and Scotland, and to the West Indies; and it is by no means improbable that this traffic may increase in a ten-fold proportion, and travel in the same ratio.

From the Caledonia Springs the road will proceed to the great bend in the Nation River, where, particularly at low water, sawn timber will be taken up and transported direct to Montreal. This section contains an immense quantity of fuel, and the opportunity afforded of forwarding it to Montreal market will be felt very beneficially, both by the Company and by farmers.

After leaving the Nation River, the road will pass through South Plantagenet, Cambridge, and Finch, in a direct line a little to the east of the High Falls, and thence nearly on the same course to Prescott. It may not be impossible that the line of Railroad from Bytown may intersect the line here laid down at the High Falls, and if so, it will connect Bytown both with Prescott and Montreal. Before the route reaches Prescott, it will have passed several fine waterfalls on the Nation, where mills are now erected and where manufactories may yet be established to a great extent, and in a country extremely rich in agricultural products, both of which objects are of material consideration to Railroad proprietors.

Prescott was situated at the foot of ship navigation from the great lakes previous to the completion of the St. Lawrence Canal, and although this grand communication has been in operation for some years, it is only during six months in the year that its facilities can be rendered available. There is little doubt but passengers generally the year round would leave the boats at this point and take the Railroad. The variety and expedition in travelling would be an inducement for them to do so, whilst the danger attending the navigation of the rapids will be entirely avoided.

The winter business of the Railroad will, I think, exceed that of the summer, inasmuch as the facilities afforded by winter travel will preclude the necessity of purchasing a six months' stock either in the Montreal, New York, Boston, Portland, or British markets. The merchant can likewise, if he wishes, order his supply any month throughout the year, thereby saving a great deal in his interest account, and enabling him to form a more accurate judgment of the actual merits of his business, and at the same time carrying on his business with one third of the capital. This improvement would have a tendency to establish cash markets for the farmers' produce at every dépôt along the line.

This route was first suggested by Mr. Sheriff Coffin, who is one of its ablest advocates. It offers greater facilities and less obstacles than any other route hitherto brought before the public. Even the bridges, against which many make objections, are of comparatively easy construction, and as it is intended to establish tolls in conjunction with them, they will rather be a source of profit than otherwise. It has also been proposed to construct the whole line by sections. This would be an additional advantage, for many of the sections would, even before they are connected, do a great deal towards paying the interests on the outlay required, and as has been already remarked, property would be raised to its real value. The Rev. gentlemen of the Seminary of Montreal will probably lend their interest to the

furtherance of this great work, and should they wish to commute their *loids et ventes*, they might do so with great advantage by becoming Shareholders. Their people, too, under judicious management, might do the principal part of the work at these points, and as they live on the route they could afford to do the work at a less expense. Other Seigniories might do the same, and thus a new life would be infused into all these sections. A good market would induce farmers to raise more grain and to improve their condition in every way. The first section should be commenced where there is material, such as timber, &c. This would enable the Railroad to do its own work.

There are wharves and store-houses at Montreal to do four times the work that is done, and the trains and cars on the Lachine Railroad are equal to all the business to Prescott with but little addition. I know that men of enterprise in Montreal have effected great things under very unfavourable circumstances, and upon a change of times there can be no difficulty in carrying out the contemplated improvement. Montreal, at this time can boast of public works, public buildings, churches, schools, and of its being noted for one of the cleanest cities in America.

CHARLES P. TREADWELL,

L'Original,

January 23rd, 1849.

C.—LETTER published in the Montreal Herald of 25th January, 1851, (signed "Earnest") pointing out the claims of the Northern Line from Montreal to Caledonia Springs.

SIR,—For some time past I have watched the progress of the subject of the Montreal and Prescott Railroad, as agitated by the various writers, on the importance of securing the road to the country on the northern or southern banks of the Ottawa River. The question of the necessity of constructing such a Railroad appears clearly to be established in the affirmative. The driver of the iron horse from the Atlantic, must, ere long, on his arrival opposite our city, hear the echo of the mighty snort of a similar power about to start from our far-famed city, on its way through Prescott, to the fertile regions of the West. Although I am to some extent acquainted with the Ottawa River and the business done on it, as well as that of the country surrounding it, up to the present time I did not deem expedient to encroach on your valuable columns for the purpose of offering my humble opinion on the subject of the direction the proposed Railroad should take, to arrive at Prescott from this place.

I am pleased to see our Canadian friends coming into the war of pen and ink on this subject; but would be better pleased to see them offering to make the impression indelible, by proposing to load their arguments with a little more of their hard cash.

I have endeavoured to consider seriously the real merits of the proposed routes, and must say I cannot agree with the views of "A Canadian," in yours of the 9th instant. He, it appears to me, is personally interested in the southern course, and attempts to prop its fading popularity by a variety of ideas founded upon no reality. The mind of the public is awake on the subject; "combination," without arguments supported by facts, will no longer take effect. The question then arises—what statements made in favor of the south are incorrect, and what facts can be established of sufficient weight to settle the question in favour of the North? I have not given the matter sufficient attention, and cannot devote sufficient time to the subject, to enable me to present to your readers very weighty considerations in favor of either; such as they are, I humbly submit them.

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

I beg to correct "A Canadian," when he writes, "with only the Ottawa to cross at St. Anns." The Ottawa must be crossed at Vaudreuil as well as St. Anns. The bridge at St. Anns must be of such a character as to require a very heavy sum for its construction. The peculiarities of the place, with its current and channel, are such as to warrant one in saying that more than one unsuccessful effort will be made to construct a bridge there that will stand, and not obstruct the navigation. He also requires correction when he says, "and there are no creeks or rivers to cross, of any consequence." I think he must have lost sight of its being the winter season when they are all filled with ice and snow. He appears to have lost sight even of the pretty stream finding its way from the interior, running past his very door step, (if he resides at Rigaud) and in the summer season floats on its surface thousands of sawed lumber, cut at the distant mills, and hundreds of cords of firewood from the forest as well as furnishing the power to turn the stones that grind the flour consumed by the country around. This stream has lofty tapering banks, and will require an expensive bridge.

I cannot occupy your valuable space, by recapitulating particulars of the various gullies on the south side, nor of the streams of moment driving the various saw and grist mills in the different parishes. The surveyors will, no doubt, notice them all.

My friend, "A Canadian," must not take it hard if I arrest him again. He says the distance is lengthened, by the north, to the extent of 25 miles on 85—calling that the distance to Caledonia Springs, whereas it is only 73 miles by post road, and might be shorter by railroad. I agree with him, when he says that a road on the south side would be a great accommodation to the mercantile business there, and hope to see the day when he will get one, and be able to make it pay; but that is not the question—he may be accommodated at the expense of his neighbour, but that will not do. The question is—which road will now pay? The provision of a few extra thousand pounds in Stock, to take the road through a country that will give an immediate and adequate revenue, is not so difficult as the supporting of one through a country unable to furnish business for it. From what I know of the business of the south side, I can safely say, and call on the steamboat proprietors to bear me out in it, that they could do twice the business furnished them just now from it, although there is but one boat plying regularly from Lachine to Carillon on the Ottawa; and were it not for the business backwards to the North and West, and upwards *via* Grenville, the Caledonia Springs and Bytown, that boat would not earn enough to pay for the wood, tallow, and oil consumed. The small boats, passing up to Bytown, rarely stop, excepting to take wood, or put off a trifling package or two, for some person not wishing to patronize railroads or fast steamers, for fear of having to pay an extra penny per cwt. The steamer running daily on the Ottawa, leaves Lachine every morning, and cannot find business enough to make it an object to stop, till she arrives at the Lock of St. Anns. The business of the village of Vaudreuil is not worth going out of her direct course for, nor is that of Rigaud: consequently she stops about six miles above one, and five miles below the other, and I think would not touch at Point Fortune, but for the accommodation of passengers coming from the Springs by the south road. And although there are a number of wharves on this route, on the south side, many are but rarely touched by a steamer, for want of business to induce them to stop.

The bulk of the settlements by that route lie along the front, or mail road, which is within a stone's throw, or nearly so, of the Ottawa, from Lachine to

Appendix
(U. U.)

30th August.

Point Fortune. I will admit there are concession roads running up from the Ottawa to the interior between these points, but I will not admit, nor could it be proved, that business for a single car daily could be furnished from the concessions there. In fact, the bulk of the settlers there dare not make away with much of their produce by that means; if they did so, the merchants on the front would soon punish them for not coming their way, by enforcing payment of old accounts which they very much fear. Of course there are cases which will be an exception to this. "A Canadian" again says what must be corrected, "where there are only in the small parish of Rigaud during eight months of the year ten or twelve barges continually employed transporting the produce of the Parish and neighbouring Townships, &c., and in return takes back quantities of merchandise, which are consumed in the interior of the country." In making this statement I fear he does so under the mistaken information, or a desire to mislead, if by "neighbouring townships," he means the country in the immediate neighbourhood, and to the south of Rigaud from Point Fortune to Vaudreuil, I do not hesitate to question his correctness, unless by "produce" he means firewood, and even with that constant employment is not given them. I know every barge in the habit of running between Lachine and Grenville canal, and how they were employed for the past season, from which knowledge I can speak correctly, or nearly so. The barges getting anything to do the past season on the south side between Point Fortune and St. Anns, to Lachine and the city, numbered seventeen—six of which made but two or three trips each there—seven were about half employed there, and four were constantly on that route, of which but two carried grain in bulk, bringing in all four small cargoes of 1,500 to 1,800 bushels each, from thence with about 10 cargoes of sawed lumber, and two or three barge loads of hay and straw; the rest was firewood, with occasionally a few bags of grain, or three or four barrels of ashes amongst it. The barges above alluded to procured the balance of their employment, with some six or seven others, at St. Andrews, Carillon, Hawkesbury, the Grenville Canal, and occasionally a trip to Petite Nation or Bytown, for sawed lumber. After the merchandise carried up by them to the limits mentioned, that was but trifling, perhaps occasionally two or three of the barge owners most favoured would get some three to six tons each, at 10s. to 12s per ton, for 50 miles, which they could put out of sight under the deck, in the forward or after-part of their barges, as it must be remembered the greater number of the barges spoken of are of the most inferior description, carrying about 30 cords of wood each, at from 3s. to 4s 6d per cord, and grain from 1d to 1½d per minot, for 50 miles, when they can get it, and would do it for less rather than be idle.

What Railroad could work less than that? With the above facts in view what inducement is there to fix the first forty or fifty miles from Lachine on the South side of the Ottawa. It may be said there would be business on the road from the banks of the St. Lawrence; I say not, for there are daily as well as a semi-weekly Steamer stopping at all the wharves from the Cascades up; or it may be said the road will open up a fine back country; admitting that it does, time must be given to settle and cultivate it before freight can be had, while this is doing if the road runs through St. Anns, the Stockholders may make up their minds at their own expense to "accommodate" a few patrons and do no business worth speaking of till they reach some fifty miles beyond Lachine.

It may appear unnecessary that I should have given so many detailed statements relating to the first fifty miles of the proposed southern route, but I

Appendix
(U. U.)

30th August.

do so under the conviction of its being necessary that the first 50 miles of any Railroad should furnish a large portion of the business to enable it to pay, and I question that side of the Ottawa on that account. It will not do to have that portion—the half from Prescott down, supporting the half from Montreal up; each must bear their part, or as nearly as possible. If the proposing stockholders and projectors of the Road give the matter their serious consideration, I feel assured they will be with me in saying the North for the first 50 miles must be adopted. The population of the South for 50 miles above Montreal I hope will, at a day not very far distant, come forward and form a branch to the leading road by assisting in making it and supporting it when made; the former they will not do now, and the latter they cannot do for some years to come.

When a merchant is commencing business, he will carefully consider whether it is better to invest £10,000 in a doubtful project or to invest £12,000 in one which may be calculated upon with safety; in the first project he is liable to employ himself to no purpose and lose his Capital; in the other he embarks feeling assured of at least preserving what he invested with a prospect of profit; so it is with the two routes in question—will 20 per cent. more stock be taken to secure a paying route for the first 50 miles, or will less stock be taken and a shorter road be made with a certainty of loss on the business of the first 50 miles? Without a doubt the extra stock will be taken to make the road on a route that will pay.

It may be said that what I am writing is all one sided, had I the time to write and the space in your valuable paper at my service, I might say much in favour of the other side and the business to be done on it; I feel I have already encroached too far, but I cannot drop the subject without begging you will allow me a little more space to name a few of the wants of the North and the advantages they are and would be to the projected Railroad. Starting from Lachine, striking through the Country, touching as nearly as possible the best settled spots and villages, to St. Eustache, from thence again approaching some and passing the other villages to St. Andrews—from thence passing through Chatham to the place of crossing the Ottawa, which could be done at many points between Carillon and Grenville without interfering with the navigation—and from thence in as direct a course as is consistent with the necessity of touching the towns and villages and settlements likely to furnish business worthy of note, and on to Prescott.

I travel frequently by land on both sides of the Ottawa, and from my knowledge of the country I can safely say the paying prospects of this route as far as Chatham, in preference to the same distance the other side, is without a doubt, and can be accounted for by the total want of water communication from the interior of the city—the fertility of the soil, the extent of the back country settled and rapidly settling—the thriving condition of the population, the want of good land conveyance—the quantity of grain, ashes, pork, butter, cheese, poultry, &c. produced there, all of which can be increased, the carrying of which to the city personally with their productions would furnish the road with a large business from every settlement and village.

From Chatham or Grenville to Prescott there does not appear to be a doubt of the road paying, therefore I have left that subject untouched; the saw mills alone, with the hundreds of puncheons of Caledonia and far-famed Plantagenet Mineral Waters would, with the Prescott and intervening trade, furnish a very large and profitable business.

Appendix
(U. U.)

30th August.

I cannot drop my pen without referring to the principle carried out in all paying roads in the neighbouring States, which is to cut through rocky hills of great height, or cross streams of magnitude for the purpose of getting at a town, village or settlement that will furnish business—all their Railroads run as near villages as possible and make it pay rather than take the short cut at a loss. Therefore, I say, let all who can say or do anything in favour of it, labour to bring the road to the North, where it must pay by approaching the villages, rather than give it to the South and lose money. The South side will get a road when they are ready for it, but that is not at present; the other side is ready and waiting and will furnish solid assistance and support immediately.

I do not invite those interested to headstrong combinations, that are supported only by selfishness with the view of carrying out pet views: but I do invite them to serious, honest and above-board considerations which I know to be the only ones that will be to their own as well as to the public advantage.

I feel assured upon consideration, the people of Prescott and from thence 50 or 60 miles downwards, have no idea of assisting, and when they look into it, will not assist in sending the road by the South, where they must support a road for the convenience of the county below them, which can contribute but little towards its business, while, on the other hand, in facilitating the establishment of the North, each portion will be able to bear its own expense, thereby making the expense of freight and travel, on the whole, lighter and the profit more certain.

Hoping my friend "A Canadian," and other writers on the opposite side, will not consider that anything is said but in the best spirit and with the best of motives, and offering you my most sincere thanks for your indulgence,

EARNEST.

D.—LETTER from Mr. D. Sinclair, of Point Fortune, on the subject of the proposed Railroad from Montreal to Prescott.

TO THE INHABITANTS OF THE COUNTY OF TWO MOUNTAINS.

Permit one who feels an interest, in common with most of you, in the promotion of every enterprise calculated to benefit the Province, and more especially this large and populous county, abounding as it does in material wealth, in my opinion second to none in Lower Canada, except the County of Montreal, to address you on the much discussed subject of the Montreal and Prescott Railroad, whilst the settling of the route is an open question, with the view of bringing it under the notice and securing the coöperation of those who can do much towards securing the Railroad on the Northern route.

In expressing my views on the subject, I shall endeavour briefly to shew—

1st. Some of the advantages of a Railroad to the section of country through which it passes.

2nd. The facilities you possess of taking stock in the Railroad, through your Municipal Council.

3rd. The probable amount of traffic contributed by this County, and the profits resulting from it.

4th. The extent of country and amount of population that would supply way business to the Railroad by constructing a branch from the most suitable point on the main line to Bytown, "the City of the Ottawa."

Appendix
(U. U.)
30th August.

5th. The advantages of the northern route, both to the County and to the Stockholders, over the southern route.

1st. A Railroad would, no doubt, be attended with the same beneficial results in this county as in other parts: it would raise the value of land very considerably. It would bring every resident near the line of the road within a few minutes of Montreal; it would furnish the farmer with a cheap and speedy means of conveying his products to market. Let us suppose that there will be a dépôt at St. Eustache, Belle Rivière, Argenteuil, Chatham, and Grenville; and when the St. Lawrence shall have been bridged at Montreal, then there will be an uninterrupted highway from your doors to the Atlantic Cities of the United States, which will furnish a market for every thing which you can offer for sale, from the barn yard fowl to the bulky hay stack. In conversing with a person residing near Prescott a few days ago, I learnt that there were some farmers of that place who had availed themselves of the Ogdensburg Railroad to send to the Eastern markets, hay, potatoes, and other articles, to the value of two hundred pounds currency. Without this means of transport those things would have been unsaleable. Similar results might be expected from the making of a Railroad through this section of the country.

2nd. The meeting held at St. Andrews, C. E., on the 26th ult., recommended that the Municipal Council take stock in the Railroad, should it pass through the county, to the amount of £30,000. Upon reflection many persons have thought this too small a sum for the County of Two Mountains to take, when its resources, and the importance of the object to be attained, are considered. The Municipal Councils are authorized by the Railroad Act to take stock, and by the amendment to the Municipal Act of last session, they are allowed to assess a rate of one half-penny to the pound on all rateable property for general purposes. I find by the returns in the hands of the Secretary-Treasurer that the rateable property of the county amounts to £607,761, but this must be regarded as far below the actual value of the County,—for the Township of Chatham, with which I am intimately acquainted, has been as correctly valued, if not more so, than any other parish of the county, which valuation is fifty per cent. below the most moderate selling price: hence, by adding one half of the foregoing sum, we shall have £913,641 as the value of the county, and as many half-pence would be £1900, which would be, at 6 per cent, the annual interest of £35,500. The aforesaid amended Municipal Act authorizes the Municipal Councils to cause a new valuation to be made whenever it was deemed expedient, and appoint their valutors from another County, therefore we see that the Councils are invested with sufficient power to provide for the interest of the sum named, at the meeting alluded to. But I think we should make as early an application as practicable to the Legislature during the forthcoming Session, to extend the powers of the Municipal Councils to the levying of one penny in the pound on all rateable property, when the rate payers should wish to take in the Railway passing through their Municipality. One penny in the pound, or at the rate of one pound for a farm worth two hundred and forty pounds, on all the property in the County of Two Mountains, will pay the interest of £17,000.

3rd. Many persons may be ready to say that we are not in possession of sufficient data to enable us to arrive at an approximate calculation of the amount of traffic from the county, or the returns to be expected from it. Although this will be admitted as partly correct, yet I think I shall succeed in

shewing it to be not only a safe but a profitable investment for either individuals or the Municipality.

I have ascertained that upwards of 20,000 cords of wood have been prepared for the market in the Township of Chatham during one season. This wood cost about 7s. 6d. a cord in being taken to Montreal in boats or barges; but the above quantity might be doubled for many years, were a ready sale to be found, such as a Railway would be the means of creating. As it is, though, the wood can be carried from Grenville to Chatham at 5s. the cord. The hilly region in Chatham, the rear of Argenteuil and St. Columban, abound in excellent hard wood, to bring out which, and the transporting of it to the city, would, I am persuaded, form a large and profitable business both to the back settler and the Railway Company, and furnish the citizens of Montreal with firewood, cheaper than they get it now. I have consulted several persons, who think the quantities I have set opposite to the following places, lower than may be expected, viz:

Chatham,	30,000	} at 5s. per cord, £10,000.
Argenteuil,	5,000	
St. Scholastique and		
St. Columban,	5,000	

For the travel and carting from the county, let us take the tolls as a basis for our calculation:

	s.	d.
St. Eustache Bridge, horse and cart	0	5
Lachapelle's " " " "	0	5
Toll Gate	0	4
Tolls, inward or outward	1	2
Or both ways	2	4

The amount of Tolls collected at the		
St. Eustache Bridge during the		
Summer season	£550	0 0
Lachapelle's Bridge the same	500	0 0
The Toll Gate	440	0 0

Tolls for summer travel £1540 0 0

As the winter business is much the greater we will be quite safe in doubling the above sum, for the whole year £3080 0 0

If the railway will take a man and the load that his horse would carry at 4s 8d, which is quadruple, the inward toll or double both tolls—save him at least one day and more, frequently two days—besides keeping his horse and save the wear and tear of the animal, I think that it will be an incalculable benefit to the traveller, and to the man that does his own carting, and yield to the Railroad Company 12,320 0 0

County of Two Mountains 22,320 0 0

It is confidently stated by parties whose opinions are entitled to respect, that the business of the Hawkesbury Mill (yearly) will amount to £ 5,000 0 0

£27,320 0 0

Those who are opposed to our route, or who regard the enterprise with indifference, and others who do not inform themselves of what Railroads are doing for other places in the way of increasing busi-

Appendix
(U. U.)
30th August.

Appendix
(U. U.)

30th August.

ness, and creating a desire for travel, will say that my calculations are based on the assumption that all the present business will be done by Railroads, whereas such a thing need not be expected. In reply, I shall ask if it is likely that any man residing in Chatham, Argenteuil, or St Scholastique, would take his horse, if he can go by steam for 4s. 8d., which is just double his present tolls, exclusive of 5s. for the keeping of one horse, and two days at hard work? I have not the least doubt but the business to be done by the Railroad, if it should go into operation, in four items, in which nothing is done from this section at present, would equal all that is now expected from the county, viz., milk and hay for the Montreal market, and live stock and potatoes, for the Southern cities.

The number of neat cattle in the county is 32,000, at least ten per cent. of which, 3,200, could be spared annually, if we could find a market for them, such as a Railroad would give us.

4th. If the Montreal and Prescott Railway be carried through the County of Two Mountains, the United Counties of Prescott and Russell, part of Dundas, and a branch be made from some convenient points on the main line to Bytown, it must be apparent that there will be a greater extent of country, a larger population, and a infinitely greater number of interests thus combined by the route just marked out, than can possibly be gained by any other.

The population of the County of Two Mountains is about 31,000. It is stated that there are 125,000 inhabitants dependent upon the trade of Bytown, that is to say, import their goods, and export their products through it, besides 25,000 men employed in the lumbering establishments on the Ottawa and its tributaries, whose consumption of the necessaries of life is equal to that of Montreal.

The importance of the Ottawa country and its trade, may, perhaps, be more readily understood by noticing the single fact, that out of 9,310,256 dollars, which were the exports of the Province for the year 1849, about 3,000,000 dollars of that sum were of the Ottawa timber, being nearly 28 per cent. on the Provincial exports. A great deal more might be said than I have time or inclination at present to state, on the importance of the Ottawa country and its trade, all which is, and must continue to be carried through Bytown: but it requires to be visited to be rightly understood.

Let a person suppose himself at a point on the bank of a mighty stream, which diverges, and towards which converges, the trade of fifteen tributaries, whose united lengths are 2075 miles, having 370 miles of that distance already settled, and rapidly progressing, and it will give him some idea of the commercial position of Bytown.

5th. I have now come to the last part of this subject, viz., the comparative advantages of the northern and southern routes.

The route that pays best is the best for shareholders, and from what has been already stated I think that it will be apparent to every candid person that the County of Two Mountains, with its thirteen parishes on the northern route, is much more than a match for the County of Vaudreuil, with its four seignories and one small township on the southern route.

On the Upper Canada section of the Railway, if it goes the northern route, the whole of the County of Dundas, as I am informed, will support it,—half of the County of Stormont, and perhaps two Townships in Glengarry, to which add Bytown and the

Appendix
(U. U.)

30th August.

Ottawa trade; but go the southern route and you will have only seventeen parishes, instead of twenty-nine parishes and the upper Ottawa on the other. Go the northern route and there is not the most distant prospect of there being another parallel railway. But go the southern route, and there is a probability of another Railway very soon; indeed, some parties have already given notice of an intention of applying to the Legislature for a charter to construct a Railroad from somewhere near Montreal to Bytown. If such a project should be realized it must prove fatal to the prosperity of the southern route. Let not any intending shareholders calculate on the trade of the Western States, until we have a Railroad reaching the Detroit River or Lake Huron.

It is said, by the advocates of the southern route, that the distance by the northern route is 26 miles longer, with three "tremendous" bridges to be erected, and that the difference of cost will be about £200,000. We must confess these are great figures, and will require something considerable to balance them; but let us examine them a little, and I am sure that much of their magnitude will disappear.

The advocates of the northern route will not admit that there is more than 12 miles of difference in the distance, until it be measured,—and one bridge. I feel confident that this road can be made for £3,000 per mile, and the bridge for £25,000, if it will be made where it can be cheapest constructed. At this estimate it will be—

12 miles of Road, at £3000 per mile	....	£36,000
The Bridge	.....	25,000

The difference between the northern and southern routes in cost £61,000

As a very considerable proportion of the cost of a Railway consists in the furnishing of stations and carriages, the same expenses in this respect will be required on the one route as on the other; hence I think that the above figure will be found amply to cover all the difference in cost of construction. If the annual business of the Hawkesbury mills be what they say, and I have no reason to doubt it, it will more than pay the interest of the above mentioned sum of £61,000, which will leave the £22,320 estimated for the County of Two Mountains to be placed against the County of Vaudreuil.

In concluding, let me urge you to come forward, through your Municipal Council, with £60,000, for the road, to meet the interest of which will only require a penny in the pound; but when the road shall have been completed, the value of the county will be raised to a million and a half, which will reduce the interest to something less than two thirds of a penny. There is not a farmer in the county who should hesitate a moment with such an opportunity before him of adding 50 per cent. to the value of his land, and securing a Railroad that will reach the Atlantic Ocean on the one side, and the great Lakes on the other.

E—LETTER reviewing Mr. Gzowski's Report on the comparative merits of the Ottawa and St. Lawrence routes for the proposed Railroad.

To the Editor of the Montreal Gazette.

SIR,—It is some time since the publication of Mr. Gzowski's Report on the comparative merits of the Ottawa and St. Lawrence routes, at present compet-

Appendix
(U. U.)

30th August.

ing for the advantages of the projected Railroad between your City and Kingston. But, although that Report is by many considered to be very far from presenting an impartial view of the subject which it discusses, and although the interests which are affected by it are acknowledged to be of the greatest importance, I have been surprised that almost no public notice has been taken of its inaccuracies. In your paper of the 24th ultimo, indeed, there appeared a communication from a correspondent, under the signature of "A Subscriber," who directed attention to the anomalous circumstance that, while distance was to be made an element in the comparison of the two routes, Lachine appeared to be selected as the common point of departure for both, when a much more direct course could have been secured for the route by the Ottawa, by taking a departure from the Current of St. Mary. He, therefore, called for the publication of the instructions under which Mr. Gzowski was directed to act. These instructions have never been forthcoming; and from this or some other circumstance, much, as I believe, to the detriment of the community, who looked to his first article as furnishing the promise of an exposure of the very numerous errors with which Mr. Gzowski's Report abounds, your correspondent has since that time allowed the discussion to drop. I regret that some one more capable than myself of doing the subject justice should not have come forward to disabuse the public mind of the inference which it might erroneously draw from the general silence, that there was on the part of the friends of the northern route an acquiescence in the justice of the decision of the Montreal Committee, and in the trustworthiness of the Report of their Engineer. Such not being the case, however, I beg leave, without at all professing, at this late period, to enter into a minute examination of the Report to offer a few remarks on some of the points in which it appears to me to be open to criticism.

There are a number of particulars of minor importance, in which the author of the document before us appears to me to have laid himself open to the charge of, I trust not intentional, unfairness; as, for instance, in his statement of the capabilities of Carillon as a place of crossing, where he mentions that the channel of the river is 400 feet wide and 70 deep; when, as I am informed, it was pointed out to him that at a short distance above the place where he took his soundings, the river, passing over a rocky bottom, is so shallow that during low water it can almost be forded. The information thus communicated he did not take pains to verify, nor has he mentioned it in his Report. But as he has thought proper on the whole to recommend Grenville as the most eligible place for crossing, and as I am anxious not to occupy your columns with the discussion of matters of lesser moment, I pass by all these, and proceed to his general statements in the comparison of the routes.

Having made his exploration of the lines through which they both lead, Mr. Gzowski informs us that he found them "very similar in the general formation of the country in each," that, "the surface is very level and easily drained,"—there is in both an entire absence of engineering difficulties; the rivers are easily bridged; and the population, in general, dense; but, unfortunately for the Ottawa, there is a considerable difference in the probable cost of construction of a Railroad, "on account of the distance, the extent of bridging, grubbing and clearing, and the facilities for obtaining material for masonry and ballasting." This difference of expense in the construction of two lines of road, of which the common termini, by an air line drawn from Lachine to Kingston, are only 155 miles apart, and of which the shorter is to be

constructed at a cost of £817,818, he surprises his readers by setting down at the startling figure of upwards of £146,000! Besides the expense, he has adduced in favour of the St. Lawrence route an argument derived from a comparison of the populations, which would be "directly interested and benefited" by the roads; affirming that, exclusively of populations of the City and Island of Montreal, and of the country beyond Sheaver's Mills, which should be added at the extremes to either of the routes, there will be found a majority of 15,942 persons in favor of the St. Lawrence, the populations being respectively 58,516 and 42,674.

As it is admitted on all hands, and we have it on the authority of Mr. Gzowski himself, that, in regard to its general formation, the country along both rivers is nearly of a uniform character, it is evident that the difference of expense, if it exists to any considerable part of the extent that is alleged, must depend, as he asserts, on some extraordinary difference in regard to distance, extent of bridging, grubbing and clearing, or facilities for obtaining material, &c. The difference of distance is confessedly only 14½ miles, and, as "A Subscriber" has reminded us, it might be made less; but if any important interests are to be served by the selection of the Ottawa, the difference of distance is so trifling that the reduction is scarcely worth the asking. Yet, taken in connexion with an extravagant over estimate of the average expense per mile in either route, a difference of 14½ miles may make an important difference in cost, and Mr. Gzowski has shewn that it can do so to the amount of £74,118 15s. The grubbing and clearing in some new townships, if it involves any additional expense, cannot surely do so to any great amount, when it is considered that in general the increased cost incurred by opening up a new country must be more than counterbalanced by the increased expense of purchasing land for an equal distance in a part of the country which is old and thickly settled. Nor can the facilities for obtaining the materials necessary to the construction of the road be greatly wanting, at least for a very considerable part of its extent, when it is well known that stone for masonry, and lime in abundance, are to be found at all the crossings of the Ottawa, and when, as all who are acquainted with the country are aware, half the distance between St. Eustache and the western line of Hawkesbury, or the Caledonia Flats, is made up of a hard and gravelly bottom, and banks of sand and gravel exist in close proximity to the road in the remaining portion. The increased difficulties imposed by "grubbing, ballasting, and masonry," however, are to involve an expenditure which Mr. Gzowski has set down at £33,800. An important item of the one hundred and forty-six thousand pounds which appears so formidable, is to be incurred in bridging. To the subject of bridging I shall presently call your attention, but first must be permitted to say a few words on the subject of Railroad accommodation to the public, from which Mr. Gzowski has derived an argument of some plausibility.

"The Ottawa route passes," says the Chief Engineer of the St. Lawrence and Atlantic Railroad, "through the County of Two Mountains with a population of about 28,791, also the County of Prescott and Russell with a population of 13,883, making an aggregate population of 42,674 souls."

The figures been taken apparently from Scobie and Balfour's Almanac, may be accepted for the Western section of the Province, but require some modification for the Eastern, in which the census has not been taken so recently. But is it not a little singular that in marshalling the hosts of those who would declare themselves "directly interested and

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

benefitted" by an Ottawa County Railroad, Mr. Gzowski should have entirely left out of his enumeration, the respectable *habitans* of the populous county of Terrebonne, with the not inconsiderable sprinkling of their old country neighbours, through a part of whose territory it would pass? We shall leave, however, though not claimed by the supporters of the other road, a part of the population of the county, as residing chiefly on the Isle Jésus, to counterbalance with their bretheren on the Island of Montreal, an equal or less number residing on the southern route until it reaches St. Annes, and content ourselves with claiming only half the population of those residing in the north-western portion. The County of Terrebonne, with its present increase, must contain 24,858 inhabitants. The half of this will give us 12,429. To these add the population of the County of Two Mountains, not as represented by Mr. Gzowski's figures, but as it should be, at least 32,290. Taking in a population of 3,500, in the lower end of the County of Ottawa, who would make use of the Railroad at Grenville, and admitting Mr. Gzowski's figure for the United Counties of Prescott and Russell, we shall now find that our numbers stand as follows :

Part of Terrebonne.....	12,429
County of Two Mountains.....	32,290
Part of Ottawa.....	3,500
United Counties of Prescott and Russell....	13,883
Total.....	62,102

As we have alluded to the population of the Counties of Terrebonne and Two Mountains, to make it correspond with the increase since last census, it is only fair that a similar addition should be made to that of Vaudeuil, by the application of the same rule as that by which we have ascertained the present population of the others. Thus corrected, instead of 18,271, it would stand at 19,673, which with the 40,245 of the United Counties of Glengarry, Stormont and Dundas, would give the St. Lawrence route a population of 59,918, or 2,184 less than that of the Ottawa.

But it is to be observed that, in including the whole of the inhabitants of the United Counties of Glengarry, Stormont and Dundas, among the population interested in the southern route, the advocates of this route do injustice not only to the northern, but to the inhabitants of the Eastern district themselves, many of whom, even in the County of Stormont, are known to be warmly in favour of the route by the Ottawa, and of whom it may be said, with reference to the Counties of Stormont and Dundas, that the half of the population, amounting to 12,137, would be about equally benefitted by the Railroad, by whichever course it should run. This population, then, ought, in all fairness, like that of the Islands of Montreal and Jésus, either to be left entirely out of the computation, or, if retained among the supporters of the southern scheme, should be added also to the friends of the northern, when we should have a preponderance of population of upwards of 14,000.

The subject of Railroad accommodation admits of being viewed in still a different light. On the two lines there exists an aggregate population of upwards of one hundred and twenty-two thousand seeking accommodation by a Railroad. Of this number, if we add to the population of the Ottawa route the half of that of the two counties mentioned, in the Eastern District, there will, by the choice of the Ottawa, be 74,239 persons whom it will be possible to accommodate, while only 47,781 will be left unprovided for; and half of these reside within five miles of a water communication. On the other hand, if the St. Law-

Appendix
(U. U.)

30th August.

rence be chosen, a minority of 59,918 will enjoy the benefits of a Railroad, while 62,102 will be deprived of accommodation.

So much for population. I come now to consider the expenditure incurred by bridging, and my remarks on this subject will close the present communication.

"The extent of bridging on the Ottawa route I estimate," says Mr. Gzowski, "at 5,322 feet, including the crossing of the Ottawa River, the width of the respective channels being at the first crossing near St. Eustache, 2,322 feet, and at the second crossing near Grenville, 2000.

"The extent of bridging on the St. Lawrence route, including the crossing at St. Annes, which is 1,831 feet, is 2,859 feet, shewing a saving in favour of the St. Lawrence route of 2,463 lineal feet of bridging."

As 2,322 and 2000 do not make up the 5,322 total feet of bridging referred to in the first passage of the above extract, an inquiry suggests itself at the outset as to its meaning. There are two branches of the Ottawa to be crossed before reaching St. Eustache; one at leaving the Island of Montreal, and the other from the Isle Jésus to St. Eustache. Assuming that Mr. Gzowski intended to include them both under the common designation of "the first crossing," as the phrase is placed in opposition to "the second crossing near Grenville," it might be imagined that for 2,322, we should read 3,322 as the width of the channels in the two branches, a statement which would certainly be very wide of the mark; but inasmuch as some allowance must be made for bridging not connected with the main channels, and as the same figures occur in both editions of the report, as at first published in the newspapers, and as it appears at present thrown broad-cast, in pamphlet form, upon the public, we can scarcely suppose that there is a typographical error, but must believe that the 1000 feet not accounted for are intended to stand for the bridging of the minor streams, canals, &c. Under this interpretation, I have to regret that I have not the same means of judging of the accuracy of the statement that the crossing of the two branches near St. Eustache, amounts to 2,322 feet, as the parties might have who reside nearer to the spot. It is to be observed, that while the bridging required on the St. Lawrence route is spoken of apparently with greater certainty, as if from actual measurement, that of the Ottawa appears to be rather conjectural. "The extent of bridging, I estimate," &c. The degree of credit to be attached to the estimates throughout, may be judged of by their accuracy in a part. Mr. Gzowski has estimated the width of the channel at the "second crossing near Grenville," and has stated it at two thousand feet. I am in a position to know the exact point from which he examined the river near Grenville, and am enabled to state on the authority of a Provincial Surveyor, who ascertained its breadth by trigonometrical measurement, that from the brushwood on the north bank to the lower end of the great pier on the Hawkesbury side of the river, where the landing is excellent, the distance is only 1287 feet instead of 2,000, a difference of more than a third less! and at low water mark it is only 1119 feet. It is a pity that the test of actual measurement could not in like manner be applied to the assumed width of the crossings at the lower part of the river. As it is, we shall be obliged to deal with them in some other way, and perhaps the fairest is by a proportion; the question resolving itself into an arithmetical calculation which any schoolboy may dispose of by Rule of Tree. It will stand thus:

$$2,000 : 1,287 : : 2,322 : 1,404.$$

Appendix
(U. U.)

Appendix
(U. U.)

30th August.

30th August.

Or, as 2,000 feet, which is Mr. Gzowski's estimate at Grenville, are to 1287 feet, the distance found by accurate measurement, so are 2322 feet, the estimated distance of Mr. Growski in the lower crossings, to 1494, which would probably be the more correct statement.

Corrected in a similar manner by a proportion, we should find that the whole amount of bridging on the Ottawa route would be brought down from 5322 feet to 3125; thus reducing the difference of bridging in favour of the St. Lawrence to 566 feet instead of 2463!

There are other points which I should like to discuss, but am prevented from doing so by the length to which this article has already extended. I shall, therefore, Mr. Editor, solicit your indulgence while I endeavour to consider them in a future number. In the meanwhile,

I remain, Sir,
Your obedient servant,
OTTAWA.

Argenteuil, April 23, 1851.

PORTLAND PLACE,
MONTREAL, 3rd May, 1851.

SIR.—I enclose the report of Mr. Fleming, Civil Engineer, on the northern route of Railway from Montreal to Kingston via Bytown and Perth, and also a letter from Sheriff Treadwell, who accompanied him on the cursory survey, and I have to request that you will be pleased to give them an insertion in the next number of the Gazette.

I am, Sir, yours, &c.,
CHAS. A. LOW.

To J. M. Ferres, Esq., Editor and Proprietor of the Montreal Gazette.

REPORT upon a proposed Trunk Line of Railway, from the City of Montreal to the City of Kingston by Bytown and Perth, by P. Fleming, Civil Engineer.

In view of a Railway being constructed from Montreal to Kingston, I have examined the intervening country for the route, and I am of the opinion, that the line after leaving Montreal, should pass through, or near the village of St. Thérèse, which may be easily reached, by bridging the branches of the Ottawa at that place, and without any extraordinary expense beyond what is common to such works. The line should thence pass to the village of St. Andrew, in nearly one straight line, over an almost perfectly level country, and passing the village of St. Eustache, at a small distance on the north side. From St. Andrew, it may proceed either through the village of Carillon, at which it would meet the stream navigation of the Lake of Two Mountains, or by the rear of that village, and thence across the Ottawa River, by Struther's (now Watson's) Island. Here the river on both sides of the island, presents no difficulty to bridging—and the bridges at this place would be less liable to be injured by ice than they would be above or below. From this point, on the Upper Canada side, on the right bank of the river, the Railway would be almost on one level, by Hawkesbury Mills, L'Original, to the Caledonia Springs. At L'Original, the Railway would meet the steam navigation of the Ottawa from Bytown. From the Springs, it would be continued by Jessup's Falls of the South Petite Nation River, and thence in a very level and direct line to Bytown.

Throughout the whole of the above route, the Railway would pass over a generally smooth and uniform surface, and be without any special impediment whatever to its construction, which might be made at a minimum expense, compared to any other line of the same length—for throughout, there is abundance of the materials requisite for Railway formation, namely, stone, gravel, sand and timber.

From Bytown to Perth, the route would vary very little from a straight line, and be almost on a continued level—along which, small excavations or embankings would only be required in its formation, and some culverts or small bridges.

From some miles above Perth to Kingston, the country alters considerably, by becoming much broken in several parts of the distances by Graywauke, rocky hills and ridges, with intervening hollows and levels; but in consequence of the melting of the snows and ice, while I was on this journey, I found it impracticable to follow any particular line through this section. As far, however as I could judge from the inspection I made, and from the information given to me by those professedly well acquainted with this neighbourhood, I think that the line might pass near to West Port, on the Riv. au Lake, or otherwise by the Narrows, and thence to Kingston. But to decide upon the best route, and the least expensive, a special and skilful survey will be required.

Upon the whole, I am of the opinion that, as regards the expense of construction, with the exception of the difference that there might be in bridging the Ottawa, at the Isle Jésus and Watson's Island; and of the same at Vaudreuil, (the expense of the former of which would not exceed double that of the latter), a Railway by the route I have indicated, would cost less by ten per cent. per mile than by any southern route; and its grades, from the levelness of the country, be much less.

As regards the distance between the extreme points, from the absence, on the northern line, of many local windings and curves, which there must be if a more southern one be taken, as this latter must pass over a more undulating country; so that while apparently more direct, it would not be much shorter.

The distances by the above route will stand nearly as follows:—

Montreal to St. Thérèse	15 miles.
St. Thérèse to St. Andrews	30 "
St. Andrews to Longueuil	17½ "
Longueuil to Bytown	46 "
Bytown to Perth	44 "
Perth to Kingston	47½ "
	200 miles.

OF THE PRESENT AND FUTURE PROSPECTS OF THE ABOVE PROPOSED NORTHERN ROUTE.

It is now twenty years since the writer of this, in three letters to the Editor of the Montreal Herald, proposed the construction of a Railway from the city of Montreal to Goderich, on Lake Huron. The first of these letters was in December, 1830. The view the writer then took of this Railroad was, to form a great Trunk Line of communication between the port of Montreal and the Great Western Lakes, with branches to the different navigable reaches on the St. Lawrence, and to the cities and towns on the borders of the Lakes; and, also to Bytown, and such other settlements as might require them on the north

Appendix
(U. U.)

30th August.

of the Trunk Line; but particularly to Lake Simcoe and the Georgian Bay, and the settlements on Lake Huron. Such a Main Trunk Railway, the writer apprehended at that time, should leave the Island of Montreal by St. Anne to Vaudreuil, and thence be carried through the country at nearly equal distances between the St. Lawrence and Bytown, thus dividing the country between the St. Lawrence and the rear settlements, and thereby forming a common line of communication to the whole of Upper Canada in its then state. Another view was, jointly with the Rideau Canal, to have superseded the necessity of the construction of the St. Lawrence canals, which it was proposed to make at that time. The St. Lawrence was then, as it now is, the great channel of the descending navigation in summer from the Great Lakes, and by a suitable enlargement of some parts of the Rideau canal would have given an ascending navigation from Montreal to Kingston; for which the St. Lawrence canals are at present only useful. At the same time such a proposed Railway would have afforded a direct traffic in all seasons between Montreal and every point required in the interior, and the shores of the Great Lakes.

The above is stated merely to show the views the writer then had of procuring a great improvement of inland communication for the whole of Upper Canada with Montreal. This line would have given a stimulus to farther settlement of the country, which would consequently have taken place, by thus affording an immediate outlet to its products, and ready intercourse in all seasons with Montreal. But time changes circumstances. At that time Bytown had only commenced to be a settlement, and a town; and so of Perth, and other rear settlements, which are now the centres, and considerable markets, of their respective and productive districts. Along the banks of the Ottawa for many miles above Bytown, productive settlements have been since formed, where formerly the lumber trade had to be furnished with supplies from below; but which now supply this trade and have a surplus of produce to carry down to that market from which they were formerly supplied, and they now possess a local steam navigation on the Ottawa.

Seeing the rapid progress and settlement of this new country, and contemplating what the effect of such a general line of communication as that now proposed would produce, if carried to the extreme points of Upper Canada, or only first to the City of Kingston, the question naturally arises, through what part of the intermediate country should it traverse? The answer may be properly resolved into two considerations—one is, what route would be most beneficial towards the future and farther settlement of the country, and afford the widest field for extending farther communication—another is, which would afford more early remuneration to the Stockholders furnishing the means for its construction.

The desirable object that is naturally suggested by the first of these considerations, will be obtained by adopting the route that will open up the widest tract of country to the port of Montreal, the head of ocean navigation. This would be accomplished by taking the Bytown and Perth route, thus making Bytown a central point for the products and travelling of the upper Ottawa, extending to hundreds of miles above that city, now partially settled; and which settlements would in consequence rapidly augment in population and production, and soon require a Railway through them, which would make an important tributary line.

Again, the Railway from Bytown to Perth would open up the productive settlements of Richmond, Drummond, Lanark, &c., without any diversion of

Appendix
(U. U.)

30th August.

traffic between Perth and Montreal, whereas by any other route, such as from Montreal to Kingston by Prescott, &c., the portion of the line above Prescott, and part of it below this point, would only be an extension of the Ogdensburg Railroad, and consequently be a feeder to it—besides it would open up no new country, nor much augment or promote new settlement.

As a travelling route between Kingston and Montreal, the Northern line would be the more interesting, by passing through the prosperous town of Perth, and the romantically situated town of Bytown, and along the picturesque banks of the Ottawa, through the Caledonia Springs, L'Orignal, Hawkesbury Mills, Carillon, St. Andrew, St. Eustache, and St. Thérèse, &c.

Further, if we compare the Northern line by Bytown, with the more southern line by Prescott, in parts, at equal distances from Montreal, say first to Vandreuil on the southern, to St. Eustache on the northern, the latter would not at all events yield less revenue than the former. Next, compare the traffic below Alexandria, on the southern line, to a point of the same distance on the line from Montreal to Bytown, below Bytown; we certainly would allow the greater to the latter.—Or if we take a point on the southern route, equally distant from Kingston, say as far as Perth, we must evidently estimate, that the greater revenue would be to the northern line on this distance. The comparison in point of revenue must be admitted to be correct; for it must be conceded that a considerable diversion of the southern line trade, both below and above Prescott, from this side of the St. Lawrence, would be made through the latter town to the Ogdensburg Railway. In proof of this, below Prescott, it may be stated at the present time, that most of the surplus produce of Glengarry, Lancaster, &c., is carried up the Salmon River to Fort Covington, in New York State, and exclusive of the duty (the purchaser paying this) this market is found better than Montreal would be, while that part of the line above Prescott could only be considered as the Ogdensburg Railroad continued to Kingston. But, thence afterwards, if extended from Kingston to Georgian Bay, it would complete a trunk line from the cities of New York and Boston to the nearest point of Lake Huron, and thereby totally leave out, or cut off, the Port of Montreal, and the St. Lawrence and Atlantic Railway, from the descending trade of the West.

We may further consider that the productions of industry, on both sides of the Ottawa "throughout," to its furthest extremity, would be collected by the northern line; while with that below Perth, the traffic would remain unbroken to Montreal;—and besides, should it be contemplated, as here proposed, hereafter to unite the Georgian Bay by a branch from Perth, this would be a more immediate and shorter line to Montreal than any other more southern route, and which would draw to it the trade of Lakes Huron, Michigan, and Superior; thus forming ultimately two great branches of inland communication, the one extending to the extremity of settlement on the Ottawa, and the other to Georgian Bay.

Again, if from the Georgian Bay the line is carried to Windsor, then it would traverse a great extent of fertile country; at the same time touching the southern points of Lake Huron, Goderich, and Lake St. Clair.

It will now appear evident, that by the northern route as above indicated, extensive new fields for settlement and enterprise would be opened within the Canadas. It would terminate on one side of the greatest inland navigable waters in the world, and

Appendix
(U. U.)

30th August.

on the other at Montreal, the port of the Atlantic. It would be the shortest line which can be obtained for inland carriage, connecting the shortest lake navigation from the States of Illinois, Wisconsin, and of the far west, with the ocean.

The length of the above trunk line will be nearly as follows:—

Montreal to Perth	153 miles.
Perth to Georgian Bay	147 "
Montreal to Georgian Bay	300 "
Georgian Bay to Windsor.....	245 "
Montreal to Windsor	545

PETER FLEMING,
Civil Engineer.

To C. P. TREADWELL, Esquire,
L'Orignal, C. W.
April, 1851.

Letter from Mr. Treadwell, communicating the above Report to C. A. Low, Esq.

HALL'S OTTAWA HOTEL,
Montreal, May 2, 1851.

MY DEAR SIR,—I have the pleasure of enclosing for your perusal the report of Mr. Fleming, Civil Engineer, of the Northern Trunk line of Railway from Montreal to Kingston, *via* Bytown and Perth, which that gentleman has just completed, together with his map of a part of North America, on which he has laid down his route, and defined also its probable extension. Mr. Fleming was induced to establish himself in this country by His Excellency Sir James Kempt, who was competent to judge of the qualification necessary to constitute an Engineer. Mr. Fleming has handed me one of Sir James' letters, which I enclose for your perusal. Having secured Mr. Fleming's service, we left Montreal *en route* for Kingston, on Monday, the 24th March. As the lateness of the season required immediate action, and the delay of appointing a committee at the time must have prevented our being able to bring out a report for the public for some months, it was therefore deemed advisable to proceed without loss of time. On our route we were received in the most satisfactory manner, but the attention of our friends must be acknowledged in a subsequent communication; still I beg to notice briefly our reception at Perth. We were received by all parties in a manner peculiarly gratifying to us. On reaching Kingston, the Mayor, Francis M. Hill, Esq., was pleased to call a meeting of the Railroad Committee of the Corporation, before whom Mr. Fleming stated in a brief and clear manner the result of his examination of the northern route from Montreal to Kingston, *via* the Ottawa, Bytown, and Perth, and his perfect confidence in the practicability of its construction; stating, at the same time that, owing to the lateness of the season, the route between Perth and Kingston had not been fully explored, so as to enable him to determine its precise location, but that he felt confident of making out a route. In my remarks before the Committee, I endeavoured to point out the advantages of the northern over the southern route.

Firstly:—In a pecuniary point of view, as this route would command a much larger amount of way business than the other, by passing through a better settled country in many sections, and by accommodating the Ottawa, which at this moment comprises a very important and interesting section of

Canada, and by having the constant support of this immense section of country, the Railway will be enabled to do the through business much cheaper than a line dependant on through business alone.

Secondly:—It would afford to the merchant, the agriculturist, the lumber-man and the mechanic, facilities to enable them to pursue their different branches of business with an increased success.

Thirdly:—It would protect a splendid canal from destruction.

Fourthly:—It would secure to the Empire a safe and speedy communication from a fortified to a garrisoned town in case of war. The State of New York, to which belong all the great lines of canals, the successful operations of which has placed her in the enviable position of being called the Empire State, and entitled her justly to command it,—has carefully protected her canals from being destroyed by imposing canal dues on all freights carried by Railways constructed along their banks during the season of open water navigation. The State of Pennsylvania, by adopting a different course with some of the canals, has destroyed them. I hope that no untoward act of our Legislature will destroy our magnificent public works, and leave us to pay a debt of nearly four millions and a half, incurred in their construction, when the works shall have been annihilated or rendered useless, and probably compel the Province to resort to direct taxation to pay a very considerable part of this large amount. It must be obvious to any candid mind that the Rideau Canal has been destroyed in this manner. From Kingston I proceeded to Toronto, to lay before the different members of the Executive Government the result of examination of the Northern Line, and to consult with gentlemen of experience and influence as to the proper measures to be pursued, to secure the success of the enterprise.

I think it must be highly gratifying to the inhabitants of the Ottawa, to find such a general expression of opinion in favour of the Northern route from Quebec to Kingston, and for the very respectable support which their route has received, even in the City of Montreal where the rival route has originated, and to convince their friends that it only requires active and persevering exertions to ensure success.

May it not be a matter of grave consideration for the inhabitants of the towns that are situated on the St. Lawrence, carefully to consider what will be the effect of laying a Railway a distance of from ten to fifteen miles in the rear. May it not wither their energies and destroy the beauty and business of these towns. My firm conviction is, that such would be case. Let those who are interested in this matter look well to it, and carefully examine what has been the result in other new countries. By adopting the opposite course, and constructing a Railway by the Northern route, the whole country lying between these two grand communications, comprising a belt of from thirty to fifty miles, will at once be settled; that is, every lot that is susceptible of cultivation—and a third front on the Northern side of the Railway at once opened to the country. I have heard fears expressed, that if the direct route, as it is claimed to be, is not immediately adopted, but the Northern line be first laid down, the other line would soon be made, which would take all the business from Kingston to Montreal. I have considered this matter well, and I am wholly at a loss to ascertain from what premises such conclusions can be drawn. It certainly cannot be from a superabundance of capital in this country, that seeks investment in Railway undertaking. It cannot be from the high price that the Stock Exchange shews that Railway shares

Appendix
(U. U.)

30th August.

Appendix
(U. U.)
30th August.

Appendix
(U. U.)
30th August.

command. It cannot be from the great profit that has already arisen to capitalists, who, from patriotic motives, have already invested large sums of money for the improvement of the Province. At the same time I would congratulate them on the improvement of their stock within the last twelve months; and I hope that another year will still shew a more favourable state of things. I fear, that the conclusion is drawn, from comparing Canada in its present infant state with Great Britain, containing within herself the arts and sciences, carried to the highest state of perfection, and an accumulation of wealth that is seeking an investment in every clime.

In our present state it is contrast and not comparison that should be drawn between us and Britain. At the same time I claim for Canada as great a state of advancement as can be shewn in any other country of the same age. If I am wrong in this opinion, I hope the day is not far distant when we can make this claim with ut contradiction. My great anxiety is, that our splendid public works may be protected, that our future improvements may be located with judgment, and carried forward to completion with energy, and produce a profitable return to the capitalist when completed. Should the northern line be adopted no canal dues will be required, and an immense country will be brought into immediate contact with Montreal.

I am, my dear, Sir,
Your most obedient servant,
CHARLES P. TREADWELL.

CHAS. A. LOW, Esq., Portland Place,
Montreal.

STATISTICS connected with the tract of country through which the proposed northern line would pass.

To the Editor of the Montreal Gazette.

SIR,—I beg to inclose the following statistical information, relative to the northern route of the Railway to Kingston.

I am, Sir,
Your obedient servant,
C. P. TREADWELL.

May 8, 1851.

KINGSTON AND MONTREAL RAILROAD.

The following statistics of population were taken some years since, and have since considerably increased:

	Year.	No. of In.
City of Montreal,.....	1848	55,246
County of Montreal,.....	1848	13,893
County of Terrebonne.....	1850	25,064
County of Two Mountains, ..	1848	27,849
County of Ottawa,.....	1848	17,870
Counties of Prescott and Russell, ..	1850	11,333
County of Carleton,.....	1848	18,500
Bytown,.....	1848	7,000
Counties of Lanark and Renfrew, ..	1848	29,448
County of Frontenac,.....	1838	17,311
City of Kingston,.....	1848	8,369
		<u>233,782</u>

Although an attempt has been made to get statistical returns from every municipality, from the shortness of the time I have had to do so, I have not yet received the information required. I feel, nevertheless much indebted to J. J. Girouard, Esquire, and Dr. Dumouchel, of the County of Two Mountains, for the interest they have manifested in this route generally; and particularly for the statistics and information which they have furnished me. Mr. McDonald, Clerk of the Peace for the United Counties of Prescott and Russell, and a correspondent from Bytown have been pleased to furnish me with some general statements with reference to the trade and business in those places; and the Bathurst Courier has been pleased to furnish an amount of information respecting the improved state of that section of the Province, that must surprise every one not intimately acquainted with the wealth and prosperity that abound along this projected line of Railway. I must also tender my thanks to Alexander Gorrie, Esq., of St. Thérèse, for his exertions and assistance in this undertaking.

CITY OF MONTREAL.

Population in 1848.....	55,146
Assessments on rental in 1851, (about one-haf of the general revenue)....	£1457 9 9

COUNTY OF MONTREAL.

Population in 1848,.....	15,893
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COUNTY OF TERREBONNE.

Population in 1850,.....	25,064
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COUNTY OF TWO MOUNTAINS.

	Population.	Evaluation.
Gore and Wentworth,.....	1,291	£3,928 10 0
St. Andrews,.....	2,672	113,268 5 0
Chatham,.....	2,989	59,391 10 0
Grenville and Augmentation,.....	2,075	16,374 0 0
St. Jerusalem, of Argent,.....	1,645	45,815 0 0
St. Hermas,.....	1,676	41,616 10 0
St. Eustache,.....	3,025	76,262 0 0
St. Scholastique,.....	4,109	89,923 0 0
St. Augustin,.....	2,600	56,674 0 0
St. Raphael, of Isle Bizard,.....	1,200	10,006 13 0
St. Colomhan,.....	1,000	8,980 3 0
St. Benoît,.....	3,568	86,522 0 0
Total,.....	<u>27,849</u>	<u>£608,761 11 0</u>

Appendix
(U. U.)
30th August.

- 25 Churches and chapels,
- 16 Grist mills,
- 7 Barley mills,
- 7 Oatmeal mills,
- 25 Saw mills,
- 6 Fulling mills,

- 8 Carding mills,
- 52 Thrashing mills,
- 9 Tanneries,
- 79 Pot and pearl ashes manufactories,
- 2 Breweries and two distilleries,
- 50 Store-keepers or merchants,

Appendix
(U. U.)
30th August.

OTTAWA COUNTY.—(As benefited by this line.)

Population in 1848,.....17,870

UNITED COUNTIES OF PRESCOTT AND RUSSELL.

TOWNSHIPS.	VALUATION OF PRO- PERTY ON ASSESSMENT ROLLS, YEAR 1850.	POPULATION.	SAW MILLS.	GRIST MILLS.	STORES.
	£ s. d.				
1. East Hawkesbury.....	26,762 0 0	2517	8	1	2
2. West Hawkesbury.....	32,448 7 0	2643	5	2	2
3. Caledonia.....	9,428 7 8	956	3	1	3
4. Longueuil.....	29,836 0 0	1345	1	1	2
5. Alfred.....	9,860 0 0	411	1	..	..
6. North Plantagenet.....	17,488 0 0	1111	1	1	2
7. South Plantagenet.....	10,118 0 0	503	..	..	..
8. Clarence.....	3,619 8 0	381	..	..	..
9. Cumberland.....	9,967 17 0	915	1	..	..
10. Cambridge.....	1,555 12 0	162	1	..	..
11. Russell.....	4,813 12 8	389	3	2	3
	£155,897 3 8	11,333	24	8	20

TOWN OF BYTOWN.

Population about 7,000.

Valuation of property, about 700,000.

Sawed lumber manufactured per annum, about 20,000,000 feet.

Government tax on lumber per annum, about £25,000.

(These latter facts are taken from a January number of the Packet.)

Statistics of the United Counties of Lanark and Renfrew.

By the census taken last year it appears that with the exception of four townships not included in the return, the population of these Counties was..... 29,996

The four Townships, viz :—Pembroke, Horton, Ross and Levant may be safely be set down at 3,000

Making in all a population of 32,996

By the Returns in the Clerk of the Peace's Office, it appears that during the year 1850 there was land under cultivation, 113,715 acres, and the following produce was raised on it and forwarded to market :

Wheat, bushels.....	215,528
Oats, do.....	204,680
Potatoes do.....	463,075
Maple sugar, lbs.....	221,876
Butter, do.....	305,348
Pot ashes, cwt.....	7,048

The population of the Townships through which the proposed Railroad may possibly pass, is—

Beckwith.....	2,435
Drummond.....	3,797
N. Elmsley.....	1,713
Bathurst.....	2,560
Burgess.....	950

The quantity of produce sent to market from each during 1850, was—

Beckwith....	Wheat, bushels.....	11,237
	Oats, do.....	16,812
	Potatoes, do.....	47,037
	Butter, lbs.....	28,280
	M. sugar do.....	9,856
	Pot ashes, cwt.....	1,546
Drummond...	Wheat, bushels.....	20,65
	Flour, bbls.....	5,000
	Oats, bushels.....	20,475
	Potatoes, do.....	38,501
	Butter, lbs.....	34,678
	M. sugar, do.....	11,447
N. Elmsley...	Wheat, bushels,.....	6,414
	Oats, do.....	6,596
	Potatoes, do.....	16,998
	Butter, lbs.....	17,282
	M. sugar, do.....	6,145
	Pot ashes, cwt.....	1,180
Bathurst.....	Wheat, bushels.....	20,751
	Oats, do.....	18,236
	Potatoes, do.....	29,667
	M. sugar, lbs.....	11,920
	Butter, do.....	37,661
	Pot ashes, cwt.....	118
Burgess.....	Wheat, bushels.....	4,835
	Oats, do.....	6,164
	Potatoes, do.....	12,602
	M. sugar, lbs.....	9,083
	Butter, do.....	7,330
	Pot ashes, cwt.....	81

The valuation of real property within the town of Perth, according to the new Assessment Law, is placed at £120,000. We understand that two of our merchants, shipped, each about 660 bbls. pot ashes during the past season. A large quantity of potashes is made by squatters that is not included in the aggregate return given above. These facts and figures

Appendix
(U. U.)

30th August.

will aid in their calculations, those who have not yet entered with heart and soul into the Northern Railroad project, but are still counting the costs. It should be borne in mind that if a Railroad pass through the townships enumerated, the figures would be largely increased—possibly three times what they appear, owing to the stimulus that would be given to enterprise and industry.

The lumber trade and its operations are not taken into the account at all, which is no small branch of our trade.

All the statistics that it is convenient to secure should be got and published, so that the claims of the Northern route may appear in their true light before the public, and not meet with a blind condemnation. Let it be judged of according to its merits.

The Railroad Committee met on Friday afternoon last and was duly organized by the appointment of the Hon. R. Matheson, Chairman, and Jas. Thomson, Secretary. Dr. J. S. Nicol, and W. O. Buell and J. Deacon, Esquires, were added to the Committee. Some preliminary steps preparatory to an exploration of the route between this and Kingston, by Loughborough, were taken when the Committee adjourned.—*Bathurst Courier*.

REMARKS upon the extent and resources of the Ottawa country.

(From the Bytown Packet.)

The great basin or region drained by the Ottawa and its tributaries, lies in the heart of the United Province of Canada, and occupies nearly one quarter of its whole extent, having an area of 80,000 superficial miles, exclusive of the Island of Montreal, which is situated between the mouths of the Ottawa. It is called the Ottawa Country from the head of that island upwards.

Although this Country is the chief seat of the Lumber Trade, and contributes very largely to the supply of the principle staple of Canadian exports; and notwithstanding its commercial importance, it is but little known in Canada, and is almost wholly unnoticed even in the recent Geographical and Statistical works published in Great Britain.

That it should be so, is not very surprising, when we consider that the current of immigration does not pass this way, and that of this vast region one-eighth part only has been surveyed and organized into Townships and Seigniories, which are yet very thinly settled, and that another eighth added to that would include all the extent over which lumbering operations are carried on, leaving three-fourths wholly unoccupied, except by a few hundred families of the aboriginal inhabitants; and of this there is an extent equal to all England, which is quite unknown, except to the solitary agents of the Hudson's Bay Company.

The chief object of interest in the country we have to describe, is the great river from which it derives its name and its importance.

The circuit of the water shed by the Ottawa is little over a thousand miles, and its utmost length of course, probably seven hundred and eighty, about fifty miles shorter than the Rhine. From its source, which is supposed to be a little above lat. 49° N., and nearly 76° W. long., it winds in a generally south-west course through a country almost unknown; and after receiving several tributaries from the height of land which separates its waters from those of the Hudson Bay, and passing through several lakes—one of which is said to be eighty miles in

length, at upwards of three hundred miles from its source, and four hundred and thirty from its mouth at Bout de l'Isle, below Montreal—it enters the long narrow lake Temiscameng, which, turning at a right angle, extends sixty-seven miles S. by E.

From its entrance into Lake Temiscameng downwards, the course of the Ottawa has been surveyed and is well known. At the head of the Lake the Blanche falls in, coming about ninety miles from the north. Thirty-four miles farther down the lake, it receives the Montreal River, coming one hundred and twenty miles from the north-west; the latter is the canoe route from the Ottawa to Hudson's Bay. Six miles lower, on the east side, it receives the Keepawa, a river of great size, passing through an unknown country, and coming from a lake said to be fifty miles long. The Keepawa exceeds in volume the largest Rivers in Great Britain, and in its descent to Lake Temiscameng, presents a magnificent cascade, a hundred and twenty feet in height. Though the middle course of this river is unknown, its commencement, if such it can be called, has been surveyed, and it is extraordinary in its nature. Ninety miles above its mouth, it was found flowing slowly, but very deep, and nearly three hundred feet wide, and issuing from the west side of Lake Keepawa. Out of the southern extremity of that large lake, the River du Moine, which enters the Ottawa a hundred miles below the Keepawa, was also found flowing swiftly, and very deep, and a hundred and fifty feet in width; thus presenting a phenomenon similar to the connection of the Rio Negro and the Orinoco.

From the Long Sault, at the foot of Lake Temiscameng, 233 miles above Bytown (which is 130 from the mouth of the Ottawa, below Montreal), down from Jeux Joachim Rapids at the Head of Deep River—that is, for eighty-nine miles—the Ottawa, with the exception of seventeen miles below the Long Sault, and some other intervals, is rapid and unnavigable, except for canoes. Besides other tributaries, in the interval, at 197 miles from Bytown, it receives on the west side the Matawa, which is the highway for canoes going to Lake Huron by Lake Nipissing. From the Matawa the Ottawa flows east by south to the head of Deep River reach, nine miles above where it receives the River du Moine from the north.

From the head of Deep River, as this part of the Ottawa is called, to the foot of Upper Allumette Lake—two miles below the village of Pembroke—is an uninterrupted reach of navigable water, forty three miles in length. The general direction of the River in this distance is South-east. The mountains along the North side of Deep River, upwards of a thousand feet in height, and the many wooded islands of Allumette Lake, render the scenery of this part of the Ottawa magnificent and exceedingly picturesque—far surpassing the celebrated Lake of the Thousand Islands on the St. Lawrence.

Passing the short Rapid of Allumette, and turning Northward round the lower end of Allumette Island, which is fourteen miles long, and eight at greatest width, and turning down south-east through Cologne Lake, and passing behind the nearly similar Islands of Calumet, to the head of the Calumet Falls, presents, with the exception of one slight rapid, a reach of fifty miles of navigable water. The mountains on the north side of Cologne Lake, which rise apparently to the elevation of fifteen hundred feet, add a degree of grandeur to the scenery, which is otherwise beautiful and varied.

In the Upper Allumette Lake, 115 miles from Bytown, the Ottawa receives from the west the Petewawa, one of its largest tributaries, about 140

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

miles in length, draining an area 2200 square miles; and at Pembroke, nine miles lower on the same side, the Indian River, an inferior stream.

At the head of Lake Cologne, 79 miles from Bytown, it receives from the north the Black River, 130 miles in length, draining an area of 1120 square miles; and at nine miles lower, on the same side the River Cologne, which is probably 160 miles in length, with a valley of 1800 square miles.

From the head of the Calumet Falls to Portage du Fort, the head of the steamboat navigation, eight miles, there are impassable rapids. At fifty miles above Bytown, the Ottawa receives on the west the Boucherre, 110 miles in length, draining an area of 980 miles. At 11 miles lower, it receives the Madawaska, one of its great feeders, 210 miles in length, and draining 4100 square miles. At 26 miles from Bytown it receives the Mississippi, 101 miles long, draining a valley of 1120 square miles.

At 37 miles above Bytown there is an interruption in the navigation of three miles of rapids and falls, to pass which a railroad has been made. At the foot of the rapids, the Ottawa divides among islands into numerous channels, presenting a most imposing array of separate falls.

At six miles above Bytown begin the rapids terminating in the Chaudière Falls, which, though inferior in impressive magnitude to the Falls of Niagara, are perhaps more permanently interesting, as presenting greater variety.

The greatest height of the Chaudière Falls is about forty feet. Arrayed in every imaginable variety of form—in vast dark masses, in graceful cascades, or in tumbling spray, they have been well described as a hundred rivers struggling for a passage. Not the least interesting feature they present is the Lost Chaudière, where a body of water, greater in volume than the Thames at London, is quietly sucked down, and disappears under ground.

At Bytown the Ottawa receives the Rideau from the west, with a course of 116 miles, and draining an area of 1350 square miles.

A mile lower it receives from the north its greatest tributary, the Gatineau, which, with a course probably 420 miles, drains an area of 12,000 square miles. For about 200 miles the upper course of the River is in the unknown northern country. At the farthest point surveyed, 217 miles from its mouth, it is still a noble stream, a thousand feet wide—diminished in depth but not in width.

At eighteen miles lower, the Rivière du Lièvre enters from the north, about 260 miles in length, draining an area of 4100 square miles. Fifteen miles below it, the Ottawa receives the North and South Nation Rivers on either side—the former 95, and the latter 100 miles in length. Twenty-two miles further, the River Rouge, 90 miles long, enters from the north.

At twenty-one miles lower the River du Nord, one hundred and sixty miles in length, comes in on the same side; and lastly, just above its mouth, it receives the River Assumption, which has a course of 130 miles.

From Bytown the River is navigable to Grenville, fifty-eight miles, where the Rapids that occur in a distance of twelve miles are avoided by a succession of canals. At twenty-three miles lower, at one of the mouths of the Ottawa, a single lock, to avoid a slight rapid, gives a passage into Lake St. Louis on the St. Lawrence above Montreal

Appendix
(U. U.)

30th August.

The remaining half of the Ottawa's waters find their way to the St. Lawrence by passing in two channels behind the Island of Montreal and the Isle Jésus by a course of thirty-one miles. They are interrupted with rapids; still it is by one of them, that all the Ottawa lumber passes to market. At Bout de l'Isle, therefore, the Ottawa is finally merged in the St. Lawrence at one hundred and thirty miles below Bytown.

The most prominent characteristic of the Ottawa is its great volume. Even above Bytown, where it has to receive tributaries equal to the Hudson, the Shannon, the Thames, the Tweed, the Spey, and the Clyde,—it displays, where unconfined, a width of half a mile of strong boiling rapid; and when at the highest, while the north waters are passing, the volume, by calculated approximation, is fully equal to that passing Niagara,—that is, double the common volume of the Ganges.

Taking a bird's eye view of the valley of the Ottawa, we see spread out before us a country, equal to eight times the extent of the State of Vermont, or ten times that of Massachusetts; with its great artery, the Ottawa curving through it, resembling the Rhine in length of course, and the Danube in magnitude.

This immense region overlies a variety of geological formations, and presents all their characteristic features, from the level uniform surface of the silurian system, which prevails along a great extent of the south shore of the Ottawa, to the rugged and romantic ridges in the metamorphic and primitive formations, which stretch far away to the north and north-west.

As far as our knowledge of the country extends, we find the greater part of it covered with a luxuriant growth of red and white pine timber, making the most valuable timber forests in the world, abundantly intersected with large rivers, fitted to convey the timber to market when manufactured.

The remaining portion of it, if not so valuably wooded, presents a very extensive and advantageous field for settlement. Apart from the numerous townships already surveyed, and partly settled, and the large tracts of good land interspersed throughout the timber country, the great region on the upper course of the western tributaries of the Ottawa, behind the red pine country, exceeds the State of New Hampshire in extent, with an equal climate and superior soil. It is generally a beautiful undulating country, wooded with a rich growth of maple, beech, birch, elm, &c., and watered with a lake and stream, affording numerous mill sites, and abounding in fish. Flanking the lumbering country on the one side, which presents an excellent market for produce, and adjoining Lake Huron on the other, the situation, though comparatively inland, is highly advantageous.

In the diversity of resources, the Ottawa country presents unusual inducements, alike to agricultural industry and commercial enterprise. The operations of the lumberers give an unusual value to the produce of the most distant settlers, by the great demand they create on the spot, while the profits of lumbering yield those engaged in it a command of wealth which otherwise could not be had in the country.

The value of the resources of their forests to the inhabitants of the Ottawa country will be evident, on comparing the value of their exports with those of other countries. Take, for instance, the state of Maine, (as American enterprise is so much talked of) with all its commercial advantages, and the enterprising character of its people. When their population was upwards of five hundred thousand the

Appendix
(U. U.)

30th August.

exports amounted in value to \$1,078,633; while the value of the exports of the Ottawa country amounts to double that sum, with less than one-third the population.

If such be the case now, how much more will it be so, when, in addition to the more extensive prosecution of agriculture, the unlimited water power which the Ottawa and its tributaries afford, will be, (if even partially) applied to general manufactures, as well as to that of deals. It would be impossible to conceive an unlimited power presented in a more available form than that which the Ottawa offers in its many divided falls; while she lavishes invitingly unparal- leled power to manufacture them, she offers her broad bosom to bring the cotton of the South and the timber of the North together.

Nor are the mineral resources of the Ottawa country to be overlooked. And here the Gatineau offers its services, with an unlimited supply of excellent iron, and within a mile of its navigable water, close to its lowest falls, affording unlimited water power, and abundance of timber for fuel; and there are equal advantages for its works on other parts of the Ottawa. The Plumbago, Lead, and Copper, the Marble, and the Ochres of the Ottawa country will yet become of commercial importance.

To judge of the importance of the Ottawa country, we should consider the population which her varied agricultural and commercial resources may ultimately support. Taking the present condition of New Hampshire as data, without noticing its great importance in commercial advantages, the Ottawa country, when equally advanced, which is not much to say, should maintain three millions of inhabitants. But taking Scotland as our data, which the Ottawa country surely equals in soil, and might with its peculiar advantages resemble in commerce and manufactures, the valley of the Ottawa should ultimately maintain a population of 8,000,000 of souls.

F.—EXTRACT FROM MONTREAL GAZETTE of 9th June, 1851.

To the Editor of the MONTREAL GAZETTE.

SIR,—I think that in my last I shewed conclusively that the argument from population tells entirely in favour of the Ottawa. I think also that from the fact which I pointed out on incontestable evidence, that Mr. Growski committed a mistake of 713 feet in estimating an actual breadth of 1287 feet, in the channel of the river at Grenville, your readers will have come to view with suspicion his estimates with reference to the other crossings, and his calculations with regard to bridging generally. It remains for me, in fulfilment of my promise, to take notice of some other points which were either not referred to, or were made the subject of only a passing allusion.

And first, with regard to the excess of distance of 14½ miles,—it is instructive to observe how ingeniously this has been made by the Engineer to tell against the interests of the Ottawa. Not satisfied with a large allowance for other items, Mr. Gzowski has made use of the motive power and equipments to swell the expenses of the northern route. Having added the cost of these to the estimated expense per mile of the southern route, he has multiplied this whole sum, without abatement, by the additional number of miles by which the Ottawa route exceeds it. Does any one suppose that if a certain number of locomotives, tenders, and cars, are required for a road of the length of about 162½ miles, the number will require to be increased, if a slight deviation should be made from a direct course, by which its

length should be extended a further distance of 14½ miles?—Does Mr Gzowski for a moment entertain the idea? If he does not, however unintentional he has allowed himself to publish a mis-statement which has had the effect of adding materially to the apparent expenses of the Ottawa route; and he must be content that this should take a place in the list of the inaccuracies of his Report.

In passing, I may remark on the singular precision with which Mr. Gzowski calculates his distances; a precision the effect of which, on those who are unacquainted with the imperfections of the maps from the scale measurements of which such *data* must be taken, must be to invest his calculations with an air of great authority. To those who know, in the first place that maps are defective; in the second, that, however exact the course may be by an air line, the road must be exposed by numberless deviations, slight it may be, but in the aggregate amounting to a distance of miles—the pretensions to minuteness is simply amusing. "From St. Polycarpe, in the Seignior of New Longueuil to Sheaver's Mills, in Mountain, a distance of upwards of 57½ miles, the road will be located in one straight line!" Fifty-eight miles would have made it too much—57½ is too little—it is somewhere between the two: "upwards of 57½ miles." From Sheaver's Mills, again, it goes in a straight line "to Furnace Falls, in the Township of Lansdown, making another tangent of 42½ miles."

Allusion was made to the nature of the country on the Ottawa, along which a Railroad would pass, and to the facilities afforded for obtaining the materials necessary to its construction. As Mr. Gzowski has stated that there is a deficiency of such material, which either does not exist, or would require to be "hauled" a considerable distance; it is proper to consider this part of the subject a little more at length.

Commencing with the limestone vicinity of Montreal, with its own quarries at hand, and those of the Isle Bizard and other places, I suppose it will be admitted, that no great difficulty would be experienced in finding the necessary material for bridges at the Bord à Plouffe and St. Eustache. As to advantages of this kind, these crossings would be on an equality with those of St. Annes and the Isle Perrot. From St. Eustache to Belle Rivière, the road would lie for the greater part over a hard and gravelly soil, which would furnish the material necessary for its construction; and from the latter place to where it would enter the Seignior of Argenteuil, it would pass near a sand and gravel bank, not more than a mile distant from it in any place, and in some places not more than half a mile. Excepting some short intervals in Argenteuil, the soil would become dry and gravelly as it passed into Chatham, a township abounding with the best quality of limestone; or if it should cross at Carillon, the front of Hawkesbury would be found equally favourable. If it should cross at Watson's Island, it would be within a mile of the quarry from which stone was taken for the construction of the locks at Carillon; and if it should cross at Grenville, Mr. Gzowski would find abundance of gravel, on both sides of the river, and a lime-kiln burning on the Grenville side, within a stone's throw of the place where the end of his bridge would rest. The deficiency of material and the difficulty of "hauling" cannot, therefore, in this part be very great.

From L'Original to Sheaver's Mills, a distance of about 60 miles, the country is, as Mr. Gzowski has stated, for the most part uncleared, and probably in other respects agrees with his description of it. But because it is mostly uncleared he would have us to

Appendix
(U. U.)

30th August.

Appendix
(U. U.)
30th August.

Appendix
(U. U.)
30th August.

believe that the extra expense of putting it in order will cost £33,000, even after his large allowance of £5,425 per mile. No intimation is given of the possibility of finding a set off to this expense of clearing, in the difference of the value of land in an old country and a new. What are the precise mysteries that may be included under the technical terms of "Clearing and Grubbing," your readers will probably not care about stopping too minutely to enquire; but if by the phrase be meant principally the operation of clearing in the ordinary acceptation of the term, I believe there is no one who is acquainted with the subject, who will not bear me out in saying, that there is no part of the route from L'Original to Kingston on which it would not be easy to find persons who would clear a road 100 feet wide at £60 a mile. Allow the term, however, a large signification, and we may put down clearing and grubbing at the estimate of Judge Brown, given in at a public meeting at Bytown, in reference to the contemplated Railroad from that town to Prescott—namely, £75 a mile. As I shall have again to refer to Judge Brown, I shall at present say nothing more respecting him than that the estimate referred to was intended for the country in a direct course from Bytown to Prescott, being one of the routes since explored by Mr. Stanley, and reported by him to consist three fourths of it of woodlands,—“for the most part cedar and tamarac swamps,”—a description of timber and soil the least favourable for economical clearing. Judge Brown's estimate of £75 a mile at 60 miles gives £4,500 for clearing and grubbing—a sum which looks a little less considerable, it will be admitted, than the £33,800 of Mr. Gzowski, even though in the latter sum be included some charges for ballasting and masonry, which however as they apply not more to this than to other parts of the road on which I have shown that there is no deficiency of facilities, cannot be very great. On the whole I think, if we are so moderate as not to claim a balance in favour of our route on account of the cheaper purchase of land, it may at least be allowed to us to throw this item of "Additional cost of Grubbing, Ballasting, and Masonry" entirely overboard.

But it is time to enquire whether in putting the average expense per mile at £5026, Mr. Gzowski has not overrated the cost even of his favorite route by the St. Lawrence. Cannot a Railroad in Canada of the length required between Montreal and Kingston, be constructed for a less sum than the amount named? Those who would answer us in the negative quote in support of their views, the experience of the United States. But the United States no more furnish a criterion for Canada than the experience of English Railways does for those of the United States. It is one thing to travel over the even surface of a Canadian Landscape with scarcely a declivity to break the general level, and in no place between Montreal and Kingston, according to Mr. Gzowski, requiring a greater grade than 30 feet to the mile,—and another to climb the ridges, embank the precipices and encounter generally the obstacles thrown by Nature in the way of Art, in the Green Mountain State,—or the equally formidable hills and gorges, and ledges of opposing rocks, which require to be tunneled and excavated in the Granite State. It is one thing to employ labour in a country where the average remuneration of the unskilled workman is a dollar a day, and another to employ it in a country where it may be obtained for two and six-pence or three shillings. It is one thing to have to purchase land along the track of a Railroad in a country where real estate is acknowledged to be high, and another to purchase it in Canada, where from the peculiar habits of a portion of the population, and the draw backs arising from Seigniorial Tenure, its worth is depreciated below a natural standard, or where

it has never risen to a value corresponding with that of property across the lines, on account of the greater youth of the country. It is one thing to pay for imported iron where it is subject to the exactions of an outrageous tariff, and another to purchase it in a country where it comes in at only a nominal duty. The difference of time also deserves to be considered, as well as that of place. Iron is now, and has been for a short time past, lower in the English market than it has been for many years. Public works which require a large consumption of iron will be more economically supplied: indeed the difference of cost between the past and present in this one article would make a difference in the cost of Railway construction of some hundreds of pounds per mile. And, reduced as it is at the present time to consumers in both countries, yet, on account of the impositions of their tariff, Americans, for any new work which they may undertake, would even now have to pay £9 or £10 a ton for iron, while in Canada it can be furnished for £7. Nor is the article of lumber an unimportant one to be taken into consideration in estimating the cost of constructing a Railway. Coals are cheap in Newcastle, and lumber must certainly be expected to be obtained in Canada, (especially on an Ottawa route!) at a much lower rate than among the Americans, who import it from us to a large extent, notwithstanding an almost prohibiting duty. The superior advantages then afforded by a level country—the facilities connected with the price of labour—the comparatively reduced value of land, and consequently more limited outlay on account of "land damages"—the low price of lumber—our unrestricted access to the English market for iron, and the favourable circumstances of the present moment for purchasing,—all unite in pointing out the fact demonstrably that a Railroad can be constructed in Canada at a much cheaper rate than the average of similar works constructed or in the course of construction in the United States.

If it should be asked who is the writer, and what reason he has to expect that his opinion will be taken by the public in opposition to that of an engineer, I answer, that I have advanced nothing but what it is easily to sustain by the authority of persons who are competent to judge of such matters, including gentlemen of Mr. Gzowski's own profession. The first witness I shall bring forward is the Hon. A. C. Brown, of Ogdensburgh, who, speaking at a public meeting at Prescott, held on the 28th of last December, in reference to the Bytown and Prescott Railroad,—a Railroad not offering, except in the matter of bridging, superior facilities for cheap construction to our own,—stated it as his conviction that the work could be accomplished for £3000 per mile, "He had no doubt" that the road "could be made for £3000 per mile, about one-half what the Ogdensburgh road had cost, and that it would be found to pay as well." The principal item of expense was the grading: "but," said he, "nature has done the most of the grading for you." At a subsequent meeting in the town hall at Bytown, on the 22nd January, Judge Brown gave an estimate of the probable cost of the Bytown and Prescott Railroad, "which," says he, "from the experience I have had in such matters, I may safely say, cannot be far from the real figure."

"The cost of clearing and grubbing the track of the Railroad, per mile	£75	0	0
Excavating road-bed and culverts	750	0	0
Masonry and bridging	100	0	0
Timber for superstructure	125	0	0
Iron per mile	750	0	0
Laying down the Railroad track	43	15	0
Engineering	62	10	0
Incidental expenses	50	0	0

Appendix
(U. U.)
30th August.

For land damages, for station buildings, and furniture sufficient to commence operations, per mile.....	1043	0	0
In all, per mile.....	£3000	0	0
Say 50 miles of road will make...	£150,000	0	0

Similar in its character is the testimony of a writer who, in an able article in the *Packet* news paper of Nov. 30, signs himself "an engineer." After enumerating the facilities for cheap construction which we possess in this country, beyond what are enjoyed in the United States, the writer goes on to say:—

"It argues nothing that the St. Lawrence and Atlantic road has been contracted for at £6550, a mile exclusive of engineering, rolling stock, and stations; it merely shows that an enormous discount was expected on the paper which the contractors received in payment. Under such an arrangement the cost of that road may be set down in round numbers at £3000 a mile, and as the Government furnishes one half the capital, and holds a lien, on the whole road for six per cent. of the dividends to pay the interest, and three per cent. more as a sinking fund to pay off the debt, the stockholders may look upon their shares as valueless—the contract for building the road being about double the cash cost."

"Though all are satisfied as to the vast importance of Railways to the community, few," he says, "will be willing, at the risk of their individual interests, to invest their money under such circumstances; but the people of Canada have the experience of many other countries to guide them, and they will yet learn that Railways can be constructed for £3000 to £4000 a mile. We have two or three examples to establish this fact; and if capitalists in other parts of the country would come forward with the amount necessary for the completion of their own roads, without calling on foreign aid, they would not, as many have hitherto done, sacrifice their money for the public good."

Low as these estimates of Judge Brown and "an engineer" may appear when compared with the expense of some existing roads, they are born out by a reference to the actual cost of many Railroads even in the United States. But it is needless to go abroad for examples. In our Provinces I believe that I am correct in saying that there are at present two Railroads, the St. Andrews, and Woodstock, and the St. Johns and Rouse's Point roads, under contract at about £3000 per mile.

That the requirements of our own road will not much exceed the standard of an economical expenditure, will appear from the following estimate of some of the principal items of expense, as furnished with special reference to the northern or the Ottawa route, by a gentleman who is a contractor on one of the Canadian Railroads at present in the course of construction:

Timber, 2200 ties per mile, at 1s. each..	£110	0	0
Grading per mile.....	250	0	0
Ballasting.....	150	0	0
Fencing.....	75	0	0
Iron.....	750	0	0
Right of way per mile.....	90	0	0
	£1,425	0	0

To the foregoing would have to be added a considerable sum for masonry and bridging, making culverts, the crossings to farms, engineering, incidental expenses, &c.

Appendix
(U. U.)
30th August.

We are now prepared for an approximate estimate of the real difference of cost between the routes of the St. Lawrence and Ottawa. If Mr. Gzowski's estimate of £5025 per mile is too high, it will appear that a Railroad on the northern route could probably be constructed at a cost very much within the sum which he allows for the southern; it will be evident that the extra expense incurred in the former on account of the additional 14½ miles of length will be less; it will also be evident that, whatever may be its positive amount, it will be less sensibly felt upon the capital of the country. Leaving, however, the question for how much less a sum than Mr. Gzowski has named, the whole length of either route could be constructed, our inquiry shall at present be directed to the difference of cost between the two; and for this reason I shall allow the first line of Mr. Gzowski's summary to stand, which, multiplying 162½ by £5025, puts the cost of the southern route at £817,818 15s. Assuming this sum for the southern route, how much more will be the northern? Mr. Gzowski says £146,540 15s. It is evident, however, from what is gone before, that from the items which go to constitute this sum there must be made some considerable deductions. The first, as we have seen, is in the cost of the additional 14½ miles of length, which Mr. Gzowski has multiplied by his general average of £5025. As rolling stock and equipments are included in Judge Brown's estimate of £3000, I shall not, I think, err on the side of being too low in assuming that, exclusive of rolling stock, &c., the additional 14½ miles of the northern route cannot at the utmost cost more than £3,600 per mile, especially as extra bridging, and all other supposed items of additional expense, are provided for elsewhere. This would give us £52,200. Next comes a charge for "clearing and grubbing," to which however we have already objected in toto. In estimating the value of the bridging it might be expected, in the absence of more certain data, that we might make use of the 566 feet, which we found by a proportion drawn from the detected mistake at Grenville, to be probably near the true excess of bridging on the northern route; an amount which, if multiplied by £156,845, Mr. Gzowski's allowance per foot, as obtained by a comparison of his distances and expense, would give us as the additional cost of bridging on the Ottawa, £8,877 8s. 6½d. From the loose manner in which the estimate of the breadth of the channel was made at Grenville, involving as did, an error of 713 feet in an actual breadth of 1287 feet, there is every reason to suppose, whether to a proportional extent or not, that a similar vagueness obtains in respect to the other estimates, and we should be quite justified in proceeding with our calculations on this assumption. But we shall adopt a more magnanimous course, and shall, we hope, be allowed credit for our generosity, if giving Mr. Gzowski all the advantage of any uncertainty that may exist, as to the exact amount of error, we resign our claims with respect to the other crossings, and, permitting him to put on his own estimate of the cost of the work per foot, content ourselves with claiming an abatement of £11,183, on account of the 713 feet proved by the measurement of a Provincial Surveyor, to have been taken above the proper width of the channel at Grenville. £11,183, deducted from his large estimate of £88,631, leaves for this item, £27,448.

Comparing our results, the amount of Mr. Gzowski's over estimate of the difference of expense between the two routes, will appear in a tabular form as follows:

Mr. Gzowski's difference of expense between the two routes.....	£146,540	15	0
14½ miles at our estimate of £3,600 per mile.....	£52,200	0	0

Appendix
(U. U.)

30th August.

Additional cost of bridging, being Mr. Gzowski's own amount, deducting only the over estimate at Grenville,	27,448 0 0	
	79,648 0 0	

Mr. Gzowski's over estimate of difference between the two routes £66,901 16 0

In the comparison given above, I have allowed it to be assumed that, whatever the cost per mile, both roads could be constructed for a given distance, at an equal expense; an assumption, however, which the friends of the northern route have never been disposed to admit, believing, as they have always done firmly, that, in every thing but bridging, any difference that exists is in favour of the Ottawa. The report of Mr. Fleming, just published, gives the weight of professional authority to the general opinion in this part of the country. This gentleman states it as his conviction that, with the exception of some difference of bridging, a road running through the valley of the Ottawa would cost ten per cent. less per mile than one could be made for on any southern route; and also, that the grades would be much less in the one case than in the other. But were it not so—were the difference in favour of the St. Lawrence; and to the extent exhibited in the foregoing figures,—will the public, under the apprehension of an increase of expense, which, with every addition that can be made to it, can, at the very outside, only amount to £79,648, consent that a route shall be taken, which (even if a shorter course than by Lachine could not be obtained for the Ottawa) is to secure a saving of 14½ miles at the expense of a large population, and of a way business immeasurably exceeding any that would be enjoyed by the St. Lawrence. Why, the surplus of a year's successful business on the Ottawa would more than counterbalance this difference. Will stockholders consent to the certain risk to which the adoption of the St. Lawrence route will expose them, that a rival railroad, such as is required by the boundless expanse and the magnificent resources of the Ottawa country, shall start into existence, with the prospect of indefinite extension, so as to meet the gigantic commerce of the west and north on the shores of Lake Huron? What is the advantage of half an hour gained in the transit of a through business, if it is to be met with the loss of way business? What the disadvantage of running over an additional 14½ miles of Railroad, if the way traffic secured by it is sufficient not only to return a handsome dividend to the shareholders, but so to reduce the general expenses of the road, as to lower the charge on the through business? In regard even to speed, if the grades are less on a northern route, the difference would be in its favour, though purchased by an increase of distance. Conflicting interests and disunion may for a while retard the execution of a work on which the inland commerce of an important section of the country is dependent for an outlet, and some men of capital may be so blinded to their true interests, as for a time to keep up a division the effect of which must be to prevent the completion of both roads; but the enterprise which the friends of the Ottawa have undertaken is too important to suffer more than a temporary suspension. It will triumph over every difficulty, and men of capital, who might have promoted their individual interests by identifying them with its furtherance, but have chosen rather to lend their influence in an opposite direction, may in the end find the impolicy of their proceedings in the ill success of their speculations.

I am, Sir, Your obedient servant,
OTTAWA

To the Editor of the Montreal Gazette.

Appendix
(U. U.)

30th August.

SIR,—In the engineer's report on the northern line of Railway, from Montréal to Kingston, *via* the Ottawa, Bytown and Perth, no notice has been taken of the branches or trains mentioned in the application to Parliament for a charter, neither have I adverted to it in my letter to Mr. Lowe. This omission requires an explanation: the lateness of the season was such, that it was impossible for Mr. Fleming to have examined them in time to bring them under the notice of the public, in his first report, and the inhabitants of the localities, particularly interested, will have one year from the granting of the charter, to make an accurate survey and diagram of their respective branches, to be filed in the proper offices. Nevertheless, I would remark, that in my opinion, the branch leaving the Main Trunk at St. Eustache, St. Thérèse or Isle Jésus, and extending to Terrebonne, and continuing northward, to the extent of forty miles, if constructed on the same plan as the Rawdon Railway would pay a better interest on the capital invested in its construction, than that expended on the main line: at the same time it would assist in supplying the Montréal market with wood, vegetables and poultry, much more plentifully than at present, and would add to the business of the line, from two to four per cent. The same remark will apply, in reference to the branch leaving the main line at the Caledonia Springs, and extending up the valley of the Nation River. In reference to the investment of capital, the increased distance which passengers and produce from this section of country, must occupy the main line, will increase the business from five to ten per cent., and the amount of service rendered to that section of the country will be incalculable. The two great questions to be decided, are the proper location of the road, and the gauge to be adopted which shall prove most beneficial. In reference to the former, let any engineer of eminence, either from Britain or the United States, be introduced merely to decide the route, and if the local business, and the advancement of the country shall form elements in the estimate of deciding on the proper line, as the different municipalities and the Province pay the greater part for its construction, there can be no doubt, but that the northern route will be adopted. In reference to the second question, the width of gauge, a thorough enquiry should be immediately instituted on the part of the Government, and the experience of the United States, Great Britain, France, Germany and Belgium should be brought to bear on the subject, and a uniform system established, that should not interfere with our intercourse with our neighbours.

I am, Dear Sir,

Your most obedient servant,

C. P. TREADWELL.

Montreal, 31st May, 1851.

G.—Copy of the notice inserted in the Canada Gazette of the application to Parliament in favour of the northerly or Ottawa line, with the names of the applicants.

NOTICE.—We, the undersigned, give notice that we will petition the Provincial Legislature, at its next Session, for the incorporation of a Company to construct a Railroad with the usual privileges from some point at or near the City of Montréal or Lachine across Isle Jésus by St. Thérèse or St. Eustache and St. Andrews, with the privilege of bridging the different streams; recrossing the Ottawa River at some point between Cabillon and Grenville, by bridging the same with or without the usual privi-

Appendix
(U. U.)
30th August.

Appendix
(U. U.)
30th August.

leges of a toll bridge; thence, through Hawkesbury, L'Orignal and Caledonia Springs, to Bytown; thence in the direction of Richmond and Perth, to Kingston; with the privilege of constructing a branch or tram road from St. Eustache, St. Thérèse or Isle Jésus, in a northern direction to the distance of forty miles; also, from Caledonia Springs, up the valley of the Petite Nation River, through the Township of Mountain, in the County of Dundas.

Montreal.—Chas. A. Low, Benjamin Lyman, David Torrance, Robert Cross, William Carter, William Cowan, N. S. Whitney, H. Seymour, Alex. Bryson, John Smith, Hy. Mulholland, J. H. Joseph, John Frothingham, H. B. Smith, George Berit, C. Dorwin, James P. Cowan, S. P. Tilton, John G. Dinning, Walter MacFarlane, W. Easton, A. Hall, M. D., Joseph Knapp, J. A. Perkins, D. Busteed, J. H. Abbott, Edwin Atwater, J. A. Berthelot, Alfred Mbrson, M. D., Wm. Rodden, Henry Thomas, J. Torrance, J. Carter, Benjamin Brewster, John Molson, M. Hays, Hector Russell, A. M. Delisle, R. B. Johnson, Made: Masson, Wm. Parker, Geo. Weekes, J. T. Badgley, J. W. A. R. Masson, H. L. Routh, H. H. Whitney, M. H. Seymour, per J. B. Raby.

Terrebonne.—J. O. Alfred Turgeon, Mayor County of Terrebonne, J. B. Turgeon, L. C.; G. Raby, A. McKenzie, John McKenzie, G. M. Prevost, P. Marier.

St. Martin.—Chas. Smallwood, M. D.

St. Eustache.—DeBellefeuille, W. H. Scott, M.P.P., F. E. Globensky.

St. Thérèse.—Alpheus. Kimpton, John Owsald, David Morris.

St. Benoit.—James Watts, Mayor County of Two Mountains, J. J. Girouard, Dr. L. Demouchel, F. H. Lemaire, H. Demouchel.

Belle Rivière.—W. Morrin.

St. Andrews.—Robert Simpson, Frank Farish, Nelson Davis, Charles Wales, Duncan Dewar, Duncan Sinclair.

Carillon.—C. J. Forbes, J. P., Stanfeld Forbes.

Chatham.—L. Cushing, Ranaldo Fuller.

Grenville.—Thomas Kains, George Kains.

Hawkesbury Mills.—Geo. Hamilton, John Hamilton, Thos. Higginson.

Hawkesbury.—Charles Hersey, H. B. Wyman, C. M. Everitt, H. W. McCann, John Watson.

Vankleek Hill.—James Stirling, M. D., Neil Stewart, James P. Wells.

L'Orignal.—Ch. Johnson, Warden P. & R., Chs. P. Treadwell, William Coffin.

Caledonia Springs.—J. L. Wilkinson, James Brock, Alexr. McPhee.

Caledonia.—William Bradley, Reeve.

Plantagenet.—John Kearnes.

Clarence.—James McCaul.

Petite Nation.—W. M. Dole, W. J. Kay.

Cumberland.—William Wilson, Reeve, Archibald Petrie, G. G. Dunning.

New Edinburgh.—Thos. McKay, John McKinnon.

Bytown.—Chas. Sparrow, Mayor; Alex. Workman, Reeve; R. W. Scott, Deputy Reeve, N. Sparks, Edward McGilvery, Hamnett Hill, Joseph Aumont, J. B. Lewis, Edward Griffin, William Stewart, J. Durie, Richard Stethem, Clements Bradely, George Dyett, Daniel O'Conner, J. Bareille, John Thomson.

Gatineau.—Thos. McGoey.

Lanark.—Gerrard McCrea.

Aylmer.—John Egan, M. P. P., Charles Symms, James Thomson, Robert Conroy, Peter Ayleen.

Merrickville.—W. Merrick.

Carleton.—Hamnett Phiney, Warden.

Perth.—R. Matheson, Thomas M. Thomson, John P. Grant, W. A. Buell, F. G. Hall, M. McDonnell, Warden U. C. L. & R., Alexander Bane, James M. Erskine, W. & F. Mair, James Shaw & Sons, John C. Malloch, Robt. Douglass, James Bell, J. Deacon, Jr., C. H. Bell, James Wilson, John Haggarty, James Thompson, John McKay, W. R. F. Berford, C. P., A. Fraser, George Cox,

Bathurst.—Josiah Ritchie, Reeve, Joshua Adams James Allan.

Burgess.—John Doran, Reeve; Robert Elliot, Councillor.

Crosby.—John Kilburn.

Kingston.—F. M. Hill, Mayor; Thomas Kirkpatrick, Alderman; K. Mackenzie, Alderman; J. O'Riely, Alderman; A. Campbell, Alderman; Robert Jackson, Alderman; Archibald J. Macdonnell, Alderman; Joseph Milner, Councillor; John Counter Thomas A. Corbett, Sheriff; John Watkins, Samuel Muckleston, A. Cameron, Thomas Deykes, Donald McIntosh, James A. McDowall, Robert Stewart, M. W. Stange, Robert L. Innes, C. E.; Wm. Anglen, City Chamberlain; Robert McCormick, John Brenden, Thos. Wilson, F. D. Ferris, William Ferguson, County Treasurer; George Davidson, Councillor; Wm. Ford, Jr., Alderman; John R. Forsyth.

Quebec.—John Thomson, Robert Hamilton, R. Roberts, Jas. Gibb, A. D. Bell, B. B. Bell, Wm. Petry, Henry Atkinson, J. Porter, David D. Young, George Beswick, Robert Mitchell, Robt. Cassels, Wm. Gumm, A. Laurie, P. R. Poitras, Chas. A. Holt, Wm. Walker, Jr.; J. M. Muckle, J. R. Young, M. Stevenson, Wm. Stevenson, D. Fraser, Joseph Parke, D. Burnet, J. M. Fraser, R. Peniston, Duncan Patton, John Smith, John Ross, James Turnbull, Edmond Sewell, Greaves Clapham, Wm. Price, A. John Maxham, D. R. Steuart, Alexander Borrowman, Alexander Provan, Thos. Gibb, C. H. Ross, Duncan McPherson, H. LeMesurier, R. V. Cassels, Jas. Ross, P. Shephard, Henry Burstall, Jas. Gillespie, J. B. Forsyth, James Dean, Junr., Hugh Murray, Andrew Patterson, Robert Shaw, J. B. Renaud, W. K. Baird, Henry W. Welch, D. McPherson, Benson Bennet, J. H. Clint, Wm. G. Wurtele, Jas. J. Wilson, Junr., Archibald Campbell, H. J. Noad, Wm. Stubbs, E. Chinic, Geo. H. Simard, Adam Burns, Yves Tessier, Julien Chouinard, A. Hamel and Brothers, J. Thibodeau, E. A. Frechette, A. Cote, P. Boisseau, P. E. Deblois, L. Tetu, L. Bilodeau, W. S. Henderson, L. G. Baillairge, James Henry, John Munn, E. J. Hofan, Ptre; J. Z. Nault.

Montreal, 4th March, 1851.

In addition to the above the following names were appended to the notice published in the Montreal Gazette:

Perth.—C. Rice, Wm. Bell, Wm. Bain, J. H. McDonagh, A. M.; H. Harris, A. M.; T. Mansfield, Alex. Fraser, M. McPherson, M. Stanley, Jas. Kerr, J. Davies, W. M. Shaw, J. Adams, Jun.; D. Kerr, T. McCaffry, D. MacMartin, T. M. Radenhurst, A. Leslie, J. P.; R. Kellock, J. Nichol, M. D.; J. G. Malloch, Judge; A. Dickson, Sheriff; J. Bell, Registrar; R. Douglas, Councillor; Geo. Cox, ditto; J. McDougall, ditto.

Appendix
(U. U.)

No. 8.

Appendix
(U. U.)

30th August.

30th August.

OBSERVATIONS upon the construction of a Railroad from Lake Superior to the Pacific, by Allan MacDonell, Toronto.

To shorten, by a Western passage, the route to the Indies, which is now conducted around the fearful barriers of Cape Horn and Southern Africa, is a design that has long occupied the attention and aroused the exertion of all maritime nations. England's exploring expeditions to both the Atlantic and Pacific coasts, have pryed into every sinuosity of the shore, from lat. 30°, South, to the borders of the Frigid Zone, and in the defeat of her exertions, projects have been forming to pierce the Continent within the limits of a foreign country, and where England would be placed at the mercy of her rivals. Whilst France, Mexico, the United States, and other Powers, meditate the separation of the Continent at the Isthmus of Panama; let England at least enquire whether she has not, within her own territories, superior facilities for accomplishing the same grand purpose which impel them.

Within this past year, three works have been published in England, emanating from different sources, urging the necessity and advantages of a Railway connection between the Atlantic and Pacific Oceans, such Railway to be constructed through the British Possessions. My present object is not to canvas the schemes proposed by any of these several parties or projectors, whereby they would seek to carry out their views, but, if possible, to direct the attention of the Canadian public to the existence of such a project, and the incalculable advantages which must result to this and the Mother Country, could such a connection be accomplished. In one of the pamphlets referred to, by Major Smith, the plan proposed by him is to construct such road by convict labour; the others, one by a Mr. Wilson, (who, I believe, was at one time in the employment of the Hudson Bay Company,) and the other by Lieutenant Synge, of the Royal Engineers, I have not met with. That the construction of such a road is feasible and practicable, I have every reason to believe, and will propose to build it upon a plan similar to that proposed by Mr. Whitney, for constructing a like Railway communication through the United States,—which plan is so peculiarly adapted to our country, that it cannot fail of finding as favorable a reception here as it did there. The scheme of building a Railway for hundreds of miles through a country which at present is a wilderness, seems at first sight, absurdly extravagant, as well as utterly impracticable; and so it would be if the plan contemplated, was one to be fully carried out within any short period of time. It must be borne in mind that under the most favorable circumstances, some years would be required for the construction of such a work; with its progress, population must keep in advance, or accompany its advancement.

In determining, therefore, upon the wisdom or practicability of constructing such a road, the whole matter is to be looked at, prospectively,—the question is not how far the present condition of the country and its interests warrant the undertaking, but whether such a state of things will be likely to exist, as will justify it when it shall have been accomplished. As to the expediency or advantage of constructing such road, I imagine there cannot be a diversity of opinion, if it shall be found to be practicable.

Our portion of the Continent of North America lies directly in the way of the commerce passing between Europe and India—with a ship canal of six hundred and thirty-eight yards around the falls (twenty-one feet in all,) of the Sault de Ste. Marie, we have through our own territories the most

magnificent inland navigation in the world, carrying us one-half way across this Continent. By means of a Railway to the Pacific from the head of this navigation, a rapid and safe communication would be formed, by which the commerce of the world would undergo an entire change; every one must perceive at a glance, that such a road would stand unrivalled in the world. Not only are the United States, but the whole of Europe aroused to the importance of securing the immense trade of China, and the East Indies—even in the days of Hernando Cortes it was thought possible and expedient to unite the two oceans by a ship canal across the Isthmus of Panama, and since that time almost every nation has talked of doing so; nor is the project at the present time abated or suspended. Even in the early history of this country, the French perseveringly and anxiously sought for a supposed water communication from the St. Lawrence to the Pacific; with a view to secure, if possible, that important trade which has from the earliest history enriched, beyond calculation, every nation that held it, while each in its turn has fallen from power and affluence as it lost or surrendered it. Without adverting to its effects on other nations, it is sufficient to look to England; she owes more of her grandeur and her power to her commerce with the East Indies, than to almost any other source whatever. At the present time, she is to commerce, what the principle of gravitation is to the material world—that which regulates and upholds all. And yet, should the United States construct a Railway through their territories, she might too soon feel how precarious is her tenure of the sceptre of the seas—it would be wrested from her by her active and energetic rival; she would be driven from her position, and her Indian fleets as effectively forced from the bosom of the ocean, as have been the caravans which formerly carried across the deserts the wealth of India; or, as England snatched from Holland the East Indian trade, so in her turn she may be deprived of it by the United States: such would be—such some day may be—the effect produced by a Railroad through the territories of this latter power. It is therefore incumbent upon England, for her own sake, and it becomes her duty and her interest, to inquire into the practicability of constructing such road through British dominions, whereby our active and enterprising rival will cease to be regarded as such; and a British people will have no competitor for maritime supremacy among nations. If it be practicable to connect the Pacific with the head waters of our inland navigation, it ought not to be delayed. Every facility should be offered for carrying it into effect. It would not only be the means of settling all the lands capable of sustaining population in those regions, but the commercial relations of the world would be altered; the great West would be penetrated—the streams of commerce would be changed from boisterous seas and stormy capes, to flow to our shores upon the Pacific, and through the depths of our Western wilds. With the power of steam through an accessible region and over a peaceful sea, England would be placed at one-fourth of the distance at which she has hitherto stood, from the treasures of the East; her merchants would be able to undersell, in their own ports, all the nations of the world. In other words, she would render commerce tributary to them, and Canada would be the great toll-gate through which this enormous traffic must pass. No other route across the Continent of America could compete with this, as will be shewn hereafter; at present, I shall simply point out the route proposed:

Liverpool to St. Lawrence, (miles	2,800,
St. Lawrence to British Boundary, Lake Superior.....	1,150
Lake Superior to Bca's Straits	1,150
	5,450

Appendix
(U. U.)

30th August.

The distance from Fuca's Straits to Japan is about 4,000 miles; to Shanghai about 5,000. Vancouver's Island commands the Straits, and abounds with excellent harbours; coal of a superior quality is found there; the Indians mine it and deliver it on board the Hudson Bay Steamers at a mere nominal charge. No part of the Pacific coast affords such capabilities as does this, for controuling the whole trade and traffic of the Pacific.

It might be assumed as a certainty, that a cargo from Shanghai, borne by a modern ocean steamer over this placid sea, could be unloaded in fifteen or twenty days, at some one of the harbours at Fuca's Straits, and in from three to five days more, placed for sale or transportation on the banks of Lake Superior. The construction of such a road in the direction of Fuca's Straits, would shorten the distance to England from China, &c. by sixty or seventy days, and place before us a mart of six hundred millions of people, and enable us geographically to command them. Leaving it to the guidance of commercial interests, who shall tell what may not be the commercial destiny of this country?

This scheme may excite only the curiosity of those who can hardly contemplate it as anything else than an hallucination to amuse for a moment, and then vanish. Nevertheless, such a work will some day be achieved,—if not by a British people, by our neighbours. And let it be remembered, that it is no difficult matter to open a new channel for a new trade, but it is very difficult to change one that is already established.

There is something startling in the proposition of a Railroad to connect the Atlantic and Pacific, and much that will strike the hasty observer as chimerical, but when we have seen stupendous pyramids raised by the hand of man in the midst of a desert of shifting sands; when we know that despite the obstacles of nature and the rudeness of art, a semi-barbarous people, centuries before the Christian era, erected around their empire a solid barrier of wall, carrying it over the most formidable mountains, and across rivers on arches, and through the declensions and sinuosities of valleys to the distance of fifteen hundred miles, let us not insult the enterprize of this enlightened age by denouncing as visionary and impracticable the plan of a simple line of rails over a surface of no greater extent without one half the natural obstacles to overcome. To do so would evince a forgetfulness of the vast achievements of this age. As to its feasibility, I am aware many will object to it on that ground. Nevertheless, from all the information obtained, I believe that it is practicable and easy of accomplishment, and that it can be accomplished by individual enterprize; by connecting the sale and the settlement of the lands on its line with the building of the road, population must keep pace with the work and be interested in it, and the labour of grading, &c., must pay in part for the land and make homes for the settlers. The plan or mode of operation by which it is proposed to carry out this great work, is that the Government shall sell, to a chartered company sixty miles wide of the lands from the Lake to the Pacific, at a reduced rate, or at such a rate as the Government shall pay for obtaining the surrender to the Crown, from the various bands of Indians now possessing it. At present it is a wilderness, and although, to a great extent, it is capable of sustaining a large population, yet it must lie waste and unprofitable, whilst thousands of our fellow countrymen are starving and destitute; and so it must remain, without value, and impossible of settlement, unless some move be made which shall create facilities which will afford the means of settling these lands, and thus make them a source of wealth and power to the country. Immediately after such surrender to the Crown, of one hundred or two hundred miles or more, the route upon it would be surveyed

Appendix
(U. U.)

30th August.

and located, preparations made for grading, &c., and proceeding with the work, a large body of workmen or settlers at once placed upon it; when ten miles of the road shall have been completed, in the most substantial and approved manner, and to the satisfaction of a Commissioner appointed by Government a patent shall issue to the Company for the first half of the road or five miles, or patents to the settlers who may have purchased upon the line, as may be deemed most advisable; the Government thus holding still one-half of the road. Now, if the sale of land could not be made to produce a sufficient amount to return the money expended on the ten miles of road, then the experiment is the loss of the Company, and the Government would not have lost one shilling, but on the contrary, the five miles of road held by it, must be enhanced in value; if, upon the contrary, the land is raised from beyond its present value to an amount exceeding the outlay, then the half held by Government would have imparted to it an equal increase in value from the same causes, and this ought to be a sufficient security for the due performance of the work. Such should be the proceeding throughout the good or available lands upon the route; but as the road for an immense distance may pass through poor and barren lands—in such case, as much of the nearest good lands beyond the line finished as may cover the outlay upon such a line or section, may be sold by the Company, and patents issued; and when all shall have been completed, the title of the road should vest in the Company, subject to the control of Government, in regulating and fixing tolls, &c. Should the plan fail, Government can lose nothing, because the lands still remain, and their value will have been added to, even by the failure. Thus it is proposed to establish an entirely new system of settlement, on which the hopes for success are based, and on which all depend. The settler on the line of road would, as soon as his house or cabin was up and a crop in, find employment upon the road; when his crop would have ripened, there would be a market at his door, created by those in the same situation as his was the season before, and if he had in the first instance paid for his land, the money would go back to him, either directly or indirectly, for labor and materials furnished for the work, so in one year the settler would have his home, with settlement and civilization surrounding him, a demand for his labor, a market at his door, and, for any surplus of his produce, a railroad to communicate with other markets. The settler who might not have the means to purchase land even at the lowest price, say 3s. 9d. per acre, would obtain those means by his labor on the road and a first crop—he too in one year would have his home, with the same advantages and be as equally independent.

Settlers under any other circumstances, placed in a wilderness, remote from civilization, would have no benefit from the sum paid, beyond his title to the land,—his house built and crop in, he finds no demand for his labour, because all around him are in the same condition as himself; when his crop is grown he has no market; his labor, it is true, produces food from the earth, but he cannot exchange it for other different products of industry. A proper and systematic course adopted for inducing immigration from the Mother Country, would relieve her of a surplus population; open the greatest possible extent of wilderness, otherwise forever useless, to settlement and production; making it the means of benefitting and carrying comfort and happiness to thousands of our fellow-subjects in the Mother Country, suffering the worst of evils, caused by a too dense population, whilst at the same time such immigration will benefit this country to an illimitable extent. Perhaps it may be thought that the Government of the country should undertake this work, and dispose of the lands as proposed. Private enterprize far exceeds any

Appendix
(U. U.)

30th August.

operations of the Government in celerity, and is much more economical and effective. If the Government undertook it, the sale of the lands would never meet the disbursement, and the difficulties to be encountered by delays in the transaction of the business at the Seat of Government, would alone retard the work and cause it to linger until it perished. Such a work by Government would absorb the entire legislation of the country, and being subject to changes of management and direction at each session, its progress would be utterly defeated; the management of such a great work, and the amount of money which this plan would place as a stake to be carried off by the successful party in the struggle, would lead to every species of political corruption and bargaining to secure so vast a prize, which of itself would preclude the selection of the men of the character requisite to carry out the plan; each administration would appoint its own partizans as directors, who would exert all the influence that their position, and the immense means at their command would give them, to sustain in power those on whom their offices depended. The only true way of carrying out this work is by private enterprize connected with the sale of the lands, under the protection of Government; or else it must be accomplished by the Imperial Government alone.

The commencement of this work would make it a point of attraction to the whole population of Europe, daily flocking to American shores; most of these are generally without means, nevertheless their labor is the capital which would grade the road, and pay in part for the land. They would not only be interested in the road as a means for their daily bread, but would be sure that its results would benefit their condition, and elevate themselves and families to affluence. Civilization, with all its influences, would march, step by step, with the road, and would draw to it, after the first two years, 100,000 souls annually. Cities, towns and villages would spring up like magic, because the road—the cheap means for the transit of the products of man's labor to a market—would leave a rich reward for that labor, and as it proceeded produce the further means for the completion of all. The Government, in exchange for the substratum of a suffering population of indigent emigrants of the Mother Country would find its broad and fertile western territory sprinkled with hamlets and possessing a class of intelligent and happy husbandmen, the best pride and boast of a free country.

It will be at once perceived, that the plan proposed is based upon the assumption that a great portion of the country through which such Railway might pass, is capable of sustaining a large population, and also of furnishing the means of carrying the work over such portions of the line as should be found barren or unfitted for the abode of civilized man.

I propose now to show that such a description of favourable country exists to an almost unlimited extent, and that westward we have a vast wilderness of land which only requires the application of the labor of the now destitute, to produce abundant means for achieving this great work, richly reward that labor, and open out almost a new world as the inheritance of a British people. I might speculate upon the future, and predict what would be the vast, the mighty results by the accomplishment of this work, but it is my object to give a plain statement, which I believe to be based on facts, of the features of the country. There are two points upon Lake Superior from which such Railway might be commenced, each line striking the same point at the Lac La Pluie, a distance of about 125 miles, thence to the Lake of the Woods. The one starting at Pigeon River, perhaps, is a more direct route, and I believe in many respects the better one; the other starts from the Kaministaquoia, at the mouth of which stands the Hudson Bay Company's Es-

tablishment—Fort William. I will suppose that this latter route is followed, because, without merely asserting my own views and opinions as to its capability of sustaining an agricultural population, I can quote from the published work of another, showing the description and character of country through which I propose to pass, proving that at the moment of leaving the shores of Lake Superior we enter a country capable of providing for men all those necessaries and comforts which civilization requires. The Kaministaquoia is a large and fine river, but at the distance of about thirty miles up, navigation is obstructed by the Kakabeka Falls, a fall of about 140 feet; the banks of the river are clothed with elm, birch and maple; above the falls the river is again navigable, to the height of land which is reached in little over a day's travel by canoes.

The valley of this river is described by Sir George Simpson in his overland journey, and he says:

"One cannot pass through this fair valley without feeling that it is destined sooner or later to become the happy home of civilized men, with their bleating flocks and lowing herds, with their schools and churches, with their full garners and their social hearths. At the time of our visit, the great obstacle in the way of so blessed a consummation, was the hopeless wilderness to the eastward, which seemed to bar forever the march of settlement and cultivation. But that very wilderness, now that is to yield up its long hidden stores, bids fair to remove the very impediments which hitherto it has itself presented. The mines of Lake Superior, besides establishing a continuity of route between the east and west, will find their nearest and cheapest supply of agricultural produce in the valley of the Kaministaquoia."

Through the valley to the height of land, there exist no obstructions which cannot be readily overcome—from this height of land descending to the level of the beautiful Lake of the Thousand Islands, thence to Lac La Pluie and the Lake of the Woods. In reference to this portion, Sir George Simpson says: "The river which empties Lac La Pluie into the Lake of the Woods, is decidedly the finest stream on the whole route in more than one respect: from Fort Francis (situated on Lac La Pluie) downward a stretch of nearly a hundred miles, it is not interrupted by a single impediment, while yet the current is not strong enough to retard an ascending traveller, nor are the banks less favorable to agriculture than the waters themselves to navigation; resembling the Thames near Richmond—from the very bank of the river there rises a gentle slope of green sward, crowned in many places with a plentiful growth of birch, poplar, beech, elm, and oak; is it too much for the eye of philanthropy to discern through the vista of futurity this noble stream, connecting as it does, the fertile shores of two spacious lakes, with crowded steamboats on its bosom, and populous towns upon its borders? The shores of this latter lake are not less fertile than the other, producing rice in abundance and bring maize to perfection." The Lake of the Woods is connected again by a magnificent river 300 miles in length (the Winnipeg) with the lake of that name lying to the north-west of the Lake of the Woods—these lakes, with others, being wholly within our own boundaries—the Lake of the Woods is about 80 miles long by 40 broad; Lake Winnipeg is 280 long, and 100 broad. The country in which these lakes are situated is called the Assiniboin, across which flows the Red River, emptying into Lake Winnipeg; upon this river is established the Colony founded by Lord Selkirk. From the western side of the Lake of the Woods, the Winnipeg River or Lake Winnipeg, comprising a distance of near 300 miles, any point may be taken, and running directly west not a single obstruction offers for carrying a Railroad to the very foot of the Rocky Mountains, a distance of 800

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

miles, carrying us through this magnificent country—the Assiniboin, watered by the river of its own name, and by the Red River, each flowing for hundreds of miles; further westward still we pass through the Saskatchewan country, through which flows the river of that name for 600 miles, navigable for large boats, &c.

Loaded carts traverse this immense country in every direction, and as a proof of how easily all this is accomplished, Sir George Simpson travelled over 600 miles of these plains in 13 days, with 50 horses and loaded carts, and frequently caravans of 200 and 300 carts are traversing these plains, bearing the hunters with their families and equipages, in pursuit of the buffalo, thousands of which animals are destroyed merely for their hides. Sir George Simpson says he has seen ten thousand carcasses, lying putrid and infecting the air for miles around in one bed of the valley of the Saskatchewan. The valley of that river alone is equal to the extent of all England; it abounds in mineral, and, above all the blessings and advantages that can be conferred upon a country like this, is, that coal is abundant and easily obtained; it crops out in various parts of the valley. Speaking of some portions of this country, through which he was travelling, he says:—"The scenery of the day had been generally a perfect level; on the east, north and south, there was not a mound or rise to vary the vast expanse of green sward, whilst to the west were the gleaming bays of the winding Assiniboin, separated from each other by wooded points of considerable depth." Again—"The rankness of the vegetation savoured rather of the torrid zone, with its perennial spring, than of the northern wilds, brushing the luxuriant grass with our knees, and the hard ground of the surface was beautifully diversified with a variety of flowers, such as the rose, hyacinth, and tiger lily." Of the Red River settlement (in the Assiniboin country) he says: "The soil is a black mould, producing extraordinary crops, the wheat produced is plump and heavy; the soil frequently producing 40 bushels to the acre—grain of all kinds is raised in abundance; beef, mutton, pork, butter, cheese and wool, are productions which likewise abound; thus showing that to the foot of the Rocky Mountains, lies a country capable of being rendered the happy homes of millions of inhabitants, when facilities of communication shall be offered which can lead to it." To these statements of Sir George Simpson, might be added those of many others, in corroboration, were it necessary.

That the Rocky Mountains will present a formidable barrier to the construction of a Railway to the Pacific, cannot be denied; nevertheless I imagine that at the present day, there can scarcely be found any one so bold or rash as to assert, that obstructions will be found to exist which neither the science, skill, nor energy of man can overcome. Let immigration once reach the eastern slopes of the Rocky Mountains, and speedily would vanish all the most formidable obstacles which may now appear to present themselves.

Even now, there are several passes known through those mountains, whereby it may be made practicable to carry steam to the western side. The goods and merchandize required by the Hudson Bay Company for carrying on their trade in the interior, often being landed on the shores of the Pacific, are transported through some of these passes to the eastern side. In his overland journey, Sir George Simpson, ascended from the eastern, crossed, and descended to the Columbia river upon the western side, with forty-five pack-horses, in six or seven days, some days making forty miles a day.

Sir Alexander McKenzie, (at a pass further north) ascended the principal water of the McKenzie River to its head, which he found to be a small lake; he crossed a beaten track leading over a low ridge of

eight hundred and seventeen paces in length, to another lake, this was the head water of Fraser's River which he followed down to where it discharges itself, in the Georgian Gulf or Fuca Straits at 49°, thus showing that a communication between the east and west is open to us. In lat. 52½° is also a pass, affording facility of communication by the head waters of the Columbia and the north branches of the Saskatchewan; up to this point, boats ascend from Fort Colville, which is in latitude about 48½°.

Wherever the head waters of the rivers on the east and west sides of the Rocky Mountains approach each other, there have been found passes through them.

The Rocky Mountains have been crossed by waggons at various points of the Columbia River, and to the Saptin or southern branch of that river and to the Wallawulla. Thomas P. Farnham, in 1840, crossed to the mouth of the Columbia, and found a waggon which had been run to the Saptin, by an American missionary from Connecticut, and left there under the impression that it could be carried no further through the mountains; but very soon after that, emigrants going out to Oregon, in 1843, crossed the Rocky Mountains to the Columbia with fifty loaded waggons, performing the journey without any loss or injury, save the bursting of one waggon tire; and that ought to be sufficient to convince the most sceptical, that a Railroad to, and through the Rocky Mountains, is practicable beyond a doubt, and affording reason to believe that, upon a careful preparatory survey, which must be instituted, new passes through these mountains may be found adapted to the work within our own limits, and on a more direct line with the commodious harbours upon Fuca Straits.

One of the projected lines of Railway communication through the United States was proposed—should terminate at Puget Sound. Colonel Fremont, one of the most scientific men in the United States, was directed to examine and report upon the feasibility of crossing the Rocky Mountains to such terminus. 48½° N. lat. he examined, and reported its feasibility, stating that "impracticability is not to be named with the subject," either at that point, or even to carry it to San Francisco: "that difficulties from snow would be confined to short spaces, and these inconsiderable."

With reference to the country upon the western side of the mountains, within our boundaries, none perhaps is so well situated for communicating with all the countries and ports washed by the waters of the Pacific. Fuca Straits and the Georgian Sound abound with excellent harbours, without obstruction to ingress or egress at any season of the year; and are unsurpassed for salubrity of climate, and for advantages are equal to any other country, whether considered under the head of agriculture, commerce, or even the capabilities of becoming a manufacturing one. It holds that position with regard to the Pacific and its islands, which must make it a ruler of its commerce; and when a direct communication shall have been opened from the eastern side of the continent, it must receive the aid of capital and immigration, and rise speedily to an importance scarcely to be paralleled.

The Rev. C. G. Nicolay says of this country:—"The growth of timber of all sorts, in the neighbourhood of the De Fuca Straits, adds much to its value as a naval station. Coal is found in the whole western district, but principally shows itself above the surface on the north side of Vancouver's Island. To these sources of commercial wealth, must be added the minerals—iron, lead, tin, &c.; and limestone is plentiful in the north. It will be found to fall short of few countries, either in salubrity of climate, fertility of soil and consequent luxuriance of vegetation and utility of productions, or in the picturesque character of the country.

Appendix
(U. U.)

30th August.

Appendix
(U. U.)

30th August.

Thus far I have endeavoured to show the feasibility and expediency of constructing a Railway to the Pacific, through British territories. I may have failed, in interesting readers in it, sufficiently to excite the feeling to exert an influence on the accomplishment of so great a work. Our geographical position gives us advantages and facilities for carrying it out, which no other country possesses. We are placed so far north, that the climate would protect animal and vegetable productions from injury and destruction, and where the soil, for nearly the entire route, would be capable of sustaining population; thereby opening to settlement and production the greatest possible extent of wilderness, otherwise forever useless. It is a subject of wide national interest; one of universal benevolence, opening to mankind the now uncultivated portions of an immense country, to the superabundant population of the Old World, building cities on the silent shores of the Pacific, and growing corn upon the untrodden slopes of the Rocky Mountains. I am aware that many will be found, who will urge the impossibility, and unhesitatingly assert that such a work is impracticable. There never yet was any great work projected, which did not meet with its cavillers or opponents. To such I would reply, there is no work, no enterprise, too vast, too magnificent, if dependent alone upon the labor of man for its accomplishment, aided by the science and skill of the present day.

Within but a short time we have seen a body of 20,000 Mormons traverse a wilderness of 1200 miles, and, seating themselves at the foot of the Rocky Mountains, in one year, place themselves in a most prosperous and flourishing condition: building up cities, and, in fact, acquiring the position of an independent State; who shall tell us, then, that an extensive and systematic immigration to the fertile lands west of Lake Superior, cannot become equally flourishing, prosperous and happy? If in the plan proposed there is any merit, it is to be ascribed to Mr. Whitney, of New York. It originated with him, and has become the foundation for many to build upon. In the United States, no less than six or seven different projects were brought forward, giving rise to sectional prejudices, and creating diverse interests, which has chiefly been the cause that none of the projected railways have been commenced, unless the one at Panama. Setting aside the advantages to be derived by this country in opening to immigration our western wilds, it will be well to consider whether it is possible, and if possible, whether some one of the projected routes through the United States be likely to be commenced or built, which would be the means of rendering one through our territories useless, for the purposes of controlling the trade of India, &c. I propose to show that not even a ship canal across the Isthmus of Panama, can compete with a communication by the head waters of Lake Superior and the Pacific.

The various routes advocated in the United States, for the construction of a Railway communication connecting the Atlantic and Pacific, are:—

- 1st. That termed the northern route, from Lake Michigan, terminating at Puget Sound.
- 2nd. A route from some point upon the Missouri, terminating at the mouth of the Columbia.
- 3rd. A route from St. Louis, terminating at San Francisco.
- 4th. A route from St. Louis, by way of the Gila, terminating at San Diego.
- 5th. A route from New Orleans across Texas.
- 6th. Over the Isthmus of Panama, by railroad.
- 7th. By Tehuantepec or Nicaragua, by ship canal.

The first or northern route is that projected by Mr. Whitney, who explored and examined the country westward of the Lakes Michigan and Superior, for a distance of 800 miles, and compared with the other lines, it has been found to possess the

greatest advantages; it pursued a course along 48½ degrees of north latitude, until it terminated at Puget Sound. It was found that thus keeping so far to the north, better lands were offered suitable for agriculture, timber more readily obtained, less difficulty in surmounting the hills, and all the large rivers in a measure avoided, inasmuch as the only head waters of these would be crossed; besides, the distance by this route, 1800 miles, being from 300 to 500 shorter than the others, and the fact that at Puget Sound there always could be obtained supplies of coal from the adjoining British possessions at Fuca Straits. That this or no other particular route has been decided upon by the United States is, I believe, to be solely attributed to the sectional jealousies which the other proposed routes have created, the interest of those advocating the others, requiring a more southerly route, all been actuated by a fear that their section of their country would not secure its full benefits certain to follow from it. In as great a degree as this proposed northern route has advantages over all the others, so would one through British possessions possess advantages over it.

The more southern lines are all alike liable to the same or similar objections. They would cross a much greater extent of country, where the altitude of the mountains is much greater, and large rivers must be crossed, as well as immense tracts of sterile lands which cannot be inhabited; and the want of coal or fuel throughout a very large portion of the line, and at the terminus upon the Pacific, must preclude anything like competition with one through British territories where the distance is so very much shortened, where there are less difficulties to overcome, and where the line would pass through some of the best lands in the western country, possessing a fine and healthful climate, and the greater part of which country may be densely populated.

The great barriers upon the American routes, are, upon the one proposed through British possessions, modified or made clear by nature, and above all through the valley of the Saskatchewan, and at the terminus at Fuca Straits abundance of coal is at hand.

A canal across the Isthmus of Panama, at Nicaragua or Tehuantepec, has been mooted for near 200 years; surveys and explorations have been made, but it all rests where it commenced. It is true that this Isthmus forms but a narrow barrier between the two great oceans of the world, nevertheless there are innumerable obstacles in the way of its becoming the best, cheapest, or quickest route between Europe and Asia.

It is far from being among the most serious objections that the Isthmus of Panama is without harbours upon either side, with shoals and shallow waters difficult of access from either ocean, situated in the latitude subject to calms, squalls, and tornadoes; the climate unhealthy in the extreme, nine months in the year subject to excessive torrents of rain, and the thermometer ranging from 82° to 88°, and the other three months from 90° to 95°, a temperature and climate certain to destroy all animal and vegetable production, and also to injure greatly all manufactured goods.

In a transportation by Railway across the Isthmus of Panama steam must be used; depôts of coal must become necessary, transported from an immense distance upon the Atlantic side, consequently the rate of freights must be so great as to preclude the transmission of mercandize. Upon the Pacific side depôts of coal would become necessary at the Sandwich Islands or at the Marquesas or Society Islands; the distance from Panama to China, being over 9,000 miles, what steamer could carry freight in addition to her necessary fuel? For such route the cost of the quantity of fuel to be placed at such depôts (a large portion, if not all of it, would most

Appendix
(U. U.)

30th August.

Appendix
(U. U.)
30th August

Appendix
(U. U.)
30th August.

likely be brought from Fuca Straits,) would render the undertaking so unprofitable that it could not compete with the old route around the Cape. Again, the route across the Pacific from Panama, offers many difficulties to sailing vessels in the prevailing winds, calms, &c., so much so that even a vessel might pass round the Cape to China in a shorter space of time than from Panama.

If these objections were not sufficient of themselves to settle the question as to the advantages of the route across the Isthmus of Panama, the distance gained by a route from the head of Lake Superior to Fuca Straits will.

Many, perhaps, who have not reflected upon our position with regard to China, will be surprised to know that here, in Toronto, we are upwards of two thousand miles nearer Canton, than is the Isthmus of Panama to that place; consequently, that through Canada, England can reach the great marts of Asia by a much shorter route than by any other.

Supposing that a ship canal was completed across the Isthmus of Panama, thereby obviating the necessary delays and heavy expenses of transshipment and transit upon a railway, &c., and the steamers passing through that canal of sufficient capacity to carry the fuel required for 9,000 miles, still neither distance nor time can be diminished. Let any one take the map of the world, he will see upon one side of us, Europe at a distance of some 3,600 miles, upon the other, Asia at a distance of some 5,000 miles. A line drawn from the great European to the Asiatic marts, passes through our great lakes and across Canada; as we are thus placed in the centre, so may we become the thoroughfare of both.

From London to Panama, 81° of longitude and 42° of latitude must be overcome, which in a straight line, would vary little from 5,868 miles.

From Panama to Canton, 170° of longitude is to be overcome, measuring 60 miles to a degree 10,200 "

16,068

London to Quebec.... 2,800
Quebec to Pigeon River,
Lake Superior 1,150
Pigeon River to Fuca
Straits 1,500
Fuca Straits to Canton.. 5,400

10,850 "

Difference in favour of route through Canada 5,218 "

This, most likely, will strike one as incredible, nevertheless it will be found not very far wrong; and even a much greater difference in favour of Fuca Straits will be found to exist when actual sailing distance is compared, ships often been obliged to run down far to the south or keep up far to the north to catch the winds.

It will be seen that in crossing the globe within the tropics, the degree of longitude measures full 60 miles, where on a course of 30° on a line to 60° latitude, measures but 47 miles to the degree.

	<i>Miles.</i>
Panama to Japan	7,600
Panama to Shangee	10,600
Panama to Singapore	10,600
Panama to the Sandwich Islands..	3,400
Panama to Australia.....	6,460

Fuca Straits to Japan	4,000
Fuca Straits to Shangee.....	5,000
Fuca Straits to Singapore	7,000
Fuca Straits to the Sandwich Islands	2,400
Fuca Straits to Australia	6,000

As to the advantages of the respective routes, comments are unnecessary, figures and facts settle the question; looking again to the terminus at Fuca Straits, we find advantages as to harbours, climate and position, in a degree commensurate to the disadvantages of Panama, and for steamers, abundance of coal; the Islands of Japan also abound in coal, where supplies can be had, and if necessary, depôts might be made upon the Aleutian Isles; no sea is so remarkably adapted to steam navigation as the Pacific, its tranquil surface is scarcely ever agitated by a storm. For sailing vessels, Fuca Straits is equally advantageous, easy of access at all seasons of the year, being out of the latitudes of the prevailing calms; the passage could be made out and back with the trades; the course to the great commercial marts of Asia would be west of south, and the north-east trade winds blow almost uninterruptedly, returning by a more northerly route, advantages would be taken of the polar currents which set northward towards Bhering Straits, and also of the more variable winds in higher latitudes.

I have thus endeavoured to compare with each other, the different routes proposed for this great highway of the world, to explain the plan by which it is proposed to accomplish it, and to show that the very route which circumstances force us to take, is the only route suitable for the accomplishment of such a magnificent work. British capitalists, it appears, are ready to give their aid towards the construction of a similar communication across the Isthmus of Panama, where must be incurred a much greater expenditure of money than would serve to build the Railway within our own territories, and even then, unless nature herself can be overcome, they cannot attain their object; whilst here, nature invites the enterprise, and where they have no favors to ask of foreign nations, where they will have security that the way shall never be closed to the enterprise of the British merchant, and whereby her possessions upon the Pacific will be secured to Britain for all time to come, and be an additional guarantee for the perpetuity of her dominion upon this continent, it would create a union among all her people which could not be dissolved, with the trade of the world her own forever; cemented by the affections and undivided interest of her subjects in Europe and in Asia, by means of her Canadian Empire, bound together with sinews of iron.

The view that this opens upon the mind, independent of its internal benefits, staggers speculation with its immensity, and stretches beyond all ordinary rules of calculation. The riches of the most unlimited market in the world would be thrown open to it; and obeying the new impulse thus imparted to it, England's commerce would increase until every billow between us and China bore her meteor flag. By the superior facilities conferred upon us, by our position to control the whole Pacific, and the route through our own country, we would become the common carrier of the world.

Again: Vast countries still lie in the fairy regions of the East, the productions and resources of which are scarcely known to us, and only await the civilizing influence of such a scheme as this to throw down the barriers of prejudice and superstition. Of this nature and character is the opulent empire of Japan. Though second but to China itself, it holds no intercourse with foreigners, and only permits one nation to land upon its dominions (the Dutch). Ought it to be too much to hope that thus being brought so near to us, some diplomacy or commercial interests would throw its rich markets open to our enterprise.

The cost of the work, even though it should amount to a hundred millions, is no argument to urge against the undertaking which would render every nation on the globe our commercial tributaries. But this

Appendix
(U. U.)
30th August.

Appendix
(U. U.)
30th August.

is a most extravagant estimate. It would scarcely amount to eight millions, less, indeed, than would be required to cut a canal across the Isthmus of Panama, as is proposed, entailing, perhaps, upon England, some future war, to maintain the rights of her subjects in using such canal, the expenses of which would build a dozen railways; a war that might leave England enfeebled, exhausted, and depressed. The completion of the proposed Railway through British possessions, would find her regenerated with new life, her impulses re-awakened, her energies strengthened, and advancing with a rapidity and vigor that would astonish Destiny herself.

The distance from the head of Lake Superior to the Pacific being about 1,500 miles, then allow for detours and crossing the Rocky Mountains, say 250 miles, making in all 1750.

To construct such a road would cost about £5,000 per mile, making a total of £8,750,000.

From the point where it might start upon Lake Superior to Lac la Pluie, would be the most expensive portion upon this side of the Rocky Mountains; from Lac la Pluie onward, the land is of the best quality for the production of food for man, well watered, covered with rich grass, &c. The farmer wants but the plough, the seed, the scythe, and the sickle; at the above rate, ten miles of railway would cost £50,000. Five miles by sixty contain 192,000 acres, the whole of this sold at say 5s. per acre, would not produce the sum required for the bare expense of building, thereby showing that the request made for 60 miles is not unreasonable.

Without directing attention to the trade carried on throughout the Pacific, by France, by Holland, and other continental nations, and also by the United States, let us look only to England, it will afford some idea of the incalculable advantages which such a communication would open out through this country.

Imports into Great Britain from the following ports:

From Bengal, Madras and Bombay, as taken from <i>Hunt's Merchant's Magazine</i> for March, 1843, including all to Continental Europe, and North and South America, annually,.....	£12,000,000
Less for the amount to France and America,	2,489,340
	<hr/>
	£ 9,510,660
From Sumatra and Java (commercial tariff, part 6)	215,216
The Philippine Isles,	346,602
New South Wales and Van Diemen's Land (table of revenue, part 12, page 474).....	1,118,088
Mauritius (table of revenue, part 12)	806,593
Chili, estimated at.....	1,500,000
Peru, estimated at.....	1,000,000
	<hr/>
	£14,497,240
From China the total amount of various productions, teas, silks, &c.,	5,000,000
	<hr/>
	£19,497,240

To which must be added the exports from Great Britain, which are sent in exchange for the above productions. The imports and exports of the Dutch East Indies and the French East Indies, should also be considered, as also the exports and imports of the United States; all would be tributary to such a road.

The Imperial Government have contracted to pay, per annum, for the transmission of a Monthly Mail to Chagres,	£250,000
And from Panama to Callao, for communicating with the Navy and Officers in the Pacific,.....	20,000
	<hr/>
	£270,000

Having thus alluded to the importance to be attached to the opening of such a communication as proposed with the Pacific, and to the comparative advantages, in a strictly commercial point of view, between it and the Isthmus of Panama, it may not be inappropriate to again advert to it, as regards the effect the constructing of a canal at the latter, would have upon England's maritime supremacy.

As early as the seventeenth century, a company projected by William Patterson, was formed in Scotland, to improve the advantages offered by the Isthmus of Darien, £700,000 was raised, and 1200 men set sail to found a colony, but being denounced by Government, and attacked by a Spanish force, they sunk under accumulated misfortunes, and abandoned the enterprise in despair. The project seems to be again revived, and a Company is now forming in London to carry out the scheme of a ship canal by means of British capital, an almost suicidal act to England's supremacy on the seas, for it would thus contribute to afford superior facilities and advantages to other nations, and particularly to her enterprising rival the United States, from whose rapid strides towards maritime equality England has much to fear. Through her geographical position the United States can more readily avail herself of the benefits to be derived from this course than any other nation. Her fleets would steam in one unbroken line through the Gulf of Mexico; her naval power would overawe our settlements upon the north-west coasts; and her influence extend itself throughout all our Indian possessions. The Marquesas Islands, in case the project be carried into effect, lying directly in the route of the navigation to India, would at a step advance into one of the most important maritime ports in the world, whilst the Society Islands, also in the possession of France, would enhance immensely in their value; more than all, returning back, the vessels of all Europe would ere long procure there tropical productions from the newly awakened Islands in the Pacific Ocean, in just the degree that their value would increase, the West India possessions would depreciate. By changing the route through the Isthmus of Panama, England would voluntarily resign into other hands those commanding maritime and naval stations which she has won at the expense of so much diplomacy, perseverance and wealth. The power and advantages of Saint Helena, Mauritius, Capetown, and the Falkland Islands, commanding the passage round Cape Horn, would be transferred to New Orleans and other Cities of the United States bordering upon the Gulf of Mexico, to Cuba, Chagres, Panama, and the Marquesas Islands.

By the present route around the Cape of Good Hope and through the Isthmus of Suez, she has a fair start with the best, and superior chance over most other nations for the Indies, and while her established power and superior marine in that region secures a preponderance in trade, better let well alone, unless she can gain superior advantage.

The commerce of India in every age has been the source of the opulence and power of every nation that has possessed it; by a silent and almost imperceptible operation, India has been through centuries the secret but active source of the advance of mankind, and while lying apparently inert in her voluptuous clime; has changed the maritime balances of Europe with the visit of every people that has sought the riches of her shores. Her trade imparted the first great impulse to drowsy and timid navigation—it revealed, in the direction of its coasts, region after region before unknown. Like the Genii in the fable, it still offers the casket and the sceptre to those who, unflinching by the terrors that surround it, are bold enough to adventure to its embrace. In turn Phœnicia, Carthage, Greece, Rome, Venice, Pisa, Genoa, Portugal, Holland, and lastly England, has won and worn this ocean diadem; Destiny now offers it to us.

RETURNS from the several Railroad Companies,—shewing the names of the Stockholders, and the amount of Stock subscribed and paid in since the passing of the Act, 12 Vict., c. 29, for affording the Government Guarantee to Railroads, (excepting that for the Great Western, which embraces the whole amount of Stock subscribed.)

30th August.

A.

LIST OF STOCKHOLDERS, &c., of the Great Western Railroad Company, Hamilton, 8th August, 1851.

Names of Stockholders.	Residence.	Shares Subscribed.	Value.			Amount paid in.			Per Cent.
			£	s.	d.	£	s.	d.	
John Arnold	Toronto	20	500	0	0	175	0	0	35
John Applegarth	Hamilton	3	75	0	0	11	9	7	15
B Arthur	Paris	5	125	0	0	33	4	10	25
William Allan	Hamilton	1	25	0	0	6	9	2	25
John Addison	do	2	50	0	0	5	5	7	10
Michael Aikman	do	10	250	0	0	39	6	0	15
William Atkinson & Co.	do	20	500	0	0	154	16	11	30
Adam Ainslie	Galt	4	100	0	0	10	2	8	10
J. W. Brookes	Detroit	10	250	0	0	75	7	6	30
James Brown	Galt	4	100	0	0	10	2	0	10
Alexander Buchanan	do	10	250	0	0	25	5	0	10
George Barrie	do	4	100	0	0	5	1	0	5
Hugh C. Barwick	Woodstock	5	125	0	0	31	18	0	25
John Barwick	do	3	75	0	0	22	15	4	25
Thomas N. Best	Hamilton	5	125	0	0	12	17	4	10
Buchanan, Harris & Co.	do	200	5000	0	0	1750	0	0	35
Nicholas Boylan	do	2	50	0	0	2	11	6	5
Richard Bull	do	10	250	0	0	51	3	11	20
Allan Blyth	do	1	25	0	0	3	17	3	15
George Burton	do	19	475	0	0	214	13	0	40
H. C. Beecher	London	2	50	0	0	10	11	4	20
William Balkwell	do	2	50	0	0	10	10	11	20
H. Burwell	do	2	50	0	0	8	0	10	15
Charles Brookes	do	1	25	0	0	10	6	11	40
H. C. Baker	do	16	400	0	0	160	8	9	40
William Bellamy	do	2	50	0	0	12	16	11	25
John Burns	do	2	50	0	0	5	4	1	10
R. Benner & Co	do	2	50	0	0	19	8	8	35
Alexander Buntin	do	2	50	0	0	15	6	0	30
John Brown	do	1	25	0	0	5	3	2	20
Tristram Bickle	do	3	75	0	0	19	4	0	25
Alfred Booker	do	1	25	0	0	5	2	7	20
Arthur Bowen	do	2	50	0	0	15	8	4	30
Josias Bray	do	1	25	0	0	7	12	8	30
W. L. Billings	do	5	125	0	0	38	14	6	30
R. S. Beasley	do	2	50	0	0	12	15	1	25
Thomas Cheer	Woodstock	1	25	0	0	5	9	2	20
Peter Carrol	Hamilton	20	500	0	0	313	13	5	60
Malcolm Cameron	Sarnia	50	1250	0	0	381	11	7	30
G. Carter	London	1	25	0	0	8	1	10	30
D. Caw	Paris	5	125	0	0	26	6	6	25
Hiram Capron	do	20	500	0	0	126	7	6	25
Horace Capron	do	5	125	0	0	45	2	6	35
Thomas Childs	Hamilton	1	25	0	0	7	16	0	30
Stephen Collins	do	1	25	0	0	7	13	4	30
James Cummings	do	5	125	0	0	38	18	8	30
Geo E. Cartwright	do	1	25	0	0	7	15	5	30
James F. Carter	do	2	50	0	0	7	14	8	15
Anthony Copp	do	1	25	0	0	6	9	2	25
William Copp	do	1	25	0	0	6	9	2	25
William Cragie	do	4	100	0	0	5	6	9	5
Joel Carpenter	do	2	50	0	0	15	5	11	30
Hiram Cook	do	40	1000	0	0	205	0	10	20
Charles O. Counsel	do	3	75	0	0	22	10	0	30
Molcolm Cowan	England	112	2800	0	0	701	4	6	25
Andrew Clark	Ancaster	2	50	0	0	17	14	3	35
James Cowan	Galt	5	125	0	0	43	17	5	35
James Crombie	do	5	125	0	0	6	6	3	5
Erastus Corning	Albany	10	250	0	0	75	7	6	30
Henry Davis	London	2	50	0	0	16	3	10	30
Richard O. Duggan	Hamilton	10	250	0	0	6	10	0	24
J. D. Dent	Woodstock	2	50	0	0	15	8	3	30
W. L. Distin	Hamilton	10	250	0	0	64	16	1	25
James Donahugh	do	1	25	0	0	6	8	4	25
Daniel Dewey	do	4	100	0	0	25	8	10	25
Thomas Davidson	do	5	125	0	0	38	3	5	30
Edwin Dally	do	2	50	0	0	7	13	1	15
Walter H. Dickson	Niagara	40	1000	0	0	450	5	0	45
Lockhart Duff	do	5	125	0	0	25	18	11	20
John Davidson	do	10	250	0	0	87	15	0	35
William Dickson	Galt	100	2500	0	0	750	12	6	30
Joseph Elson	London	4	100	0	0	32	0	10	35
James B. Ewart	Dundas	22	550	0	0	192	10	0	35
Daniel S. Eastwood	Hamilton	5	125	0	0	25	14	4	30
William J. Eccleston	do	1	25	0	0	7	15	11	30
Carried over		904	22600	0	0	6833	8	0	

Appendix
(U. U.)

List of Stockholders, &c., of the Great Western Railroad Company, —Continued.

Appendix
(U. U.)

30th August

30th August

Names of Stockholders.	Residence.	Shares Subscribed.	Value.			Amount paid in.			Per Cent.
			£	s.	d.	£	s.	d.	
	Brought over	904	22600	0	0	6833	8	0	
John Ewart	England	66	1660	0	0	577	10	0	35
Andrew Elliot & Co.	Galt	10	250	0	0	87	15	2	35
Robert Frank	London	1	25	0	0	8	1	4	35
Robert Feunell	do	1	25	0	0	8	6	4	35
S. B. Freeman	Hamilton	10	250	0	0	87	10	0	35
John Falkner	do	1	25	0	0	9	15	0	35
Charles Foster	do	2	50	0	0	10	7	8	35
Richard Faireleugh	do	5	125	0	0	25	9	8	20
Farwell & Co.	do	390	9750	0	0	9796	16	0	100
William Ferguson	Galt	4	100	0	0	35	1	8	35
R. and D. H. Forbes	do	4	100	0	0	5	1	0	5
John M. Forbes	Boston	10	250	0	0	75	7	6	30
Ferrell Van Voorhis & Co.	Hamilton	52	1300	0	0	1300	0	0	100
James Geddes	do	1	25	0	0	4	1	6	15
Daniel M. Gilkison	Brantford	2	50	0	0	11	14	3	20
J. G. Goodhue	London	4	100	0	0	21	2	5	20
John Gallagher	Hamilton	1	25	0	0	8	15	0	35
William Gordon	do	1	25	0	0	8	15	0	35
Peter Grant	do	5	125	0	0	32	7	4	35
John Gardiner	do	1	25	0	0	6	7	11	35
William H. Glasco	do	3	75	0	0	19	9	5	35
John P. Gibbs	do	1	25	0	0	6	8	7	25
J. and D. B. Galbreath	do	5	125	0	0	43	15	0	35
James Gamble	do	1	25	0	0	7	13	4	30
Thomas Gillespy	do	5	125	0	0	12	16	1	10
Municipality of Galt	Galt	1000	25000	0	0	8725	0	0	35
Henry J. Greenstreet	Paris	10	250	0	0	76	3	6	30
A. J. Gordon	Hamilton	2	50	0	0	12	19	6	25
Robert Gillespie	Galt	5	125	0	0	12	11	3	10
William Grey	Beverly	1	25	0	0	25	0	0	100
Charles Hull	Seneca	2	50	0	0	10	2	10	20
A. Hope	London	2	50	0	0	12	19	11	25
James Hamilton	Dundas	41	1025	0	0	1025	0	0	100
John Ogilvey Hatt	Hamilton	30	750	0	0	187	5	8	25
Robert W. Harris	do	123	3075	0	0	1076	5	0	35
D. J. Hughes	London	4	100	0	0	21	5	2	20
Richard Harper	Hamilton	1	25	0	0	7	16	8	30
Stephen Hewson	do	3	75	0	0	13	19	1	20
Hamilton & Kneeshaw	do	3	75	0	0	19	8	2	25
Alexander Hamilton	do	4	100	0	0	31	0	1	30
Richard Hardiker	do	5	125	0	0	39	1	6	30
Charles L. Helliwell	do	5	125	0	0	25	13	10	20
John R. Holden	do	10	250	0	0	12	10	0	5
Peter Hess	do	40	1000	0	0	766	19	6	75
Thomas B. Harris	do	3	75	0	0	22	19	7	30
City of Hamilton	do	4000	100000	0	0	35000	0	0	35
Richard Juson	do	40	1000	0	0	306	4	7	30
James W. Inman	do	1	25	0	0	7	13	3	30
John Judd	do	5	125	0	0	31	11	10	35
Stephen J. Jones	do	5	125	0	0	43	15	0	35
Edward Jackson	do	20	500	0	0	152	19	2	30
Charles Kelly & Co.	do	10	250	0	0	87	10	0	35
William G. Kerr	do	10	250	0	0	77	4	10	30
Samuel Kirkendall	do	5	125	0	0	38	7	4	30
Francis Kennedy	do	4	100	0	0	35	5	6	35
Aeneas Kennedy	do	4	100	0	0	35	5	6	35
Arch. Kerr	do	40	1000	0	0	350	0	0	35
Thomas Knox	do	2	50	0	0	11	12	8	20
William Knox	do	2	50	0	0	7	12	2	15
T. C. Kerr	do	40	1000	0	0	350	0	0	35
A. W. Light	Woodstock	10	250	0	0	33	9	5	10
Joseph Lister	Hamilton	5	125	0	0	26	11	8	20
John P. Lurkin	do	13	325	0	0	109	18	9	30
W. Lapenotier	Woodstock	2	50	0	0	10	12	9	20
A. Logie	Hamilton	10	250	0	0	64	18	6	25
H. J. Lawry	do	3	75	0	0	19	7	0	25
Joseph Lewis	do	2	50	0	0	2	12	0	5
Town of London	do	1000	25000	0	0	8800	0	0	35
Robert N. Law	do	1	25	0	0	4	15	10	15
Samuel Mills	do	4	100	0	0	100	10	0	100
J. Mullin	do	1	25	0	0	4	0	0	15
Nehemiah Merritt	do	13	325	0	0	113	15	0	35
Edward Matthews	do	12	300	0	0	49	3	2	15
W. F. Murray	do	2	50	0	0	13	7	5	25
C. L. Monsarrat	London	4	100	0	0	5	16	6	5
N. E. Manwaring, jun	St. George	3	75	0	0	16	2	3	20
N. E. Manwaring, sen	do	5	125	0	0	27	7	10	20
John Mitchell	Hamilton	4	100	0	0	35	0	0	35
E. A. F. Moore	do	13	325	0	0	100	4	9	30
William Milsted	do	1	25	0	0	8	15	0	35
Patrick Morgan	do	1	25	0	0	5	3	10	20
John Moore	do	1	25	0	0	6	7	11	25
Joseph B. Matthews	do	6	125	0	0	32	3	10	25
DeWitt Moore	do	10	250	0	0	78	2	10	30
Joseph Mills	do	2	50	0	0	15	0	0	30
Timothy Murphy	do	5	125	0	0	39	0	8	30
Carried over		8104	202600	0	0	78527	7	7	

List of Stockholders, &c., of the Great Western Railroad Company,—Continued.

Appendix (U. U.)

Appendix (U. U.)

30th August.

30th August.

Names of Stockholders.	Residence.	Shares Subscribed.	Value.			Amount paid in.			Per Cent.
			£	s.	d.	£	s.	d.	
	Brought over	8104	209600	0	0	78527	7	7	
James Miller	Hamilton	1	25	0	0	11	10	8	40
Andrew Malcolm	Galt	4	100	0	0	35	1	0	85
Stephen Moffat	do	5	125	0	0	6	6	4	5
John Miller	do	10	250	0	0	25	5	2	10
Dudley Merrills	London	2	50	0	0	15	0	9	30
County of Middlesex	do	1000	25000	0	0	8750	0	0	35
Moore & McElroy	Hamilton	45	1125	0	0	1125	0	0	100
Mary McKay	London	10	250	0	0	51	5	5	20
Allan N. MacNab	Hamilton	151	3775	0	0	1321	5	0	35
Alexander McLeod	Oxford	1	25	0	0	5	0	5	20
Wm. P. MacLaren	Hamilton	40	1000	0	0	305	14	6	30
Daniel MacNab	do	20	500	0	0	175	0	0	35
Robert McCosh	Paris	5	125	0	0	38	10	0	35
William McMillan	London	1	25	0	0	5	9	2	20
William McDonnell	do	1	25	0	0	6	15	7	25
Henry McKinstry	Hamilton	60	1500	0	0	462	16	6	30
Duncan McNab	do	1	25	0	0	6	13	10	25
McQuesten & Co	do	20	500	0	0	161	8	9	30
Donald McLellan	do	1	25	0	0	7	15	9	30
Samuel McCurdy	do	1	25	0	0	3	17	7	15
Mackay Brothers & Co	do	5	125	0	0	38	18	0	30
Donald Mackay	do	2	50	0	0	15	9	4	30
Robert McElroy	do	20	500	0	0	104	7	3	20
McKenzie, Gates & Co	do	20	500	0	0	155	8	4	30
John Mackelcan	do	5	125	0	0	38	15	5	30
D. McInnes & Co	do	20	500	0	0	128	0	4	over 25
Samuel McDowell	do	4	100	0	0	25	9	6	25
H. W. McConghey	England	66	1650	0	0	577	10	0	35
McKeand Brothers & Co	Hamilton	10	250	0	0	76	17	5	30
Sophia MacNab	do	4	100	0	0	101	0	0	100
Neil McTagart	do	1	25	0	0	25	0	0	100
George Northey	do	2	50	0	0	15	8	4	30
James Osborne	do	10	250	0	0	87	10	0	35
Michael Overholt	Woodstock	10	250	0	0	67	16	1	25
Miles O'Reilly	Hamilton	10	250	0	0	52	2	2	20
Robert Osborne	do	4	100	0	0	25	15	5	25
Osborne & Wyllie	do	5	125	0	0	43	15	0	35
J. R. O'Higgins	do	1	25	0	0	6	7	4	25
County of Oxford	do	1000	25000	0	0	8800	0	0	35
William Osborne	do	10	250	0	0	260	0	0	100
Elizabeth O'Brien	do	5	125	0	0	51	11	1	40
Joseph Peers	Woodstock	5	125	0	0	31	8	7	25
Samuel Peter	London	3	75	0	0	12	15	8	15
Charles Patterson	Hamilton	1	25	0	0	3	16	1	15
Thomas S. Powell	do	5	125	0	0	38	16	8	30
Thomas Reid	St. George	1	25	0	0	4	0	2	15
R. Riddell	Woodstock	2	50	0	0	16	19	0	30
H. and H. Repelge	Simcoe	1	25	0	0	4	0	6	15
James W. Ritchie	do	8	200	0	0	44	17	9	20
Robert Roseberg	Paris	2	50	0	0	13	2	1	25
W. Robson	London	1	25	0	0	5	4	10	20
W. A. Rumsey	Ingersoll	10	250	0	0	39	7	4	15
James Reid	Hamilton	2	50	0	0	5	5	9	10
Samuel W. Ryckman	do	20	500	0	0	103	9	5	20
Francis Russell	do	1	25	0	0	6	8	3	25
Collin D. Reid	do	4	100	0	0	25	11	5	25
Robert Roy	do	2	50	0	0	12	15	10	25
John Rush	do	3	75	0	0	19	6	0	25
E. R. Sullivan	do	2	50	0	0	7	10	0	15
Stanton & Hudson	St. George	1	25	0	0	4	0	3	15
Andrew Smith	Woodstock	2	50	0	0	18	6	0	35
Robert Sumner	London	1	25	0	0	4	3	10	15
George Stanton	St. George	3	75	0	0	16	4	0	20
A. Spottiswood	Paris	5	125	0	0	25	18	2	20
David Smith	Hamilton	1	25	0	0	3	18	11	15
George Sterling	do	3	75	0	0	15	12	2	20
Scarth & Firth	do	4	100	0	0	20	16	0	20
William Snowden	do	13	325	0	0	97	16	9	30
Donald Stuart	do	1	25	0	0	7	16	0	30
Chas. H. Stoko	do	1	25	0	0	8	15	0	35
Stewart & Co	do	5	125	0	0	32	8	11	25
Richard P. Street	do	4	100	0	0	35	8	11	35
Thomas Smith	do	2	50	0	0	15	3	9	30
Robert R. Smiley	do	10	250	0	0	89	19	6	35
Geo. Sunley	do	3	75	0	0	19	9	7	25
Pillans S. Stevenson	do	5	125	0	0	38	16	1	30
Thomas M. Simons	do	3	75	0	0	19	1	2	25
Chas. A. Sadlier	do	9	225	0	0	138	13	10	60
J. E. Sabine	do	1	25	0	0	8	15	0	35
Robert Smith	England	22	550	0	0	192	10	0	35
John Stephens	London	1	25	0	0	5	9	3	20
Gidion Shepherd	Hamilton	2	50	0	0	12	11	11	25
Absalom Shade	Galt	40	1000	0	0	301	0	8	30
Jonathan Simpson	Hamilton	10	250	0	0	100	10	10	40
George S. Tiffany	do	40	1000	0	0	988	2	6	95
Daniel Tottens	Paris	12	300	0	0	79	19	9	25
Carried over		10974	274350	0	0	101438	12	7	

Appendix (U. U.)

List of Stockholders, &c., of the Great Western Railroad Company,—Continued.

Appendix (U. U.)

30th August.

30th August.

Names of Stockholders.	Residence.	Shares Subscribed.	Value.			Amount paid in.			Per Cent.
			£	s.	d.	£	s.	d.	
	Brought over	10974	274350	0	0	104488	12	7	
Patrick Thornton	Hamilton	1	25	0	0	3	17	8	15
George Taylor	do	2	50	0	0	17	10	0	35
John and James Turner	do	3	75	0	0	26	5	0	35
E. Cartwright Thomas	do	2	50	0	0	12	14	5	25
N. H. Titus & Co	do	10	250	0	0	51	6	3	20
William Tallman	do	2	50	0	0	50	5	4	100
Henry Vansittart	Woodstock	25	625	0	0	128	19	3	20
John G. Vansittart	do	12	800	0	0	106	0	0	35
Hugh B. Wilson	Hamilton	5	125	0	0	16	4	7	15
John White	do	16	400	0	0	155	2	10	35
James S. Wetenhall	do	8	200	0	0	45	18	0	20
Charles Wardman	do	3	75	0	0	23	5	10	30
James L. Wilson	do	3	75	0	0	25	16	3	30
John Waugh	do	1	25	0	0	3	17	4	15
James Walker	do	4	100	0	0	20	15	5	20
James M. Williams	do	21	525	0	0	165	7	9	30
John White	Palermo	5	125	0	0	25	15	10	20
Thomas White	Galt	6	150	0	0	15	3	9	10
John Young	Hamilton	10	250	0	0	87	10	0	35
John Young, jun.	do	2	50	0	0	17	10	0	35
Edward Zealand	do	4	100	0	0	20	10	7	20
Edward Zealand, jun.	do	4	100	0	0	20	10	7	20
William Zealand	do	4	100	0	0	20	10	7	20
John Verham & Co.	do	7	175	0	0	175	0	0	100
John Dunn	do	1	25	0	0	3	16	7	15
Sundries payments on stock } this day.....	... ..	... ..	... ..	... ..	... ..	159	16	6	
Forfeited stock.....	... ..	... ..	... ..	... ..	... ..	12167	19	8	
Total amount received...	... ..	... ..	... ..	... ..	... ..	117995	1	10	

Seven Instalments of 5 per cent each of the Capital Stock has been called in.

ROBERT W. HARRIS,
President.

Office of the
Great Western Railroad Company,
Hamilton, 8th August, 1851.

J. GILKISON, Secretary.

B.

ALPHABETICAL LIST of the Shareholders of the St. Lawrence and Atlantic Railroad Company, taken from the Company's Share Books, 6th August, 1851.

			Brought forward	130	.....Shares.
Jean Baptiste Allard.....	4	Four	Henry Archbald.....	4	Four
Robert Armour	24	Twenty-four	L. Archambault	2	Two
Armour and Ramsay	30	Thirty	Thomas Bell	4	Four
Allison & Company	10	Ten	Hon. Joseph Bourret.....	4	Four
James Adley	4	Four	Hon. Francis P. Bruneau	10	Ten
Teavil Appleton.....	2	Two	Jean Bruneau	10	Ten
C. Austin.....	4	Four	Joseph Boulanget	4	Four
Robert Fisher Andrews.....	2	Two	F. X. Brazeau.....	6	Six
Francisco Joseph Alves.....	4	Four	F. M. Belinge.....	4	Four
W. Auld	4	Four	C. A. Brault	4	Four
Alexander Arthur	4	Four	Jean Baptiste Brousseau	12	Twelve
Charles Alexander.....	2	Two	A. Burroughs	4	Four
James Armstrong	2	Two	P. B. Badeaux.....	2	Two
James D. Adams	2	Two	John Boston	10	Ten
Willard Ayer	2	Two	Taucred Bouthillier	10	Ten
Gardener Ayer	2	Two	O. T. Bruneau	4	Four
Carleton Ayer.....	2	Two	J. U. Beaudry.....	8	Eight
Enos Algier.....	2	Two	Charles Bowman.....	4	Four
A. A. Adams	6	Six	Budden and Vennor	4	Four
Ezra Aldrick	2	Two	John C. Becket	2	Two
L. and Ira M. Aldrick	2	Two	Samuel Benjamin	4	Four
Thomas C. Allis.....	2	Two	F. Benoit.....	4	Four
Andrew Armstrong.....	2	Two	Catamis J. Buel.....	2	Two
Job Adams	2	Two	Joseph Bertheaume	2	Two
Stephen Allen.....	2	Two	Louis Joseph Beliveau.....	2	Two
William Arms.....	4	Four	Louis Blache	4	Four
Antoine S. Archambault	2	Two	Thomas Bell	2	Two
Carried forward	180	.....Shares.	Carried forward	262	.....Shares.

List of Shareholders of the St. Lawrence and Atlantic Railroad Company.—Continued.

Appendix (U. U.)			Appendix (U. U.)		
30th August.			30th August.		
Brought forward.....	262	Shares.	Brought forward.....	6481	Shares.
William Phillip Bennett.....	4	Four	Hilaire Bernier	2	Two
G. R. Brown	2	Two	C. S. Cherrier.....	10	Ten
John Brodie.....	4	Four	C. J. Coursoll.....	2	Two
G. C. Beck	4	Four	George E. Cartier	10	Ten
Thérèse Berthelet	10	Ten	Doctor James Crawford.....	4	Four
William Berczy	2	Two	Andrew Cowan	4	Four
Henry E. Benson	8	Eight	W. F. Coffin	10	Ten
J. L. Beaudry.....	4	Four	Carter, Cowan & Company	20	Twenty
A. Brault & Co.....	2	Two	Cowan & Cross	4	Four
Joseph Beaudry	2	Two	R. Campbell	4	Four
Joseph A. Berthelot	2	Two	Francis Clarke	4	Four
William W. Brown.....	4	Four	S. and W. Charles.....	6	Six
Joseph Belle	4	Four	Edgar Cook.....	4	Four
Louis Blanchard.....	2	Two	C. Cormier	2	Two
William M. Brown.....	4	Four	R. C. Chevalier	2	Two
Plessis Belair	2	Two	James Clark	2	Two
Louis R. Plessis Belair	2	Two	Leandre Chaput.....	2	Two
L. P. Boivin	4	Four	J. Cushing	2	Two
J. B. Beaudry.....	8	Eight	Norton B. Corse.....	2	Two
David Brown	4	Four	Trefly Cherrier	4	Four
Emeline B. Bent.....	2	Two	R. and H. Corse.....	16	Sixteen
William Benjamin	4	Four	Alexander Cross	4	Four
Joseph Brassard.....	2	Two	John Caverhill	4	Four
Strachan Bothune	6	Six	Moses Carter	4	Four
Pierre Beaubien	20	Twenty	James Claffey.....	2	Two
Joseph Beaubien.....	2	Two	Abraham Clement dit Larivière	4	Four
J. Baty.....	2	Two	Joseph Content	2	Two
Robert Balfour	2	Two	Joseph Civalier	2	Two
Francis Badgley	4	Four	Louis Catis.....	2	Two
E. Baird	2	Two	Madame Catis.....	2	Two
J. Bastien	4	Four	James Cooper.....	2	Two
Lambert Bleau	2	Two	John Chester	2	Two
Pierre Beaudry	20	Twenty	John Craig	6	Six
Robert Bennett	2	Two	William Connely	20	Twenty
George Busby.....	2	Two	N. O. Coursolle	2	Two
Louis Barsalo	10	Ten	Joseph Cheney	2	Two
Robert Bailie	2	Two	William Christie.....	2	Two
William Bristow.....	10	Ten	Rev. M. Charbonel.....	4	Four
Campbell Bryson	4	Four	John Connolly.....	4	Four
British American Land Company	1000	One thousand	Thomas Edmond Campbell	80	Eighty
Samuel Brooks	100	One hundred	Louis Comte	4	Four
William Brooks	20	Twenty	W. C. H. Coffin	4	Four
Charles Brooks	10	Ten	Lewis Comte	16	Sixteen
Warren Betts	2	Two	C. B. Cleveland	6	Six
Peter Bowen	6	Six	Elias Cheney	2	Two
John C. Burbeck	2	Two	Charles Comstock	2	Two
G. E. and A. Brown	2	Two	David Connell.....	2	Two
John S. Bacon.....	2	Two	Joseph C. Chase.....	2	Two
Richard Baldwin.....	4	Four	Squire Colby	2	Two
Levi Baldwin	2	Two	Jonathan Cutting	4	Four
Ebenezer Bacon.....	4	Four	Luke Chadduck	2	Two
Azro Bliss	2	Two	John C. Cooke	2	Two
C. A. Bailey	2	Two	Bingham Caswell	2	Two
John Bellows	2	Two	Levi Cleveland	2	Two
George W. Brooks.....	10	Ten	William Cleveland	2	Two
Lotes Baldwin.....	2	Two	Norman Cleveland.....	2	Two
Gardner Boynton	2	Two	Samuel Cleveland	6	Six
O. G. Brown	2	Two	Asaph Converse.....	6	Six
Martin Bissell.....	2	Two	E. Clarke.....	2	Two
Joel Baker	2	Two	Jonathan Converse.....	2	Two
Simon Beattie.....	2	Two	Ezra Caswell	2	Two
John Bothwell.....	2	Two	Aaron Corby	2	Two
Nelson Bartlett	2	Two	Halsey Cleveland	2	Two
Moses Barnett.....	2	Two	Edmund Cox	2	Two
L. C. Ball	10	Ten	C. B. Cleveand, jun.	2	Two
A. P. Ball	2	Two	John Chillas	2	Two
Aaron T. Bangs.....	2	Two	M. T. Cushing	2	Two
Charles B. Barton	4	Four	M. F. Colby	4	Four
Jesse P. Boynton	2	Two	W. G. Cook.....	6	Six
Eli Bangs	2	Two	Nehemiah Clarke	2	Two
Ebenezer Barry	2	Two	Cushman Clarke.....	2	Two
T. C. Butler	2	Two	H. Curtis.....	4	Four
James Barrie	2	Two	Norman Cleveland.....	2	Two
David Ball	2	Two	Caroline Cherrier	2	Two
Henry Becket.....	4	Four	François Charon.....	2	Two
John W. Baxter.....	10	Ten	F. Cadoret	4	Four
James Brodie	4	Four	Antoine Cote	2	Two
Leonard K. Burton.....	2	Two	F. V. Cadieux.....	2	Two
Maurice Buckley.....	4	Four	E. Cartier	4	Four
Charles Beauregard	4	Four	Chadsell & Brother.....	2	Two
Edward Benoit	6	Six	Margaret S. Charlebois.....	2	Two
Leonard Boivin	6	Six	Walter Colquhoun.....	6	Six
Alexander Bell	2	Two	Etienne A. Dubois.....	10	Ten
Black, Wood & Company	4739	Four Thousand Seven Hundred & Thirty-Nine	Magloire Dennoyer.....	2	Two
Thomas Bell Blythe.....	4	Four	N. Dumas	4	Four
Doctor Thomas Southillier	4	Four	Alphonse Damon	4	Four
John Brooke	42	Forty-two	L. A. Desaulles	40	Forty
			George Desbrats	50	Fifty
			Benjamin Delisle	10	Ten
Carried forward	6481	Shares.	Carried forward	6989	Shares.

Appendix
(U. U.)

List of Shareholders of the St. Lawrence and Atlantic Railroad Company,—Continued.

Appendix
(U. U.)

30th August.

30th August

Brought forward		6980	.....Shares.	Brought forward		7729	.....Shares.
A. M. Delisle	24	Twenty-four	"	Archibald Ferguson	4	Four	"
A. A. Dorion	2	Two	"	David Ferguson	4	Four	"
John Dunlop	2	Two	"	Justine Freniere	2	Two	"
William Dunlop	2	Two	"	John Ford	2	Two	"
K. B. Desmarteau	8	Eight	"	William Farwell	2	Two	"
F. X. Desove	2	Two	"	Gladden Farwell	2	Two	"
John J. Day	10	Ten	"	Wenthop Fox	2	Two	"
A. Desmarais	2	Two	"	William Fling	2	Two	"
C. M. Delisle	4	Four	"	Hiram French	2	Two	"
James Donclan	2	Two	"	Joshua Foss	2	Two	"
H. Dickenson	4	Four	"	George K. Foster	8	Eight	"
Hugh Darraugh	4	Four	"	John Farwell	2	Two	"
John Dodds	10	Ten	"	Moses S. Field	2	Two	"
L. T. Drummond	20	Twenty	"	A. T. Foster	4	Four	"
William Don	2	Two	"	Jonathan Field and Son	12	Twelve	"
Doctor Dorion	10	Ten	"	Alonzo Field	2	Two	"
Peter Warren Dease	10	Ten	"	William L. Felton	24	Twenty-four	"
Jean Baptiste Dubuc	2	Two	"	William French and Son	2	Two	"
T. Denoyer	2	Two	"	Joseph Fitchett	2	Two	"
Jacques Desautel	2	Two	"	Daniel Fisher	40	Forty	"
A. Dorval and A. Gauthier	2	Two	"	Alvin Farwell	2	Two	"
M. Durand	2	Two	"	Samuel Gerrard	20	Twenty	"
D. Davidson	10	Ten	"	Baron Grant	80	Eighty	"
S. A. Doherty	4	Four	"	Benaiah Gibb	10	Ten	"
Joseph Dufresne	4	Four	"	Gillespie, Moffatt and Compaay.	60	Sixty	"
Thomas L. Doutney	4	Four	"	J. E. Guilbeault	8	Eight	"
The Hon. S. De Beaujeu	6	Six	"	John Greig	2	Two	"
Aaron H. David	10	Ten	"	Jerome Grenier	4	Four	"
L. B. Derrick	2	Two	"	J. B. Germain	4	Four	"
Ebenezer Damon	2	Two	"	A. Giard	2	Two	"
James Doak	2	Two	"	Crawford Glen	2	Two	"
Simon M. Dennison	2	Two	"	T. A. Gibson	4	Four	"
William Delaney	2	Two	"	John Gainer	2	Two	"
John Drummond	2	Two	"	T. J. Green	2	Two	"
Lucius Doolittle	8	Eight	"	John Gibson	2	Two	"
Matthew Dixon	2	Two	"	Francois Gibeault	2	Two	"
Hiram Davis	2	Two	"	William Gunn	2	Two	"
Dudley Davis	2	Two	"	William Graham	2	Two	"
Madame DeMontenach	10	Ten	"	Jean Garipey	4	Four	"
Laurent Dufresne	18	Eighteen	"	Galarneau and Roy	4	Four	"
Boucher De la Bruyere	2	Two	"	P. Goulet	2	Two	"
James H. Douglas	2	Two	"	C. Gareau	4	Four	"
Davignon and Prefontaine	2	Two	"	Etenne Guy	10	Ten	"
Kenneth Dowie	40	Forty	"	John Glennon	10	Ten	"
James Dowie	40	Forty	"	John George	4	Four	"
William Dow	60	Sixty	"	Margaret Gibson	2	Two	"
Dow and Company	30	Thirty	"	N. H. Gosselin	2	Two	"
Solicitor General Thomas Evans	44	Forty-four	"	Charles Garth	2	Two	"
William Edmonstone	20	Twenty	"	George Garth	2	Two	"
Robert Easton	8	Eight	"	Joseph Grenier	4	Four	"
John Henry Evans	4	Four	"	Robert Godfroy	2	Two	"
Pierre Elie	4	Four	"	James Goudie	2	Two	"
Hercules Ellis	2	Two	"	John Gordon	2	Two	"
Robert Elliott	4	Four	"	Reverend Jean Francois Gagnon	2	Two	"
Andrew Elliott	2	Two	"	Noah Glidden	2	Two	"
Robert Elliott	4	Four	"	Reuben Green	2	Two	"
John Elliot	2	Two	"	Richard Gunning	2	Two	"
Hiram Edgall	6	Six	"	Jacob Gilson	2	Two	"
William H. Edgington	20	Twenty	"	Sawyer Gould	2	Two	"
John Edgington	2	Two	"	T. D. Gilbert	2	Two	"
W. Ewan	2	Two	"	Elisha Gallup	2	Two	"
William Easton	8	Eight	"	John Griffith	2	Two	"
Phillip Earl	4	Four	"	John G. Gilman	4	Four	"
Olivier Frechette	10	Ten	"	Ann Gaylord	2	Two	"
John Frothingham	50	Fifty	"	George F. Gates	2	Two	"
J. B. Forsyth	20	Twenty	"	Alexander T. Galt	50	Fifty	"
William Forsyth	20	Twenty	"	John Galt	8	Eight	"
W. Footner	10	Ten	"	James Grisam	2	Two	"
C. R. Fabre	10	Ten	"	Joseph Gaouette	2	Two	"
William Footner	4	Four	"	Grant, Hall and Company	4	Four	"
Olivier Faureau	4	Four	"	Thomas Gainfort	4	Four	"
Arthur Fisher	4	Four	"	Noel Guertin	2	Two	"
John Follens	4	Four	"	Michel Gaudette	2	Two	"
William Francis, junior	4	Four	"	Ephraim Hudon	4	Four	"
James Ferrier, junior	10	Ten	"	Louis Haldimaud	4	Four	"
George Fellers	2	Two	"	Henry Harkin	2	Two	"
Martin Farley	2	Two	"	Benjamin Holmes	10	Ten	"
William Henry Fleet	2	Two	"	R. A. A. Richard Huber	12	Twelve	"
Francois Fournier	2	Two	"	George Hall	4	Four	"
Thomas Foley	2	Two	"	George Heron	4	Four	"
James Foster	6	Six	"	William J. Holmes	2	Two	"
James Fitzpatrick	2	Two	"	Hudon and Lessieur	2	Two	"
John Fraser	4	Four	"	John Hutchison	4	Four	"
Felix Fortier	6	Six	"	Robert Hick	2	Two	"
John Feron	10	Ten	"	James Honeyman	2	Two	"
George Fullum	4	Four	"	William Hutchison	2	Two	"
Charles F. Fowler	2	Two	"	Joseph N. Hall	4	Four	"
Edward Franklin	2	Two	"	Howard and Company	2	Two	"
Daniel Forde	2	Two	"	J. W. Herbert and Company	4	Four	"
Carried forward	7729	.....Shares.		Carried forward	8281	.....Shares.	

Appendix
(U. U.)

Appendix
(U. U.)

List of Shareholders of the St. Lawrence and Atlantic Railroad Company,—Continued.

30th August.

30th August.

Brought forward			Brought forward		
8281	Shares.		9377	Shares.	
Lewis J. Harkin	2	Two	James Logan	82	Eighty-two
Edward Hogan	10	Ten	W. E. Logan	40	Forty
A. Hutton	6	Six	Alfred Larocque	42	Forty-two
John Honey	4	Four	P. Lamothe	2	Two
E. and V. Hudon	4	Four	M. Laframboise	4	Four
John Hodges	4	Four	Lemesurier Routh and Company	10	Ten
Phillip Holland	10	Ten	A. and T. Lesperance	4	Four
Leon Hurteau	4	Four	Charles Lefebvre	2	Two
George Harding	2	Two	H. Laviolette	2	Two
Reverend H. Hudon, V. G.	2	Two	J. M. Lamothe	2	Two
Adam Iligo	2	Two	C. Lamontague	4	Four
Levi Hodgkinson	6	Six	F. Leblanc	2	Two
E. Hauselman	2	Two	John Lovell	2	Two
Benjamin Hall	8	Eight	George Lulham	4	Four
George Hart	2	Two	C. M. Leprohon	4	Four
Michel Houle	2	Two	Theodore Lyman	2	Two
Robert Harwood	4	Four	James Lewis	2	Two
John Hilton	14	Fourteen	J. A. Labadie	4	Four
Paul Hitchcock	4	Four	Louis R. Lappare	2	Two
Lewis F. Hanson	2	Two	Mark Lefevre	2	Two
Nathaniel Hanse	2	Two	Leandre Lafontaine	2	Two
Sumner Hitchcock	2	Two	Germain Leblanc	4	Four
Beaumont Hitchcock	2	Two	Thomas Logan	4	Four
Edward Hale	44	Forty-four	Jean Gaspard Laviolette	10	Ten
Samuel P. Harvey	6	Six	W. F. Leste	4	Four
Horace Hovey	2	Two	James H. Lamb	20	Twenty
C. A. Hodge	2	Two	F. Leclair	10	Ten
Wells R. Hodge	2	Two	Edward Lamarche	2	Two
Edward Hitchcock	2	Two	Benjamin Lyman	10	Ten
Lewis Hanson	4	Four	Thomas Little	2	Two
Mecajah Hanson	2	Two	The Honorable L. H. Lafontaine	20	Twenty
N. H. Hill	2	Two	J. D. Lacroix	8	Eight
Taylor Hackett	2	Two	Louis Longpre	2	Two
Henry Hollister	2	Two	G. D. Lamarche	4	Four
Phineas Hubberd	10	Ten	Thomas Laing	4	Four
J. M. Hubberd	2	Two	Etienne L'Africain	2	Two
Henry Hubberd	2	Two	C. P. Ladd	4	Four
Hazen Hazeltine	2	Two	Henry Lyman	10	Ten
William Honey	2	Two	H. Lappate	2	Two
Hogue and Deslandes	2	Two	R. Latham	4	Four
James Hutton	4	Four	A. Lavigne	2	Two
Margaret Higgs	6	Six	Toussaint Labelle	2	Two
Mary How	6	Six	Charles E. Levey	100	One Hundred
C. Hager	584	{ Five Hundred & Eighty-four	Joseph Lougee	8	Eight
Richard Harrison	20	Twenty	Benjamin Leberoran	2	Two
Jesse Joseph	10	Ten	Z. G. Legendre	4	Four
Joseph Jones	22	Twenty-two	Willis D. Lamkin	2	Two
F. G. Johnson	4	Four	Eros Lebourveau	2	Two
Ernest Idler	10	Ten	Orson Lindsay	2	Two
Thomas Ireland	2	Two	Adam Loomas	6	Six
James Johnston	4	Four	E. H. Lebanon	2	Two
Pierre Jodoin	10	Ten	Isaac T. Lyndsay	4	Four
Robert Irwin	2	Two	Ralph Lindsay	2	Two
Pierre Jolie	4	Four	Galen Lothrop	2	Two
Henry Jackson	10	Ten	Joshua Lamb	2	Two
James Irwin	4	Four	Thomas Lock	2	Two
Thomas Jenkins	2	Two	Edward Longmore	2	Two
Jonathan Jordan	2	Two	Charles Libbec & William Dresser	2	Two
Reverend C. Jackson	10	Ten	Edwin Lothrop	2	Two
Joseph Ives	2	Two	Francis Loomas	2	Two
Ira Jamieson	2	Two	Erastus Lee	40	Forty
Eli Ives	2	Two	Leon Langmond	2	Two
Henry J. F. Jackson	42	Forty-two	Noah Lawrence	2	Two
Helen Jamieson	6	Six	L. R. Lacoste	2	Two
Robert Kirkup	12	Twelve	J. M. Lamothe	2	Two
Thomas Kay and Company	20	Twenty	Veuve Leclere	2	Two
William Kelly	2	Two	John Lowe	2	Two
H. Kirkpatrick	4	Four	Et. Leclere	2	Two
A. Kierskowski	4	Four	Isaac Langelier	2	Two
A. W. Kendrick	4	Four	L'Esperance	2	Two
A. O. Keillum	10	Ten	F. M. Lemire	2	Two
Sherburn Kesar	2	Two	The Honorable A. N. Morin	40	Forty
Hugh Kennedy	2	Two	Robert Mackay	40	Forty
Ira King	2	Two	P. Malot	2	Two
Simon Kenser	2	Two	J. Macfarlane	4	Four
Edward King	2	Two	The Honorable George Moffat	40	Forty
Ebenezer Kilborne	2	Two	C. S. Monk	20	Twenty
Albert Knight	10	Ten	S. W. Monk	8	Eight
Samuel Knight	4	Four	The Honorable Peter McGill	40	Forty
Alexander Kilborne	20	Twenty	Doctor M. McCulloch	40	Forty
John Keiller	2	Two	Henry Meyer	4	Four
Margaret Kerr	6	Six	Thomas Mussen	6	Six
B. H. LeMoine	4	Four	Henry Mason	4	Four
H. Lionais	4	Four	M. Moses	4	Four
P. Joseph Lacroix	4	Four	Leon Malard	2	Two
J. C. H. Lacroix	4	Four	Joseph Martel	2	Two
Ovide Leblanc	2	Two	Edouard Mercier	2	Two
P. E. Leclere	8	Eight	Joseph H. Mead	6	Six
			Francis McKey	4	Four
Carried forward	9377	Shares.	Carried forward	10133	Shares.

List of Shareholders of the St. Lawrence and Atlantic Railroad Company,—Continued.

Appendix (U. U.)

Appendix (U. U.)

30th August.

30th August.

Brought forward		10133	.....Shares.	Brought forward		10785	.....Shares.
A. Marion	2	Two	"	Alexander McIver	2	Two	"
Louis Marchand	2	Two	"	Thomas McWaters	2	Two	"
J. H. Maitland	4	Four	"	Thomas Molson	66	Sixty-six	"
Robert Morton	4	Four	"	McLean and Wright	10	Ten	"
George McNamee	2	Two	"	Ensèbe Messier	2	Two	"
John E. Mills	20	Twenty	"	John H. R. Molson	24	Twenty-four	"
The Honorable William Morris	10	Ten	"	Claude McCallam	6	Six	"
Michael T. McGrail	4	Four	"	D. Lorn Macdougall	14	Fourteen	"
G. Michon	4	Four	"	Thomas Nye	20	Twenty	"
Archibald Macfarlane	4	Four	"	James Norton	2	Two	"
William Muir, junior	2	Two	"	Doctor W. Nelson	4	Four	"
George Morton	4	Four	"	Arthur Nicholson	4	Four	"
John Macrow	4	Four	"	Henry E. Nicolls	40	Forty	"
Hugh McCulloch	4	Four	"	William Nunn	2	Two	"
F. B. Matthews	2	Two	"	John Orr	4	Four	"
Henry Munro	2	Two	"	André Ouimet	10	Ten	"
Neil McIntosh	2	Two	"	Michael O'Meara	4	Four	"
Patrick Murphy	4	Four	"	Benjamin Ouimet	2	Two	"
Mrs. Major	4	Four	"	William R. Orr	2	Two	"
John McGregor	4	Four	"	John Ostell	10	Ten	"
William Murray	20	Twenty	"	Thomas O'Brien	2	Two	"
Alexander McDonald	2	Two	"	Robert O'Brien	10	Ten	"
James Morrison	2	Two	"	Hubert Paré	20	Twenty	"
M. A. Miller	2	Two	"	A. Prévost	10	Ten	"
Robert Morris	22	Twenty-two	"	Louix Perrault	4	Four	"
E. and H. Merrill	4	Four	"	J. F. Pelletier	8	Eight	"
William Moodie	2	Two	"	Ferdinand Perrin	4	Four	"
Henry Mulholland	2	Two	"	George Platt	8	Eight	"
Charles Mondelet	2	Two	"	Charles Phillips	50	Fifty	"
G. H. Mead	6	Six	"	Henry Peacock	2	Two	"
H. J. Meyer	2	Two	"	C. D. Proctor	6	Six	"
P. P. Martin	2	Two	"	D. E. Papineau	10	Ten	"
George McIver	4	Four	"	John Platt	4	Four	"
R. D. McPherson	2	Two	"	Edward Payne	4	Four	"
Pierre Moreau	4	Four	"	Charles Pigeon	2	Two	"
J. B. Meilleur	4	Four	"	Edward Prentice	2	Two	"
A. Macdonald	2	Two	"	Rev. V. Plinquet	2	Two	"
John McDonald	2	Two	"	Oliver Pichett	6	Six	"
Francis McNamee	2	Two	"	Edward Goff Penny	4	Four	"
Joseph Macnider	4	Four	"	Alfred Prevost	2	Two	"
Michael Moses	4	Four	"	August Perrault	6	Six	"
George Meru	2	Two	"	O. Perrault	4	Four	"
A. McNaughton	2	Two	"	Arthur Perry	2	Two	"
Isaac Moffat, senior	10	Ten	"	William Patton	2	Two	"
Charles Meakins	2	Two	"	Alfred Pinsoenault	20	Twenty	"
Michael Mermagh	2	Two	"	Pierre Paquin	2	Two	"
M. Moses	4	Four	"	James Porteous	4	Four	"
John R. McLaren	2	Two	"	Laira Patton	2	Two	"
John McDonald	2	Two	"	Walter Prendergast	4	Four	"
William S. Moss	2	Two	"	Gilbert Proust	2	Two	"
Bernard Maguire	2	Two	"	Richard Philben	4	Four	"
— Morley	4	Four	"	Joseph Pennoyer	8	Eight	"
Charles McHenry	6	Six	"	Benjamin Pomeroy	40	Forty	"
The Bishop of Montreal	4	Four	"	Andrew Pennoyer	2	Two	"
George McDougal	2	Two	"	Charles Pennoyer	2	Two	"
James Edward Major	4	Four	"	Auldin Phemley	2	Two	"
P. B. Merritt	20	Twenty	"	Alfred G. Parker	4	Four	"
John McBean	20	Twenty	"	Jonathau L. Pool	2	Two	"
Bennet Mann	4	Four	"	John H. Pope	2	Two	"
Allen McDonnell	20	Twenty	"	Caleb Putnay	4	Four	"
D. L. McPherson	10	Ten	"	Lucius D. Pope	2	Two	"
Rev. M. Marcotte	2	Two	"	D. Pitcaithly	2	Two	"
F. N. Malbœuf	2	Two	"	Andrew Patton	2	Two	"
George McDonell	20	Twenty	"	George Pomeroy	2	Two	"
John Moore	20	Twenty	"	James Peasly	4	Four	"
William Morris	4	Four	"	Wilder Pierce	40	Forty	"
A. S. Merrill	2	Two	"	Hazen Pomeroy	6	Six	"
Andrew McCleary	6	Six	"	Quarters Pomeroy	10	Ten	"
John Morse	2	Two	"	Warren Page	2	Two	"
John McCulloch	2	Two	"	Michel Plamondon	2	Two	"
Benjamin Martin	2	Two	"	Joseph Prefontaine	2	Two	"
Morey, Hurd and Company	2	Two	"	— Papineau	2	Two	"
William Mowles	2	Two	"	Joseph Pilotte	2	Two	"
John McConnell	4	Four	"	Charles Picard	2	Two	"
Daniel Martin	2	Two	"	Frederick Ployardt	2	Two	"
Marsh Martin	2	Two	"	F. A. Quesnel	10	Ten	"
John N. Martin	2	Two	"	Rouer Roy	4	Four	"
Ozro Morrill	4	Four	"	A. Rambau	4	Four	"
Hugh H. McGaw	4	Four	"	Robertson, Masson and Company	40	Forty	"
James McGaw	2	Two	"	Andrew Robertson	2	Two	"
D. W. Mack	4	Four	"	Thomas Rattray	4	Four	"
Henry McGaffer	2	Two	"	Euclide Roy	4	Four	"
Daniel Mansum	6	Six	"	Mrs. Colin Russell	10	Ten	"
W. H. McCullough	2	Two	"	William Rodden	10	Ten	"
William McGaffrey	2	Two	"	Elizabeth Robertson	10	Ten	"
D. G. Morrison	4	Four	"	William Robinson	4	Four	"
Sir D. McDougal	20	Twenty	"	L. A. Robitaille	2	Two	"
William Molson	208	Two hun'd & eight	"	Elizabeth L. Russell	2	Two	"
Edward Maitland, Tylee & Co.	10	Ten	"	Joseph Ross	4	Four	"
Carried forward	10785	.....Shares.		Carried forward	11485	.....Shares.	

List of Shareholders of the St. Lawrence and Atlantic Railroad Company,—Continued.

30th August.		11485	.....Shares.	Brought forward.....	12043	.....Shares.	30th August.
	Brought forward.....	11485	.....Shares.	Brought forward.....	12043	.....Shares.	
	David Rea	4	Four	James Scott	10	Ten	
	G. Reinhardt	4	Four	Heirs of Mrs. Janet Smith	6	Six	
	Jean Baptiste Rollin	2	Two	Henry S. Scott, Tutor to Minors Scott	2	Two	
	Alexander Ronald	2	Two	John Shuter	20	Twenty	
	François Ricard	2	Two	John Torrance and Co.....	40	Forty	
	George Roy	2	Two	John Torrance	40	Forty	
	Hypolite Raza	2	Two	John M. Tobin	10	Ten	
	John Riddle	4	Four	Tait, Fowler and Co	20	Twenty	
	Louis Renaud	4	Four	Hugh Taylor	20	Twenty	
	Jean Baptiste Renaud	2	Two	Thomas M. Taylor	20	Twenty	
	Alexander Roy	4	Four	William Thomson	2	Two	
	Alexander Rea	10	Ten	Hugh Thomson	4	Four	
	William Ritchie	4	Four	J. B. Tison	4	Four	
	George Rea	2	Two	Major Taylor	6	Six	
	Salvin Richardson	2	Two	Ives Tessier	2	Two	
	Henry Richardson	2	Two	J. B. Thomas	2	Two	
	Samuel Richardson	2	Two	François Trudeau	4	Four	
	A. D. Rand	2	Two	Joseph Tiffin	12	Twelve	
	Simon F. Rankin	2	Two	John Thompson	4	Four	
	Joseph H. Rankin	2	Two	A. Trudeau.....	2	Two	
	C. P. Reid	4	Four	Homer Taylor.....	4	Four	
	C. A. Richardson	2	Two	William Thompson	8	Eight	
	Lewis E. Rose	50	Fifty	Veuve François Toupin.....	6	Six	
	George H. Rose	2	Two	A. D. Taylor	6	Six	
	Donald Ross	2	Two	Thomson and Son	2	Two	
	Pierre Robitaille.....	2	Two	Joel Tilden	2	Two	
	Patrick Roe.....	2	Two	Mitchell Taylor	2	Two	
	Joseph Savage	8	Eight	Samuel L. Terrill	2	Two	
	Alfred Savage	4	Four	Samuel Tuck	2	Two	
	Charles E. Shieler	10	Ten	John Thornton	2	Two	
	Andrew Shaw	2	Two	Henry Towle	2	Two	
	Joseph Shuter.....	20	Twenty	Robert Frenholm	2	Two	
	Thomas A. Stayner	84	Eighty-four	Joseph H. Territt	2	Two	
	Fleury St. Jean	8	Eight	Charles Towle	2	Two	
	L. V. Sicotte	6	Six	James Thomson.....	2	Two	
	The Hon. James Smith.....	20	Twenty	Timothy Taylor	2	Two	
	H. B. Smith	4	Four	Sith Taylor	6	Six	
	Siméon and Terroux	4	Four	Albe Tife	2	Two	
	D. Senecal	2	Two	James Torrance	4	Four	
	J. H. Springle	10	Ten	J. V. Tetu	2	Two	
	John Smith	10	Ten	Mrs. Hugh Tyre	12	Twelve	
	Charles Smith	2	Two	James Tyre	6	Six	
	William Snyder	2	Two	J. T. Tetu	2	Two	
	Rice Sharpley	4	Four	Robert Unwin.....	4	Four	
	D. Savage	2	Two	Thomas Ure	4	Four	
	Jean Baptiste Sancer	4	Four	Elizabeth Ure.....	6	Six	
	William Smith	4	Four	Louis Voligny.....	4	Four	
	Sims and Colman	10	Ten	Voligny	4	Four	
	Amable Simard	4	Four	Narcissc Vulois	4	Four	
	S. C. Sewell	2	Two	The Hon. L. M. Viger	8	Eight	
	Eusèbe Séné	2	Two	Joseph Vallée.....	6	Six	
	A. B. Stewart	10	Ten	Rev. J. J. Vinet.....	10	Ten	
	Dugald Stewart	10	Ten	Frederick Veit	2	Two	
	Jacob Steller	4	Four	Robert Vincent	2	Two	
	James Smith	4	Four	Robert Weir and Company	20	Twenty	
	Doctor H. P. Smith	10	Ten	H. H. Whitney and Company	4	Four	
	Joseph Saggi-on	2	Two	Cand G. Wright.....	8	Eight	
	A. Stevenson	2	Two	Miles Williams	20	Twenty	
	George Stacey	2	Two	G. D. Watson.....	2	Two	
	Daniel Sutherland	2	Two	Charles Wilson	6	Six	
	H. St. Amour	2	Two	George H. Wheeler	2	Two	
	James Scott	4	Four	A. Wilcott	2	Two	
	Thomas Steers	6	Six	Edward Wilson	2	Two	
	G. B. Symes	100	One hundred	John Whitlaw.....	2	Two	
	Hollis Smith	10	Ten	Thomas Wallace.....	2	Two	
	Thomas Steel	10	Ten	M. White and Company	4	Four	
	Arba Stinson	10	Ten	John James White.....	4	Four	
	G. G. Stevens	2	Two	George Weeks.....	4	Four	
	Sidney Spafford	2	Two	Benjamin Workman	2	Two	
	Jonathan Snow	2	Two	John Wood and Son	2	Two	
	Joel P. Smith	2	Two	Thomas Watson.....	2	Two	
	Joseph Smith	4	Four	Charles E. Wurtle.....	4	Four	
	William H. Stuart	2	Two	Luke Wadleigh	2	Two	
	J. B. Shirliff	4	Four	Chester Woodward	2	Two	
	David G. Sloan	2	Two	Paul Whitecomb	2	Two	
	C. E. Stinson	2	Two	Richard Wilford.....	2	Two	
	Ichabod Smith	10	Ten	Sylvester Wheeler	4	Four	
	Levi Spalding	4	Four	William Walker	4	Four	
	Joel Smith	2	Two	John Wadleigh	4	Four	
	William Smith	4	Four	Joseph S. Walton	8	Eight	
	Jean Baptiste St. Denis	2	Two	Eli White.....	2	Two	
	Pierre Soly	2	Two	Willard and Goodall	2	Two	
	Robert Smith	10	Ten	Daniel Way.....	2	Two	
	Sir George Simpson	44	Forty-four	David White	2	Two	
	Margaret Stuart	2	Two	Calvin Wilcox.....	2	Two	
	Executors of William Smith.....	4	Four	Luther Wilcox	2	Two	
	L. Schmetz	2	Two	Calvin Wilcox, junr	2	Two	
	C. W. Starnes	8	Eight	E. D. Whiteber	2	Two	
	Rev. Benjamin Slight.....	2	Two				
	Carried forward	12043Shares.	Carried forward	12545Shares.	

Appendix
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Appendix
(U. U.)

List of Shareholders of the St. Lawrence and Atlantic Railroad Company.—Continued.

30th August.

30th August.

Brought forward.....	12725	.....Shares.	Brought forward.....	12779	.....Shares.
F. Whitaker	2	Two	Thomas Watson.....	4	Four
Edward Worth	2	Two	George Young.....	2	Two
John Webster, junr	2	Two	David Young	2	Two
W. W. Wadleigh	2	Two	John Young	44	Forty-four
Benjamin Wyman	2	Two	Albert Young.....	-2	Two
William Whiteford.....	6	Six	James Young	2	Two
Arthur C. Webster.....	38	Thirty-eight	John Zeigler	4	Four
Carried forward	12779	.....Shares.	Shares	12839	£320,975.

Twelve thousand eight hundred and thirty-nine Shares of £25 each, making a total of three hundred and twenty thousand nine hundred and seventy-five pounds—all called in.

Certified.

A. C. WEBSTER,
Secretary.

Office of the St. Lawrence and Atlantic Railroad Company,
MONTREAL, 8th August, 1851.

Preferential Shareholders of the St. Lawrence and Atlantic Railroad Company.—6th August, 1851.

The City of Montreal	5000	Five thousand Shares.
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Five thousand Shares of £25 each, making a total of one hundred and twenty-five thousand pounds—all called in.

Certified.

A. C. WEBSTER,
Secretary.

Office of the St. Lawrence and Atlantic Railroad Company,
MONTREAL, 8th August, 1851.

Abstract from the Books of the St. Lawrence and Atlantic Railroad Company.—6th August, 1851.

Shares subscribed	12839	@ £25 each	£	s.	d.
Preferential Shares subscribed.....	5000		320975	0	0
Total number of Shares subscribed.....	17839		125000	0	0
Amounting to			£ 445975	0	0
The whole of which has been called in and paid up by the subscribers respectively, except an aggregate balance of.....			34884	10	10
The amount realized by the Company from Shares of Stock subscribed and paid up prior to 6th August, 1851, is four hundred and eleven thousand and ninety pounds nine shillings and two pence.....			£411090	9	2

Certified.

A. C. WEBSTER,
Secretary.

Office of the St. Lawrence and Atlantic Railroad Company,
MONTREAL, 8th August, 1851.

Shares in the Stock of the St. Lawrence and Atlantic Railroad Company, subscribed since the 30th May, 1849

Black, Wood and Co.	4739	Four thousand seven hundred and thirty-nine.
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Four thousand seven hundred and thirty-nine Shares at £25 each—all called in and paid up; making a total sum of one hundred and eighteen thousand four hundred and seventy-five pounds.

Certified.

A. C. WEBSTER,
Secretary.

Office of the St. Lawrence and Atlantic Railroad Company,
MONTREAL, 19th August, 1851.

Preferential Shares in the Stock of the St. Lawrence and Atlantic Railroad Company, subscribed since the 30th May, 1849.

The City of Montreal	5000	Five thousand.
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Five thousand Shares of £25 each—all called in, and paid up; making a total sum of one hundred and twenty-five thousand pounds.

Certified.

A. C. WEBSTER,
Secretary.

Office of the St. Lawrence and Atlantic Railroad Company,
MONTREAL, 19th August, 1851.

Note.—A considerable amount of Stock has been carried to the credit of the Contractors for work done since I gave my evidence before the Committee.

JOHN YOUNG,
Vice-President.

C.

QUEBEC AND RICHMOND RAILWAY.

No. 1.

RETURN to an Order of the Standing Committee of the Legislative Assembly on Railroads and Telegraph Lines,—of the names of the Shareholders, and amount of Stock subscribed in this Company.

Name.	Residence.	No. of Shares.	Amount.	
			£	s.
Anderson and Paradis	Quebec	10	125	0
Andrews, Frederick	do	2	25	0
Andrews, F. H.	do	1	12	10
Angers, Fis. Réal	do	10	125	0
Armstrong, William	do	2	25	0
Ardouin, George.....	do	2	25	0
Ardouin, C. J.....	do	1	12	10
Atkinson, Henry	Spencer Wood.....	10	125	0
Auld, Joseph	Quebec	10	125	0
Baillaige, P. F. X.....	do	1	12	10
Baldwin, William	do	2	25	0
Baril, Eustache	Arthabaska	1	12	10
Beaudoin, André	Somerset	1	12	10
Beaudoin, Charles	do	1	12	10
Beaumont, The Rev. P.....	St. Jean	2	25	0
Bayne, D.....	Leeds	2	25	0
Benson, W. J. Chapman, & Thos. Benson, } Esq., Executor	New Liverpool	80	1030	0
Bennett, Benson.....	Quebec	1	12	10
Benjamin, Henry	do	6	62	10
Bellenu, F. N.....	do	1	12	10
Burray, Daniel	Leeds	1	12	10
Bickell, Thomas.....	Quebec	1	12	10
Bissett, George	do	2	25	0
Bilodeau, Louis	do	4	50	0
Bosse, J. B.....	do	2	25	0
Bois, Fabien	do	1	12	10
Borrowman, Alexander	do	1	12	10
Boisvert, Joseph.....	Warwick	1	12	10
Boisvert, Joseph.....	Drummondville	1	12	10
Bourke, Pierre dit	Somerset	10	125	0
Briset, Michel.....	do	1	12	10
Bouchereau, Moise.....	do	1	12	10
Browne, Sackville	Kingsey	2	25	0
Brown, Robert	Quebec	1	12	10
Bourke, Jean Bpte.	Somerset	1	12	10
Brown, William	Quebec	1	12	10
Brothers, Luke	do	1	12	10
Buchanan, A. C.....	do	2	25	0
Burnet, David.....	do	4	50	0
Burroughs, Edward	do	10	125	0
Burstall, Edward	do	10	125	0
Bignell, William	do	2	25	0
Brockelsby, Henry	do	2	25	0
Blacklock, George	do	2	25	0
Blight, William	do	1	12	10
Beswick, George.....	do	10	125	0
Boisvert, Pierre	Warwick	1	12	10
Boisvert, Narcisse	do	1	12	10
——— Joseph	Somerset	1	12	10
Boisvert, P.....	Stanford	2	25	0
Brousseau, J.....	Quebec	1	12	10
Brousseau, L.....	do	1	12	10
Caron, The Hon. René E. (President)	do	10	125	0
Campbell, Archibald, senr.....	do	10	125	0
Campbell, Archibald, junr.....	do	2	25	0
Campbell, William D.	do	1	12	10
Campbell, John	Inverness	2	25	0
Cassidy, Brothets	Kingsey	2	25	0
Carrier, François	Quebec	2	25	0
Carrier, Joseph	do	1	12	10
Casey, Thomas	do	5	62	10
Carbonneau, Jean Bpte.....	Drummondville	1	12	10
Casault, N.....	Quebec	2	25	0
Caulfield.....	do	2	25	0
Chabot, The Hon. J.....	do	4	50	0
Chauveau, J. P. O.....	do	4	50	0
Cowherd, Samuel	Barnston	20	250	0
Chandonnais, Paul.....	Stanford	1	12	10
Chalmers, James	Quebec	2	25	0
Chartrain, Olivier	Drummondville	1	12	10
Chipchase, John.....	Quebec	2	25	0
Chretien, F.....	do	2	25	0
Chinic	do	4	50	0
Clarke, Peter	do	1	12	10
Clarke, Andrew	do	1	12	10
Clarke, Charles	Commissariat	1	12	10
Cleveland, C. B.....	Richmond	2	25	0
Carried forward		311	3887	10

Appendix
(U. U.)

List of Shareholders of the Quebec and Richmond Railway,—Continued.

Appendix
(U. U.)

30th August.

30th August.

Name.	Residence.	No. of Shares.	Amount.	
			£	s.
	Brought forward	311	3887	10
Cleveland, C. B. junr.....	Danville	10	125	0
Clint, J. H.....	Quebec	2	25	0
Cloutier, Michel.....	Somerset	1	12	10
Cole, William.....	Quebec	2	25	0
Cote and Co	do	2	25	0
Cook, S.	Leeds	2	25	0
Collford, John	Quebec	2	25	0
Cook, Valentine	Drummondville	2	25	0
Craig, George.....	Leeds	1	12	10
Cox, Colonel	Kingsey	2	25	0
Craig, Thomas	Quebec	2	25	0
Crawford, Acheson	do	1	12	10
Coughlin, Richard	do	1	12	10
Comptois, Prosper	Somerset	1	12	10
Cremaize, H. O	Quebec	4	50	0
Chapman, William.....	London, England	20	250	0
Dalkin, H. S.	Quebec	4	50	0
Dalkin, Edward	do	4	50	0
Dawson, William	do	2	25	0
Dean, James	do	5	62	10
Demers, Modeste	Somerset	1	12	10
Daniels, Samuel	Shipton.....	1	12	10
Dinning, William	Quebec	2	25	0
De Foy, Charles.....	do	1	12	10
Dorval, Alexis	do	2	25	0
Dojon and Garneau	do	2	25	0
Douglas, Dr. James	do	5	62	10
Douglas, Dr. George	do	8	100	0
Donnelly, Daniel	do	1	12	10
Duchesnay, Antoine J	do	5	62	10
Daublin, L. B.	do	1	12	10
Dumas, Germain	Somerset	1	12	10
Dorian, Isaac	Quebec	2	25	0
Dunn, Timothy H.....	do	1	12	10
Dubord, H.....	do	2	25	0
Dussault, J. T., dit	do	1	12	10
Drapeau, Noël	Somerset	1	12	10
Drum, William	Quebec	1	12	10
Doran, William	do	2	25	0
Desjard, S. A	Stanford	2	25	0
Eadon, William	Quebec	2	25	0
Evanturelle, F., junr	do	4	50	0
Felton, William L.....	Ascot	2	25	0
Fiset, L.	Quebec	2	25	0
Flint, B. J.	Shipton.....	2	25	0
Flint, Simon	do	2	25	0
Flint, Rendall.....	do	1	12	10
Forsey, F. X.	Quebec	1	12	10
Fraser, John Malcolm	do	2	25	0
Fraser, Alexander	do	2	25	0
Frechette, J. Bpte.....	do	1	12	10
Freer, Noah	do	5	62	10
Foster, George R. (Director)	Richmond	10	125	0
Forsyth, James Bell, (Director)	Quebec	10	125	0
Frye, A.	Windsor	1	12	10
Forsyth, Joseph Bell	Quebec	1	12	10
Fitch, George	do	1	12	10
Gagne, A.....	Etchemin	2	25	0
Gahan, Thomas	Quebec	5	62	10
Garneau, Gaspard	do	1	12	10
Gauthier, F. O.	do	1	12	10
Gauvin, Joseph	do	1	12	10
Gaffry, Thomas	Shipton.....	1	12	10
Gibb, James	Quebec	10	125	0
Giblin, John	do	1	12	10
Gillard, William	do	1	12	10
Girouard, Joseph, jun.	Stanford	2	25	0
Goulette, Francois.....	Arthabaska	1	12	10
Giroux, O. Pierre	Quebec	2	25	0
Glover and Fry	do	5	62	10
Garneau, Bernard	Warwick	2	25	0
Gosselin, Guillaume	Somerset	10	125	0
Gowen, Hamond.....	Quebec	4	50	0
Graham, Henry	Drummondville	1	12	10
Greig, Robert	Quebec	1	12	10
Griffin, Thomas	do	1	12	10
Guerard, Louis	do	2	25	0
Grondon, Toussant.....	Somerset	1	12	10
Glass, Thomas	Inverness	1	12	10
Griffin, William H.....	Quebec	2	25	0
Gauthier Augustin.....	do	1	12	10
Girouard, Francois.....	Stanford	1	12	10
Groves, John	Inverness	2	25	0
	Carried forward	534	6674	0

Appendix
(U. U.)

List of Shareholders of the Quebec and Richmond Railway,—Continued.

Appendix
(U. U.)

30th August.

30th August.

Name.	Residence.	No. of Shares.	Amount.	
			£	s.
Brought forward		534	6674	0
Hale, Jeffery	Quebec	6	62	10
Hall, H. G.	Leeds	2	25	0
Hamel, J.	Quebec	1	12	10
Hamel and Frère	do	4	50	0
Hardy, J. B.	do	1	12	10
Hardy, John	Melbourne	2	25	0
Hargrave, James	Leeds	2	25	0
Harvey, John	Warwick	4	60	0
Hawkins, Alfred	Quebec	2	25	0
Healy, William	Richmond	1	12	10
Healy, Alexander	do	1	12	10
Hébert Noël	Arthabaska	1	12	10
Herbert, J. Théophile	do	1	12	10
Healy, John	Shipton	1	12	10
Hearn, Patrick	Quebec	1	12	10
Henderson, W. S.	do	10	125	0
Henderson, George	do	1	12	10
Henry, J. W.	do	4		0
Héroux, Olivier	Arthabaska	1		10
Holehouse, William	Quebec	2	25	0
Hoogs, W. H.	do	4	50	0
Hould, Isadore	Stanford	1	12	10
Hould, Isaac	do	2	25	0
Huard, Benjamin	Somerset	1	12	10
Hunt, Josiah	Quebec	2	25	0
Hunt, The Heirs	do	10	125	0
Hamel, Joseph	Cap Rouge	2	25	0
Hould, Landry	Stanford	1	12	10
Hossack, J.	Quebec	2	25	0
Hemming, A.	do	2	25	0
Jeffery, Thomas	do	1	12	10
Jeffery, Wm. H.	do	5	62	10
Johnstone, Francis	do	1	12	10
Joly, Le Sieur Gustave P.	Lotbinière	110	1375	0
Jones, John	Quebec	10	125	0
Jones, William	Drummondville	1	12	10
Jones, H. N.	Quebec	5	62	10
Joseph and Co.	do	4	50	0
Jordan, Widow E.	do	1	12	10
Kane, John	do	1	12	10
Kelley, Daniel	do	1	12	10
Kelly, Thaddeus	do	2	25	0
King, Samuel	do	1	12	10
Labranche, Joseph	Kingsey	1	12	10
Lackey, John	Grantham	2	25	0
Lafond, Moyses	do	1	12	10
Lahaye, George	do	1	12	10
Lampson, William	Quebec	20	250	0
Langevin, C. F.	do	4	50	0
Langlois, J.	do	2	25	0
Langlois, Peter, junr.	do	10	125	0
Leycraft, J. W.	do	2	25	0
LaRivière, Thomas	do	1	12	10
Laqueux, Edouard	Etchmin	2	25	0
LaFurgy, S. D.	do	2	25	0
Lee, Thomas Conrad	Quebec	2	25	0
Lee, John and Co	Leeds	1	12	10
Lemesurier Henry, (Director)	Quebec	10	125	0
LeMay, Anotole	Stanford	1	12	10
Lemieux, F., M. P. P.	Quebec	10	125	0
LeMoine, A.	do	1	12	10
Lepper, Paul	do	2	25	0
Lesperance, Alex.	Grantham	2	25	0
Lindsay, Errol B.	Quebec	2	25	0
Lissons, Robert	New Liverpool	2	25	0
Lillois, J. F.	Quebec	1	12	10
Lloyd, Thomas W., (Director)	do	10	125	0
Lambert, Pierre	St. Nicholas	2	25	0
Lynnet, Patrick	Quebec	1	12	10
Lamothe, Augustin	Somerset	10	125	0
Leith, John	Inverness	1	12	10
Lachance, F.	Quebec	2	25	0
Lemay, Gilbert	Stanford	2	25	0
Legaré, Henry	do	1	12	10
Maguire, D.	Quebec	1	12	10
Mahony, B.	do	1	12	10
Mackie, George, Rev. Dr.	do	5	62	10
Massue, Hon. Louis	do	2	25	0
Marler, G. L.	Drummondville	10	125	0
Martineau, S. F. and M.	Quebec	2	25	0
MacPhee, John	do	2	25	0
Mackey, William	do	1	12	10
Carried forward		886	11074	0

List of Shareholders of the Quebec and Richmond Railway,—Continued.

Appendix (U. U.)		Appendix (U. U.)			
30th August.	Name.	Residence.	No. of Shares.	Amount.	30th August.
				£	s.
		Brought forward	886	11075	0
	MacPhee, James	Quebec	5	62	10
	Maxwell, George	do	1	12	10
	McCaffrey, Hugh	Grantham	4	50	0
	McCaig, Thomas	Wickham	1	12	10
	McCallum, D.	Quebec	5	62	10
	McDonald, Angus	Portneuf	10	125	0
	McDonald, S.	Drummondville	1	12	10
	McDonnell, M.	Quebec	1	12	10
	McDougall, James	do	2	25	0
	McElroy, Thomas	do	1	12	10
	McHugh, Patrick	do	1	12	10
	McKenna, James	do	5	62	10
	McLenn, Thomas	do	2	25	0
	McNaughton, John	New Liverpool	2	25	0
	McTear, Hugh	Leeds	10	125	0
	Mercier, Frederick	Somerset	1	12	10
	Mercier, D.	Quebec	2	25	0
	Merrick, F.	do	1	12	10
	Millar, Robert J.	Drummondville	1	12	10
	Menut, Henry	do	1	12	10
	Melrose, D. E.	Quebec	2	25	0
	Méthot, Honble. Louis	do	10	125	0
	Méthot, F. X.	do	9	112	10
	Millar, George W.	Drummondville	10	125	0
	Millar, R.	do	1	12	10
	McEachem, Donald	Inverness, St. Agathe	2	25	0
	Mountain, M. G.	Quebec	4	50	0
	Mackie, Edmund P.	do	2	25	0
	Montzambert, Edward	Montreal	8	100	0
	Murray, John	Quebec	1	12	10
	Murphy, J. M.	do	1	12	10
	Munroe, William	Cap Rouge	2	25	0
	McLenn, Allan	Inverness	10	125	0
	McKillop, Peter	do	10	125	0
	Mercier, D.	Quebec	2	25	0
	Muir, George William	Glasgow, Scotland	20	250	0
	McDonald, Charles	Quebec	2	25	0
	Murphy, Peter	do	1	12	10
	Nairn, John	Murray Bay	5	62	10
	Nault, Augustin	Stanford	1	12	10
	Nond, H. J.	Quebec	10	125	0
	Normand, Jacques	do	4	50	0
	Nolin, Patrick	do	1	12	10
	Neil, John	Nelson, Inverness	1	12	10
	O'Brien, Patrick	Quebec	2	25	0
	O'Connell, James	do	4	50	0
	O'Connell, Thomas	do	1	12	10
	Oliver, Thomas H.	do	25	312	10
	Oliver, James G.	do	4	50	0
	O'Malley, Andrew	do	2	25	0
	O'Neil, William	do	1	12	10
	O'Brien, William	do	1	12	10
	Paterson, Peter, & G. B. Hall, executor	Montmorency	115	1437	10
	Poitras, Pierre H.	Quebec	4	50	0
	Parant, Rev. Antoine	do	2	25	0
	Paradis, François Xavier	do	10	125	0
	Paradis, Laurent L.	do	10	125	0
	Parrotti, Ambrose	do	2	25	0
	Pratte, Frs. Xavier	Stanford	10	125	0
	Parent, Ant. A.	Quebec	2	25	0
	Parke, G. H.	do	2	25	0
	Paterson, Young and Co.	do	10	125	0
	Paterson, William	do	4	50	0
	Panet, Charles	do	1	12	10
	Parke, Andrew	do	1	12	10
	Patton, Duncan	do	1	12	10
	Parkin, John B.	do	4	50	0
	Peebles, Phillip	do	2	25	0
	Petry, William	do	10	125	0
	Peters, Simon	do	2	25	0
	Perkins, Stephen	Shipton	1	12	10
	Peniston, Richard	Quebec	1	12	10
	Pentland, W. G.	do	2	25	0
	Pinard, Felix	Grantham	1	12	10
	Perigard, Jean Verre, dit	do	1	12	10
	Pope, Thomas	Quebec	1	12	10
	Poston, Charles	do	1	12	10
	Poston, William	do	2	25	0
	Poudrier, Gilbert Lemay	Stanford	2	25	0
	Poudrier, F. L.	Somerset	10	125	0
	Potts, E., and Co.	Quebec	1	12	10
	Prevost, Louis	do	1	12	10
	Phillippe, E. De.	do	1	12	10
	Carried forward		1319	16487	10

List of Shurcholders of the Quebec and Richmond Railway,—Continued.

Appendix
(U. U.)Appendix
(U. U.)

30th August.

30th August.

Name.	Residence.	No. of Shares.	Amount.	
			£	s.
	Brought forward	1319	16487	10
Plunket, M.....	Quebec	2	25	0
Power, Richard	do	1	12	10
Powell, William	Inverness	2	25	0
Price, William.....	Quebec	10	125	0
Patton, William.....	do	2	25	0
Pope, Francis	Warwick	1	12	10
Prince, J. B.....	Stanford	1	12	10
Pelletier, Amable	Quebec	1	12	10
Patterson, Hugh.....	do	1	12	10
Pooler, Brothers.....	do	2	25	0
Price, Thomas	Stanford	2	25	0
Quinn, William	Quebec	1	12	10
Rhodes, William, Captain, (Director).....	Quebec	10	125	0
Roach, Dominick	do	2	25	0
Roach, Nicholas.....	do	1	12	10
Robe, John.....	do	1	12	10
Robert, Roberts	New Liverpool.....	5	62	10
Ross, Dunbar, M. P. P.....	Quebec	10	125	0
Ross, Rev. G. M.,	Drummondville	2	25	0
Ross, John	Quebec	4	50	0
Roy, William Henry	do	4	50	0
Rourke, Francis	do	1	12	10
Ross, Margaret	do	1	12	10
Russell, Willis.....	do	10	125	0
Russell, R. H., (Chief of Police)	do	1	12	10
Rynn, Edward.....	do	5	62	10
Rousseau, François.....	Somerset	1	12	10
Richard, Louis	Stanford	3	37	10
Ramsay, William	Quebec	1	12	10
Sadlier, Thomas	Workham.....	1	12	10
Scott, Michael	Cap Rouge	10	125	0
Scott, Henry S.	Quebec	8	100	0
Sewell, Dr James	do	4	50	0
Sewell, John, Colonel.....	do	2	25	0
Sharples, John.....	do	2	25	0
Sheppard, Honorable Wm.	Wendover	3	37	10
Shaw, Robert	Quebec	1	12	10
Shaw, Richard J.....	do	2	25	0
Simard, George H., (Director).....	do	10	125	0
Sinjohn, Thomas.....	do	1	12	10
Smeaton, Alexander	do	1	12	10
Sleeper, Lewis.....	do	1	12	10
Smith, Thornton.....	do	5	62	10
Smith, John.....	Leeds	10	125	0
Smith, James	Shipton.....	2	25	0
Sinclair, Peter.....	Quebec	2	25	0
Steuart, D. R., (Director).....	do	10	125	0
Stuart, Andrew	do	8	100	0
Stewart, Chrs Grey	do	5	62	10
Stévanson, Michael.....	do	10	125	0
Stevenson, Matthew	do	1	12	10
Stevenson, William.....	do	10	125	0
Stavelly, Edward.....	do	2	25	0
Symes, George Burns.....	do	10	125	0
Symes, Robert.....	do	1	12	10
Sewell, William	do	5	62	10
Taschereau, J. A.	do	3	37	10
Tait, Thomas	Melbourne	10	125	0
Taylor, E. and J.....	Quebec	10	125	0
Temple, Henry	do	1	12	10
Terrien, Nicolas	Arthabaska	1	12	10
Terrien, Guillaume.....	do	1	12	10
Tessier, U. J.....	Quebec	4	50	0
Tetu, Lurent and Cyrus.....	do	4	50	0
Tibbets, James	do	1	12	10
Tiernay, Michael.....	do	1	12	10
Tilstone, W. H.	do	2	25	0
Thibaudeau, E. M.....	do	4	50	0
Thompson, James	New Liverpool.....	2	25	0
Trudelle, J. B.....	Quebec	1	12	10
Toomey, Edward	Grantham	2	25	0
Turner, James	Quebec	2	25	0
Tweedell, Thomas	do	1	12	10
Tweedell, John.....	do	2	25	0
Taschereau, J. Thomas.....	do	4	50	0
Valleau, William B.....	do	2	25	0
Vaughan, David	do	1	12	10
Vachon, J. B.	New Liverpool.....	2	25	0
Von Exter, J.....	Quebec	4	50	0
Wadleigh, W. W.....	Kingsey Falls	1	12	10
Wales, William	Warwick	1	12	10
	Carried forward	1601	20012	10

Appendix
(U. U.)

List of Shareholders of the Quebec and Richmond Railway,—Continued.

Appendix
(U. U.)

30th August.

30th August.

Name.	Residence.	No. of Shares.	Amount.	
			£	s.
Wainwright, Richard.....	Brought forward	1601	20012	0
Walker, Hon. William	Quebec	2	25	10
Watts, R. N., M. P. P., (Director)	do	10	125	0
Ware, William	Drummondville	20	250	0
Wilson, Matthews J.	Quebec	2	25	0
Whitecomp, Silas.	do	2	25	0
Wurtele, Christian.....	Shipton	1	12	10
Wurtele, William.....	Quebec	10	125	0
Wolff, James F.	do	3	37	10
Wyse, Frederick.....	do	1	12	10
Wyat, Jeffery	do	1	12	10
Worrall, Joseph	do	2	25	0
Wales, Nathaniel S.	do	1	12	10
	Warwick	1	12	10
Young, David Douglas	Quebec	4	50	0
Young, James R.....	do	2	25	0
Paterson, Peter	"One Hundred and Forty Shares" are held by these in trust for parties in the Townships. To be reduced as the names of Subscribers are sent in	140	1750	0
Forsyth, James Bell				
Henderson, W. S.				
Lampson, William				
Lloyd, Thomas W.....				
Steuart, David R.				
Scott, Michael				
Jones, John.....				
Angers, F. Réal				
		1803	22537	10

E. P. MACKIE,
Secretary.

QUEBEC, August 14th, 1851.

D.

RETURN of the amount of Stock subscribed in the Brantford and Buffalo Joint Stock Railroad Company—
the names of Shareholders—and amount paid thereon.

Names of Shareholders.	No. of Shares.	Amount.	Amount paid, being 1st instalment of 6 per cent.
		£ s. d.	£ s. d.
P. C. Vanboecklin.....	50	250 0 0	15 0 0
John Lovejoy.....	75	375 0 0	22 10 0
M. H. Pruyn.....	20	100 0 0	6 0 0
W. H. Clark	15	75 0 0	4 10 0
Henry Lemon.....	25	125 0 0	7 10 0
Sutherland Griffin	12	60 0 0	3 12 0
John Kerby	50	250 0 0	15 0 0
Southworth Cole	10	50 0 0	3 0 0
Archibald Gilkison	20	100 0 0	6 0 0
James Kerby	20	100 0 0	6 0 0
Wellesley Johnstone.....	20	100 0 0	6 0 0
Abraham Kerby.....	10	50 0 0	3 0 0
Daniel M. Gilkison	25	125 0 0	7 10 0
Andrew Higginbotham	11	55 0 0	3 6 0
Duncan McKay.....	10	50 0 0	3 0 0
Ebenezer Roy	10	50 0 0	3 0 0
Alexander Kirkland	10	50 0 0	3 0 0
Henry Racey	5	25 0 0	1 10 0
Francis H. Leonard	5	25 0 0	1 10 0
Walter Rubidge.....	10	50 0 0	3 0 0
Reginald Henwood	10	50 0 0	3 0 0
John Turner	10	50 0 0	3 0 0
Thomas Swan	10	50 0 0	3 0 0
David Christie	10	50 0 0	3 0 0
James F. Mair	10	50 0 0	3 0 0
John M. Colver	20	100 0 0	6 0 0
A. B. Bennett	25	125 0 0	7 10 0
Arunah Huntington	150	750 0 0	45 0 0
Ignatius Cockshutt	150	750 0 0	45 0 0
George S. Wilkes	100	500 0 0	30 0 0
John A. Wilkes	50	250 0 0	15 0 0
Richard K. Strowbridge	25	125 0 0	7 10 0
Carried forward	983	4810 0 0	304 18 0

Appendix
(U. U.)

List of Shareholders of the Brantford and Buffalo Joint Stock Railroad Company,—Continued.

Appendix
(U. U.)

30th August.

30th August.

Name of Shareholders.	No. of Shares.	Amount.	Amount paid, being 1st instalment of 6 per cent.
		£ s. d.	£ s. d.
Brought forward.....	983	4810 0 0	804 18 0
Thomas Botham.....	20	100 0 0	6 0 0
James Christie.....	25	125 0 0	7 10 0
Allan Cleghorne.....	20	100 0 0	6 0 0
Frederick F. Wilkes.....	50	250 0 0	15 0 0
John Comerford.....	15	75 0 0	4 10 0
Allan Good.....	5	25 0 0	1 10 0
Francis Foster.....	10	50 0 0	3 0 0
Abraham K. Smith.....	25	125 0 0	7 10 0
Joel B. Hayden.....	5	25 0 0	1 10 0
Jonathan Hale.....	5	25 0 0	1 10 0
James Moore.....	5	25 0 0	1 10 0
Henry Yardington.....	50	250 0 0	15 0 0
Peter Jones.....	20	100 0 0	6 0 0
George Babcock.....	40	200 0 0	12 0 0
Henry A. Hardy.....	5	25 0 0	1 10 0
Alfred Digby.....	10	50 0 0	3 0 0
Thomas Grantham.....	50	250 0 0	15 0 0
Alexander Dickie.....	5	25 0 0	1 10 0
Charles C. Dickson.....	10	50 0 0	3 0 0
Henry Meyers.....	5	25 0 0	1 10 0
Clement G. Hanning.....	20	100 0 0	6 0 0
Robert R. Bown.....	10	50 0 0	3 0 0
Joseph D. Clement.....	20	100 0 0	6 0 0
William McIntyre.....	6	30 0 0	1 16 0
Garett Terhune.....	5	25 0 0	1 10 0
A. Brownson.....	40	200 0 0	12 0 0
William Thompson.....	20	100 0 0	6 0 0
L. S. Wetherby.....	20	100 0 0	6 0 0
Hezekiah Davis.....	40	200 0 0	12 0 0
Lyman Chapin.....	25	125 0 0	7 10 0
Edmund Christie.....	5	25 0 0	1 10 0
Sylvester Day.....	10	50 0 0	3 0 0
William Miles.....	10	50 0 0	3 0 0
Hugh Asher.....	10	50 0 0	3 0 0
Thomas Carlyle.....	5	25 0 0	1 10 0
John Armour.....	10	50 0 0	3 0 0
William Scholfield.....	5	25 0 0	1 10 0
Richard Chambers.....	5	25 0 0	1 10 0
Thomas T. Wiggins.....	5	25 0 0	1 10 0
Henry Penny.....	20	100 0 0	6 0 0
E. W. Cleveland.....	10	50 0 0	3 0 0
Samuel C. Davis.....	20	100 0 0	6 0 0
Hezekiah Hyatt.....	20	100 0 0	6 0 0
James Adams.....	5	25 0 0	1 10 0
S. Darling.....	40	200 0 0	12 0 0
William Wallace.....	10000	50000 0 0	3000 0 0
William A. Routh.....	5	25 0 0	1 10 0
George Hardison.....	5	25 0 0	1 10 0
James Wadsworth.....	50	250 0 0	15 0 0
Aaron D. Patchin.....	50	250 0 0	15 0 0
Phillip C. Vanbocklin.....	5180	25900 0 0	1554 0 0
Barton Fair.....	20	100 0 0	6 0 0
Thomas Boyle and Co.....	40	200 0 0	12 0 0
J. R. Brown.....	20	100 0 0	6 0 0
Phillip C. Vanbocklin.....	570	2850 0 0	171 0 0
Municipality of the Township of Brantford,—D. } Christie, Reeve.....	2500	12500 0 0	750 0 0
John H. Moore.....	25	125 0 0	7 10 0
James Loughry.....	15	75 0 0	4 10 0
James Wilkes.....	20	100 0 0	6 0 0
John Heaton.....	20	100 0 0	6 0 0
William Lenny.....	5	25 0 0	1 10 0
G. W. Carlisle.....	10	50 0 0	3 0 0
Hudson Kellog.....	10	50 0 0	3 0 0
William Benson.....	10	50 0 0	3 0 0
Levi Carter.....	5	25 0 0	1 10 0
John Root.....	10	50 0 0	3 0 0
William Dunn.....	5	25 0 0	1 10 0
James McIndoe.....	50	250 0 0	15 0 0
The Municipality of the Township of Bertie,— } Alexander Douglas, Reeve.....	2000	10000 0 0	600 0 0
John C. Clarke.....	5	25 0 0	1 10 0
The Municipality of the Township of Canboro',— } A. Bradshaw, Reeve.....	400	2000 0 0	120 0 0
Samuel Birdsell.....	25	125 0 0	7 10 0
The Municipality of the United Townships of } Sherbrooke and Moulton,—L. J. Wetherby, Reeve } Thomas Muir.....	1000	5000 0 0	300 0 0
Mark Losee.....	2	10 0 0	0 12 0
S. Amsden.....	10	50 0 0	3 0 0
John Oldfield.....	10	50 0 0	3 0 0
William Lines.....	40	200 0 0	12 0 0
William B. Hurst.....	12	60 0 0	3 12 0
Job Trip.....	5	25 0 0	1 10 0
	12	60 0 0	3 12 0
Carried forward.....	45995	119370 0 0	7178 10 0

List of Shareholders of the Brantford and Buffalo Joint Stock Railroad Company,—Continued.

Appendix
(U. U.)Appendix
(U. U.)

30th August.

30th August.

Names of Shareholders.	No. of Shares.	Amount.			Amount paid, being 1st instalment of 6 per cent.		
		£	s.	d.	£	s.	d.
Brought forward	45995	119370	0	0	7178	10	0
Franklin P. Gould	10	50	0	0	3	0	0
Robert Sproule	5	25	0	0	1	10	0
George Varey, junior	5	25	0	0	1	10	0
Fredrick Simpson	10	50	0	0	3	0	0
John M. Tupper	5	25	0	0	1	10	0
Luther Burley	10	50	0	0	3	0	0
William Mathews	10	50	0	0	3	0	0
A Reid	10	50	0	0	3	0	0
William Mellish.....	10	50	0	0	3	0	0
John Russell	10	50	0	0	3	0	0
Lewis Burwell	5	25	0	0	1	10	0
The Town Council of the Town of Brantford,—J. } H. Moore, Mayor	5000	25000	0	0	1500	0	0
The Municipality of the Township of Wainfleet, } John Graylie, Reeve.....	1000	5000	0	0	300	0	0
William Smith	5	25	0	0	1	10	0
William McCleish.....	10	50	0	0	3	0	0
	30000	150000	0	0	9000	0	0

I certify that the above Return is correct.

ARCHIBALD GILKISON,
Secretary B. & B. R. R. Co.BRANTFORD,
9th August, 1851.

E.

List of Stockholders of the Champlain and St. Lawrence Railroad Company.

Names.	No. of Shares of	
	£50 each, paid in full.	£50 each, payable by instalments of ten per cent. annually.
Abbott, Rev. William	7	
Allan, Hugh	10	10
Armour, Robert.....	8	8
Atwater, E.....	4	4
Baker, William	8	8
Blake, Ann	13	5
Blenkley, William	18	18
Bolton, Capt.	11	
Brooke, John	4	
Boston, John	3	
Boulanget, Joseph.....	2	2
Brewster, Benjamin	18	63
Buchanan, James	22	
Burns, William	14	14
Cameron, J. D.	9	
Carter, John	41	47
Cameron, Angus	29	
Cameron, T. C.	9	9
Campbell, H. R.	562	
Corse, R. and H.	8	
Cotton, Estate C. C.....	2	
Conolly, Estate Wm.....	11	4
Cringan, Margaret.....	25	25
David, M. E.	10	10
Delisle, A. M.	10	10
Debeaujeau, G. R. S.	8	
Donegani, Joseph	4	
Finlayson, D	11	
Forbes, C. J.	11	11
Frothingham, J.	20	
Gale, Hon. S.....	53	53
Gerrard, Samuel	2	2
Gregory, Mrs. P. P.	13	
Carried forward	980	303

Appendix
(U. U.)List of Stockholders of the Champlain and St. Lawrence Railroad Company,—*Continued.*Appendix
(U. U.)

30th August.

30th August.

Names.	No. of Shares of £50 each, paid in full.	No. of Shares of £50 each, payable by instalments of ten per cent. annually.
Brought forward.....	980	303
Howden, C. and C.	23	23
Hoyle, James	3	3
Joseph, J. H.	9	18
Keith, James	22	
Langan, Estate Juliana	1	1
Langan, C.	5	5
Leslie, Alexander	29	29
Leslie, Miss G.	4	4
Lyman, William	15	14
Macdonald, William	14	14
Macdonald, James.....	17	17
Marler, J.	6	7
McGill, Hon. P.	11	
Molson, John.....	179	179
McDonnell, Allan	29	29
McIntosh, William.....	23	
McTavish, Estate J. G.	11	
McBean, John	29	6
McMillan, John	22	
McDonald, Archd.....	14	
McKenzie, J. G.	16	16
Mills, Mrs. H.	15	14
Mills, Estate J. E.	14	15
Mountain, J. S. S.	9	9
Mussen, Thomas	4	4
Phillips, Estate W. S.	63	63
Phillips, Charles	30	30
Ramsey, Rev. J.	11	
Robertson, Mis.....	5	5
Rogers, Rev. E. J.	1	1
Rowan, John	11	
Robertson, Rev. D.	9	
Russell, Miss G.	81	81
Russell, Hector	63	69
Russell, Miss C.	17	17
Siveright, John	29	
Simpson, Sir George	21	21
Smith, J. B.	5	5
Tiffin, John.....	23	3
Tovey, Alexander	22	22
Townshend, H.	6	6
Whitwell, Rev. R.	21	21
Wood, Rev. S. S.	4	4
Workman, William.....	47	47
Workman, William, (President)	6	
Workman, Thomas	7	7
Yale, J. M.	14	
	2000 £100,000	1112 £5600 Subscribed since the passing of Act, 12 Vict., ch. 29, none of which is yet paid or due.

MONTREAL,

August 9, 1851.

W. A. MERRY,
Secretary.

ONTARIO, SIMCOE AND HURON RAILROAD UNION COMPANY.

RETURN to an order of the Standing Committee of the Legislative Assembly on Railroads and Telegraph Lines; of the names of the Shareholders, and amount of Stock subscribed in the above Company, and the amount paid up.

Subscribers' Names	Number of Shares.	Amount of Stock.		Instalments paid in.		
		£	s.	£	s.	d.
Honourable Henry John Boulton, M. P. P.	One hundred	500		12	10	0
Joseph C. Morrison, M. P. P.	One hundred	500		12	10	0
Frederick C. Capreol	One hundred	500		12	10	0
George Barrow	One hundred	500		12	10	0
Hugh Seabie	One hundred	500		12	10	0
John Fisher	One hundred	500		12	10	0
B. W. Smith	One hundred	500		12	10	0
Rowes and Hall	One hundred	500		12	10	0
John Hill and Cameron, M. P. P.	One hundred	500		12	10	0
Robert Baldwin	One hundred	500		12	10	0
George F. Denison	One hundred	500		12	10	0
P. Vankoughnet	Fifty	250	6	5	0	0
Jonas T. Bush	Fifty	250	12	10	0	0
Alexander Ogilvie and Company	Sixty	300	7	10	0	0
Gilmer and Coulson	Sixty	300	7	10	0	0
John Arnold	Forty	200	5	0	0	0
W. A. Baldwin	Forty	200	5	0	0	0
Whittemore, Rutherford and Co	Thirty	150	3	15	0	0
James Browne	Thirty	150	3	15	0	0
John Ewart, jun	Thirty	150	3	15	0	0
Hayes, Brothers	Thirty	150	3	15	0	0
Shaw, Turnbull and Co.	Thirty	150	3	15	0	0
John McMurich	Thirty	150	3	15	0	0
William M. Green	Thirty	150	3	15	0	0
Walker and Hutchison	Thirty	150	3	15	0	0
Joseph Becket and Co	Thirty	150	3	15	0	0
G. W. Allan	Thirty	150	3	15	0	0
J. S. Howard	Twenty	100	2	10	0	0
F. T. Wilkes	Twenty	100	2	10	0	0
William Hall	Twenty	100	2	10	0	0
Thomas Dick	Twenty	100	2	10	0	0
R. H. Brett	Twenty	100	2	10	0	0
Thomas Hawthth	Twenty	100	2	10	0	0
F. J. Fuller	Twenty	100	2	10	0	0
M. Rosin and Brothers	Twenty	100	2	10	0	0
Betley and Kay	Twenty	100	2	10	0	0
Browne and Childs	Twenty	100	2	10	0	0
H. Fowler	Twenty	100	2	10	0	0
A. and S. Nordheimer	Twenty	100	2	10	0	0
Allan Cameron	Twenty	100	2	10	0	0
Edward Beckett	Twenty	100	2	10	0	0
Charles Lount	Twenty	100	2	10	0	0
E. F. Whittemore	Twenty	100	2	10	0	0
Gooderham and Worts	Twenty	100	2	10	0	0
John Salt	Twenty	100	2	10	0	0
William Wakefield	Twenty	100	2	10	0	0
J. Lukin Robinson	Twenty	100	2	10	0	0
Jacques and Hay	Twenty	100	2	10	0	0
Robert Whitman and Co	Twenty	100	2	10	0	0
Reid and Leith	Twenty	100	2	10	0	0
George H. Cheney	Fifteen	75	1	17	6	0
Amos Bostwick	Fifteen	75	1	17	6	0
William Proudfoot	Fifteen	75	1	17	6	0
Thomas Clarkson	Fifteen	75	1	17	6	0
E. and R. McPhail	Fifteen	75	1	17	6	0
J. Watson and Co	Fifteen	75	1	17	6	0
D. Macdonnell	Fifteen	75	1	17	6	0
J. Joseph	Fifteen	75	1	17	6	0
Samuel Gunn	Ten	50	1	5	0	0
J. S. Playfair	Ten	50	1	5	0	0
Thomas Shortis	Ten	50	2	0	0	0
Joseph Rogerson	Ten	50	1	5	0	0
William Grainger	Ten	50	1	5	0	0
E. C. Jones	Ten	50	1	5	0	0
Herbert Topping	Ten	50	1	5	0	0
Edward Shortis	Ten	50	1	5	0	0
A. M. Clark	Ten	50	1	5	0	0
John Henderson	Ten	50	1	5	0	0
J. T. Mathews	Ten	50	1	5	0	0
Edward Godrich	Ten	50	1	5	0	0
J. Briggs	Ten	50	1	5	0	0
Robert G. Dalton	Ten	50	1	5	0	0
Adam Wilson	Ten	50	1	5	0	0
A. Patrick	Ten	50	1	5	0	0
Alex. Hamilton	Ten	50	1	5	0	0
Carried forward	{ Two thousand four hundred and fifty shares. }	12250		313	15	0

Appendix
(U. U.)

List of Shareholders of the Ontario, Simcoe and Huron Railroad Union Company,—Continued.

Appendix
(U. U.)

30th August

30th August.

Subscribers' Names.	Number of Shares.	Amount of Stock.	Instalments paid in.			
			£	s.	d.	
Brought forward	{ Two thousand four hundred and fifty shares. }	£ 12250	313	15	0	
R. Torrance	Ten	50	1	5	0	
J. C. Collins	Ten	50	1	5	0	
Owen and Mills	Ten	50	1	5	0	
John C. Bettridge	Ten	50	1	5	0	
John Bellwell	Ten	50	1	5	0	
H. Jackson	Ten	50	1	5	0	
Karus Tully	Ten	50	1	5	0	
Patton and Co.	Ten	50	1	5	0	
John B. Robinson, junior	Ten	50	1	5	0	
Thomas Bell	Ten	50	1	5	0	
William Atkinson	Six	30	0	15	0	
Charles Robertson	Six	30	0	15	0	
James Henderson	Six	30	0	15	0	
Hugh Miller	Six	30	0	15	0	
Alex. Keefer	Five	25	0	12	6	
J. R. Mountjoy	Five	25	0	12	6	
R. C. McMullin	Five	25	0	12	6	
Allen McLean Howard	Five	25	0	12	6	
Patton and Co.	Five	25	0	12	6	
John Ribout	Five	25	0	12	6	
George Munro	Five	25	0	12	6	
J. Murphey and Co.	Five	25	0	12	6	
Thomas Maclear	Five	25	0	12	6	
John C. Bettridge	Five	25	0	12	6	
Thomas Lawson	Five	25	0	12	6	
Robert Beckman	Five	25	0	12	6	
W. B. Phipps	Five	25	0	12	6	
B. Torrance	Five	25	0	12	6	
George B. Spencer	Five	25	0	12	6	
W. J. FitzGerald	Five	25	0	12	6	
George Thomas, junior	Five	25	0	12	6	
S. Brough	Five	25	0	12	6	
A. Rennie	Five	25	0	12	6	
William M. Jamieson	Five	25	0	12	6	
S. B. Smith	Five	25	0	12	6	
A. Grant	Three	15	0	7	6	
E. Badburne	Five	25	0	12	6	
J. Rogers Armstrong, junior	Five	25	0	12	6	
Cary and Brown	Five	25	0	12	6	
W. F. Mendell	Five	25	0	12	6	
John S. Blegg	Five	25	0	12	6	
Hiram Piper	Five	25	0	12	6	
A. DeSalisbury	Five	25	0	12	6	
A. Macdonald	Three	15	0	7	6	
James Myers	Three	15	0	7	6	
Frederick Chapman	Three	15	0	7	6	
Arthur Crampton	Three	15	0	7	6	
H. F. Morris	Three	15	0	7	6	
Thomas F. Cary	Three	15	0	7	6	
John J. Cary	Three	15	0	7	6	
Thomas Champion	Three	15	0	7	6	
F. W. Coate	Three	15	0	7	6	
James Ashfield	Three	15	0	7	6	
John Anderson	Two	10	0	5	0	
C. J. Francis	Two	10	0	5	0	
Robert Phillips	Two	10	0	5	0	
John Hatten	Two	10	0	5	0	
Isiah Reed	Two	10	0	5	0	
Thomas D. Harris	Ten	50	1	5	0	
R. Dempsey	Five	25	0	12	6	
John W. Dempsey	Five	25	0	12	6	
John Ritchey	Twenty	100	2	10	0	
John Conroy	Ten	50	1	5	0	
His Lordship the Bishop of Toronto	Twenty	100	2	10	0	
George Herrick, M. D.	Ten	50	1	5	0	
John Henderson	Five	25	0	12	6	
John Robertson	Twenty	100	2	10	0	
C. and W. Walker	Ten	50	1	5	0	
Chas. Berezy	One hundred	500	12	10	0	
R. B. Richards	Four	20	0	10	0	
John Snarr	Ten	50	1	5	0	
Reverend John Roaf	Fourteen	70	1	15	0	
	Three thousand shares.	£15000	£382	10	0	

SUMMARY.

No. OF
SHARES.

3,000—Subscribed in the City of Toronto by private individuals, as per List on which Instalments have been paid, amounting to £382 10s. 0d.....	£15000	0	0
10,000—Subscribed by the County of Simcoe, payable in Debentures bearing interest at the rate of six per cent. per annum, which Debentures are executed and sealed, and placed in the hands of the County Treasurer, to be used in accordance with agreement and contract	50000	0	0
30,000—Subscribed by the Contractors, to be paid for in the execution of the work, according to contract	150000	0	0
Amount agreed to be loaned by the Corporation of Toronto, as per Resolution of the City Council, 18th August instant, accompanied by a letter from the Mayor to the Manager of the Company, dated 25th August, 1851	35000	0	0
Amount of Capital subscribed, independent of the Government guarantee.....	<u>£250000</u>	<u>0</u>	<u>0</u>

In addition to the foregoing, the following Donations have been made to the Company, viz. :—

Gift of £25,000 by the Corporation of Toronto, as per Resolution of the City Council, accompanied by the Mayor's certificate to the Company, dated 24th December, 1850, payable as the work progresses, in Debentures, bearing interest at the rate of six per cent. per annum; together with a valuable site of Land in the City for a Station, and the Right of Way through a portion of the City.			
Gift of Andrew Mercer, Esq.	£25	0	0
Gift of Mr. John Nasmith.....	5	0	0

FRED. C. CAPREOL,
Manager and Treasurer.

Toronto, 26th August, 1851.

(Copy.)

A copy of the Resolutions of the Municipal Council of the City of Toronto, certified by Geo. Gurnett, Mayor of Toronto, to be correct and true.

“RESOLUTION.

“Resolved,—That the sum of twenty-five thousand pounds in debentures payable twenty years after date, with interest at six per cent. per annum, payable half-yearly and granted in aid of the “Ontario, Simcoe and Huron Railroad Union Company” on the conditions set forth in the second clause of the Report No. 21, of the Standing Committee on Finance and Assessments, and in order to extend the benefits of the said Railroad to all parts of the city it be another condition of the above grant that the terminus for passenger trains shall be erected on a portion of the market block property, now vacant, such portion to be leased to the Company at a nominal rent for ninety-nine years, and that the lines of Railroad shall be carried along Palace and Front Streets to the full extent of the City Water Lots. Second condition in the Report referred to

“in the foregoing Resolution. In the proposition as the work progresses, as one is to two, viz., one hundred thousand pounds to be expended on the Road before any advance is made by the Corporation, then debentures to be issued to the Contractors for ten thousand pounds, and that all future advances be made in the same proportion to an amount not exceeding the whole sum of twenty-five thousand pounds.”

MAYOR'S OFFICE,
TORONTO, 24th December, 1850.

I hereby certify that the foregoing Copy of the proceedings of the City Council of Toronto, in the matter to which it refers, is correct and true.

(Signed,) GEO. GURNETT.
Mayor of Toronto.

Appendix
(U. U.)

(Copy.)

Appendix
(U. U.)

30th August.

30th August.

To his Worship the Mayor, Aldermen and Commonalty of the City of Toronto, in Common Council.

The Special Committee to whom was referred the several communications of the President and Manager of the "Ontario, Simcoe and Huron Railroad Union Company," enclosed two propositions signed by John Arnold, Esquire, as Chairman of a meeting of a number of citizens held in this City on the 7th instant, suggesting the manner in which this Council should assist the said Company in making good the deficiency of thirty-five thousand pounds in the subscription allotted to this City, and asking the concurrence of this Council in the same in order that a work so immediately connected with the best interests of this City might at once advance to completion:—Beg leave to report:

That upon the most attentive considerations given by your Committee to the propositions signed by Mr. Arnold, as Chairman, and after frequent interviews with the manager as well as with one of the contractors of the Company, Your Committee would recommend that in lieu of propositions (or either of them) this Council loan the said Company their debentures to an amount not exceeding thirty-five thousand pounds, payable in twenty years with interest on the same, payable half-yearly, issuable in the same ratio as the bonus of twenty-five thousand pounds, taking as security for such debentures the bonds of the said Company to the same amount, payable in ten years, with interest half-yearly, secured on the Road to the satisfaction of this corporation upon the recommendation of the City Solicitor.

And further that it be a condition to this loan that the Road from this City to Lake Simcoe, or the Holland River, be completed in two years from the first of January next.

And further that as long as the loan of thirty-five thousand pounds continues, the Mayor of this City for the time being (if he be not a Director in any other Company) be a Director in the above mentioned Company;—if he be a Director in any other Company, then any Alderman in the City for the time being to be nominated by this Council to be a Director in said Company.

All which is respectfully submitted.

(Signed,)

JOHN BEVERLY ROBINSON, Junr.
Chairman.

This Report was adopted by the Common Council of the City of Toronto, Monday, August 18th, 1851.

(Signed,)

CHARLES DALY.

MAYOR'S OFFICE,
TORONTO, August 25th, 1851.

I hereby certify that the foregoing copy of the proceedings of the City Council of Toronto in the matter to which it refers is correct and true.

(Signed,)

JOHN G. BOWES,
Mayor.

MAYOR'S OFFICE,
25th August, 1851.

Sir,—I have the honor to enclose a certified copy of the proceedings of the City Council on the application of the "Board of Directors of the Ontario, Simcoe and Huron Railroad Union Company" for a loan of £35,000 in aid of that work.

I have the honor to be,
Your obedient servant,

(Signed,)

JOHN G. BOWES,
Mayor

F. C. Capreol, Esq.,
Manager,
Railroad Office.

G.

Letter from the Secretary of the Montreal and Vermont Junction Railroad Company,—in reference to the order of the Committee.

TORONTO, August 23rd, 1851.

T. Patrick, Esq.,

Clerk, R. R. Committee.

DEAR SIR,—I am at present unable to give the information required in your esteemed letter, as the Montreal and Vermont Junction Railway Company have been waiting for certain amendments now being made to the charter authorizing municipalities to take stock before taking up any further private subscriptions; the precise amount of which it is impossible to give, as our stock lists are not together. The disbursements of the Company thus far are about five hundred pounds. The requirements of charter respecting survey and location of the line, and deposit of maps, plans and books of reference, and also legal notices to land owners upon the line, have been complied with, and it is confidently believed that within the time specified in the charter this valuable line of Railway will be built.

Very respectfully,

C. H. W. SEYMOUR,
Secretary, M. and Vt. J. R. R. Co.

R E T U R N

TO AN ADDRESS FROM THE LEGISLATIVE ASSEMBLY TO HIS EXCELLENCY THE GOVERNOR GENERAL, dated the 14th instant; praying His Excellency to cause to be laid before the House, "A Return shewing the net revenue of the Post Office Department in Canada, after
 " paying all charges of management, for the year ending July 5th, 1849;—and Copies of
 " the Quarterly Returns made by the late Deputy Post-Master General to the Post Office
 " Department in England, shewing the receipts and expenditure of the Post Office Depart-
 " ment in Canada, from the 5th July, 1850, to the 5th April last, or to the latest period to
 " which the Returns have been already made up; also, a statement shewing the amount of
 " the net revenue of the Post Office Department in Canada, after deducting all charges of
 " management, since the 5th July, 1844, and informing this House of the purposes to
 " which said net or surplus revenue, raised from the people of Canada, have been applied;—
 " together with a copy of a Despatch from the Right Honorable Earl Grey, dated the
 " 25th June, 1847, ordering the net surplus, from the 5th July, 1844, to be applied to the
 " public uses of this Province;—and a statement shewing the times when the several Mail
 " Contracts, enumerated in a return sent down on the 30th of last month, relative to the
 " Post Office Department, will expire; how many of those contracts were made with the
 " Department since the 5th April last, and whether all or any of such contracts were
 " opened to public competition, or privately awarded to persons selected by the Executive
 " Government."

By Command.

J. LESLIE,

Secretary.

PROVINCIAL SECRETARY'S OFFICE,

Toronto, 21st July, 1851.

No. 1.

RETURNS shewing the net revenue of the Post Office Department in Canada, after paying all charges of Management, for the year ended 5th July, 1849,—so far as the same can be ascertained in Canada.

Gross Receipts, including British Packet Postage.	Charges of Management paid in Canada.	Net Revenue appearing on Accounts kept in Canada.
£83,986 13s. 4½d. Currency.	£67,380 6s. 8½d. Currency.	£16,606 6s. 8d. Currency.
A.	B.	C.

NOTE A.—In this sum is included the British Postage on Packet Letters, of which no separation was made in Canada, amounting, it is estimated, to £10,000* annually.

NOTE B.—To this amount of charges of management remain to be added, the cost of the printed blank Forms used throughout the Department; of the Mail Locks and Keys, Scales and Weights, Office Stamps and Seals, Stationery, &c.; all of which articles were supplied from England, but the particulars and amount of expense incurred, were unknown in this country;—and also the sum of £8000 paid upon the order of the Post-Master General of the Empire, towards the expense of conveying the Canada English Mails overland through New Brunswick and Nova Scotia.

NOTE C.—After deducting the items noticed in Notes A and B, the balance of the year appears to have probably been against Canada, that is, that the revenue of that year did not, it would seem, cover the charges.

The above Return has been compiled from Records furnished by the late Deputy Post-Master General.

J. MORRIS,
Post-Master General.

* During the last two years, this item has increased to about £12,000 a year.

No. 2.

RETURN shewing the net Revenue of the Post Office Department in Canada, after paying all charges of Management, so far as the same can be ascertained in Canada, for the quarters ended 5th October, 1850, and 5th January, 1851, respectively.

PERIOD.	Gross Receipts, including British Packet Postage.			Charges of Management paid in Canada.			Net Revenue appearing on Accounts kept in Canada.		
	Currency.			Currency.			Currency.		
	£	s.	d.	£	s.	d.	£	s.	d.
Quarter ended 5th October, 1850.....	23592	5	3	16348	18	4	7243	6	11
do do 5th January, 1851	22445	4	1	18509	1	6	3936	2	7
Totals.....	£ 46037	9	4	34857	19	10	11179	9	6
	A.			B.					

NOTE A.—In this sum is included the British Postage on Packet Letters, amounting, it is estimated, to upwards of £6,000 currency, for the half year.

NOTE B.—To this amount of charges of management remains to be added the cost of the printed blank Forms, used throughout the Department; of the Mail Locks and Keys, Stamps and Seals, Stationery, &c., &c.; all of which articles were supplied from England, but the particulars and amount of expense incurred, were unknown in this country.

The above Return has been compiled from Records furnished by the late Deputy Post-Master General.

J. MORRIS,
Post-Master General.

NET REVENUE appearing on Canada Post Office Accounts, after deducting all charges and payments made in Canada, from the 6th April, 1844, to the 5th January, 1851.

PERIOD.	Amount Currency.		
	£	s.	d.
For the Year ended 5th April, 1845.....	7184	0	3½
do do 5th April, 1846.....	16613	6	0½
do do 5th April, 1847.....	21334	19	8½
do do 5th April, 1848.....	22188	11	6
do do 5th April, 1849.....	15725	2	2
do do 5th April, 1850.....	19991	9	9
For three Quarters ended 5th January, 1851.....	18041	17	8
Total.....	£ 121079	16	1½*

NOTE (*)—From this apparent net balance remain to be deducted :—

First: The amount for six years and three quarters of British Packet Postage, included in the Canada Accounts, estimated as amounting to from £10,000 to £12,000 currency, per annum.

Secondly: The expenditure during the same period by the General Post Office, London, for supplying the Post Office Department in Canada, with printed Blanks, Locks and Keys, Stamps and Seals, Scales and Weights, Stationery, and other articles of a similar nature, but of which the particulars, and amount of expense, were unknown to the Department in this country.

Thirdly: The actual amount of contribution, paid by order of the Post-Master General, towards the expense of conveying the Canada English Mails through Nova Scotia and New Brunswick, in the years 1849 and 1850..... £ 8,605 0 0

Fourthly: The actual amount of payments into Canada Provincial Treasury, by order of the Post-Master General, on account of surplus Post Office Revenue..... 22,257 7 0

The above statement has been compiled from Records furnished by the late Deputy Post-Master General.

J. MORRIS,
Post-Master General.

(Copy—No. 92.)

DOWNING STREET,
25th June, 1847.

MY LORD,—The Lords Commissioners of Her Majesty's Treasury have apprized me, that their Lordships have authorized the Post-Master General, to cause the sum of £5,189 3s. 5d., the amount accrued from surplus Postage in Canada, during the period of two years, to the 5th July last, to be paid over to the Receiver General of the Province, in order that it may be applied to the Public Service of the Colony, in such manner as shall be directed by the local Legislature.

I have the honor to be, &c., &c., &c.

(Signed,) GREY.

The Right Honourable
THE EARL OF ELGIN AND KINCARDINE,
&c., &c., &c.

No. 4.

STATEMENT showing the times when the several Mail Contracts, enumerated in a Return sent down to the Honorable Legislative Assembly, on the 30th June last, relative to the Post Office Department, will expire;—how many of those contracts were made with the Department since the 5th April last—and whether all or any of such contracts were opened to public competition, or privately awarded to persons selected by the Executive Government.

With the exception of the eight undermentioned contracts, the existing engagement for Mail service, as enumerated in the Return, do not expire at any fixed date or period; they have been made upon the principle followed in the United Kingdom, namely, the terms, &c., having as a general rule, been fixed by public tender. The contracts are drawn up, subject to be terminated by either party giving to the other, three months previous notice; it being understood, however, that so long as the conditions of the agreement are faithfully performed, the Department will not annul the contract, unless the public interest requires that the right should be exercised. This system was recommended in the last Report of the Post Office Department of the United States, to Congress, as an improvement upon the practice of making contracts for specific periods, in the following words: "It would afford still further relief, and give more stability and efficiency to the service, if the duration of the contracts was regulated as in the English Mail service. Instead of terminating absolutely at the expiration of four years, let the contract continue over beyond the time set, unless the Department or the Contractor gives six months notice of intention to determine it on that day; with power to either, by like notice given at a certain portion of the year, to determine on a subsequent day. Whenever contracts were mutually satisfactory in their terms, and well performed, they would continue over."

NAME OF MAIL ROUTE.	NAME OF CONTRACTOR.	CONTRACT WILL EXPIRE
Hamilton and Sandwich.....	George Babcock.....	5th October, 1852.
Hamilton and Kingston, by Steamer	D. Bethune.....	Close of Navigation, 1853.
Kingston and Montreal, do	Honorable John Hamilton	Close of Navigation, 1853.
Kingston and Montreal, during winter.....	W. Weller	Spring of 1852.
Kingston and Toronto, by land.....	W. Weller	5th October, 1852.
Montreal and Quebec, by Steamer	D. Torrance	Close of Navigation, 1854.
Montreal and Quebec, by land	F. Hamelin and T. Lecompte	5th November, 1853.
Montreal and Bytown, by Steamer	Messrs. McPherson & Crane, and Sir George Simpson	Close of Navigation, 1851.

One of the contracts enumerated in the Return, that from Brockville to Perth, has been entered into since the 6th April, upon the resignation of the former Contractor, Mr. W. Glasscott; an offer to perform the service upon an improved plan, at the same rate of payment, was accepted from Mr. W. H. Willson.

The arrangements which most conduce to the public interest, for the transmission of the correspondence of this route, and of the various by-routes branching from, and dependent upon it, require that part of the travel of the Mail between Brockville and Perth, should be performed at night; this, however, did not suit Mr. Glasscott's views, and he requested to be permitted to resign his contract, asking in a letter dated 19th April, 1851, to be relieved from his obligation as speedily as possible. The following is an extract from his letter: "If it cannot be arranged so as to carry the Mail in daylight, I must give it up; and if so, you would oblige me by giving out the new contracts as soon as you conveniently can, so that I may get clear of it."

J. MORRIS,
Post-Master General.

RETURN

TO AN ADDRESS of the Legislative Assembly to His Excellency, the Governor General, dated 23rd July, 1851, for "Copies of all correspondence which has taken place between Her Majesty's Secretary of State for the Colonies, and the Government of this Province, upon the subject of the claim of John Arthur Roebuck, Esquire, and of all documents accompanying the same."

By Command,

J. LESLIE,

Secretary.

Secretary's Office,
Toronto, 25th July, 1851.

(Copy.)

No. 22.

DOWNING STREET,
18th December, 1838.

SIR,—I have the honour to inform you that Mr. Roebuck has addressed to Viscount Melbourne a letter, complaining that in the sum granted by yourself and the Special Council of Lower Canada to defray the Contingencies of the late House of Assembly, the charge on account of his salary as Agent for that House during a part of the year 1836, and the whole of the year 1837 was omitted.

I have no reason to doubt that sufficient grounds exist for the course taken with reference to this claim, but as I do not find that any information on the subject has been transmitted to this Office, I have to request that you will favour me with a statement of the considerations on which the decision, of which Mr. Roebuck complains, was founded.

I have, &c.,

(Signed)

GLENELG.

Sir J. Colborne,

&c., &c., &c.

(Copy.)

MONTREAL, 27th February, 1839.

MY LORD,—With reference to your letter of the 18th December, No. 22, informing me that Mr. Roebuck had addressed a letter to Viscount Melbourne complaining that in the sum granted by the Special Council of Lower Canada to defray the Contingencies of the late House of Assembly, the charge on account of his salary as Agent for that House during a part of the year 1836, and the whole of the year 1837, was omitted, I have the honour to acquaint your Lordship that whatever salary Mr. Roebuck had been in the habit of receiving as the Agent of the Assembly, it never was, as I am led to believe, officially notified to the local Government, or sanctioned by it, but must have been subtracted from the sums advanced to the Assembly on account of its Contingent expenses. On calling for a statement of the arrears due for the Contingencies of the Assembly at the time of the framing of the 1st Vict., c. 12, the Clerk of the Assembly included therein, a sum of £2000 for the

arrears due to Mr. Roebuck as Agent of the Assembly. Not being in possession of any recognition of such an office by the local Government, or of an authority of Her Majesty's Government sanctioning such salary, I did not feel it my duty to recommend that such a provision should be made by the Special Council.

I have, &c.,

(Signed)

J. COLBORNE.

Right Honourable
Lord Glenelg.

(Copy.)

No. 43.

DOWNING STREET,
7th June, 1839.

SIR,—I have to acknowledge your Despatch, No. 34, of the 27th February, explaining the reason why, in liquidating the Contingencies of the late House of Assembly of Lower Canada, you have rejected the claim of Mr. Roebuck for arrears of salary as Agent for that body.

The accompanying Minute of the fact respecting this claim has, by my direction, been very carefully drawn up from the documents in this Office; and its accuracy has been acknowledged by Mr. Roebuck. Under the circumstances therein stated, it appears to me, upon the best consideration that I have been able to give to this case, that Mr. Roebuck has an equitable claim to this payment. I am very sensible that the admission of this demand must, on many accounts, be an invidious and difficult proceeding; but when I bear in mind the distinct recognition of Mr. Roebuck by the Executive Government in this country, as Agent for the Assembly, and that he addressed both Houses of Parliament in that capacity; and remember that, but for the suspension of the Canadian Constitution, he would have been virtually secure of receiving this money, through the support which his employers would have given to his demand, and which it would have been in their power to render effectual, I am constrained to admit, that the loss of that protection ought not to deprive Mr. Roebuck of the emoluments earned by him in a course of service which was certainly in strict accordance with the views of those by whom he had been appointed. The decision must

Appendix
(W. W.)
26th July.

of course rest with the Special Council; but I assume to myself the responsibility of conveying through you to that Body the opinion that it is a claim which, under all the circumstances of the case, ought not to be rejected.

I have the honour to be,

Sir,

Your most obedient humble servant,

(Signed,) NORMANBY.

Lieutenant General
Sir John Colborne,
G. C. B.,
&c., &c., &c.

Mr. ROEBUCK'S Claim as Agent to the Assembly of Lower Canada.

In February, 1835, a Bill passed the Assembly of Lower Canada, appointing Mr. Roebuck "Agent for the Province." It being apprehended that this Bill would be lost in the Legislative Council, the following Resolutions were subsequently adopted 28th February, 1835:

First. "Resolved, That it is the opinion of this Committee, that in the event of the Bill passed by this House yesterday, appointing J. A. Roebuck, Esquire, Agent for this Province, not becoming a law, the said J. A. Roebuck, Esquire, be requested, as Agent of this House, to represent to Her Majesty's Government the interests and sentiments of the inhabitants of this Province, and to support the Petitions of this House to His Majesty, and to both Houses of Parliament."

Second. "Resolved, That it is the opinion of this Committee, that in case the said Bill should not become law, it is right that the Clerk of this House should pay to the said J. A. Roebuck, Esquire, or to his order, out of the moneys appropriated for the contingent expenses of this House, a sum not exceeding £600 sterling, to indemnify him for his care and services in his said quality of Agent: and that the said Clerk be in like manner authorized to advance to the said J. A. Roebuck, Esquire, a sum not exceeding £500 sterling, to meet his disbursements and contingent expenses in his said quality: of which said disbursements and expenses an account shall be rendered to this House every six months."

In consequence of these Resolutions, Mr. Roebuck demanded an audience of Lord Glenelg, and in June, 1835, was received by him in the character of "Agent for the Assembly." The Bill, as anticipated, did not pass the Council.

In November, 1835, a second Bill appointing Mr. Roebuck Agent for the Province was passed by the Assembly; and on the 18th of that month, a series of Resolutions, of which the two following formed a part, were adopted by that Body, 18th November, 1835:

"5th. Resolved, That it is the opinion of this Committee, that in the event of the Bill passed by this House on the 3d November instant, appointing the said J. A. Roebuck, Esquire, Agent for this Province, not becoming law, the said J. A. Roebuck, Esquire, be requested, as Agent of this House, to represent to His Majesty's Government the interests and sentiments of the inhabitants of this Province, and to support the Petitions of this House to His Majesty, and to both Houses of Parliament."

"6th. Resolved, That it is the opinion of this Committee, that in case the said Bill should not become a law, it is right that the Clerk of this

Appendix
(W. W.)
26th July.

"House should pay to the said J. A. Roebuck, Esquire, or to his order, out of the moneys appropriated for the contingent expenses of this House, a sum not exceeding £600 sterling, annually, to indemnify him for his care and services in his said quality of Agent; and that the said Clerk be in like manner authorized to advance to the said J. A. Roebuck, Esquire, a sum not exceeding £500 sterling, for one year, to meet his disbursements and contingent expenses in his said quality; of which said disbursements and expenses an account shall be rendered to this House every six months."

The second Bill was also lost in the Council.

In the Session of September, 1836, a similar Bill was again introduced into the Assembly, but dropped in consequence of the prorogation.

In the Session of 1837 no Bill was brought forward.

In neither of the two last Sessions were any Resolutions for the appointment of an Agent adopted by the Assembly.

During the years 1836 and 1837, Mr. Roebuck continued from time to time to communicate with the Colonial Office on the affairs of Lower Canada. The recognition of his official character was during those years, neither renewed nor withdrawn.

On the introduction into Parliament of the Canada Bill of 1838, Mr. Roebuck petitioned both Houses of Parliament to be heard against it as "Agent for the Assembly." Objections were raised in the House of Commons by Mr. Gladstone and Lord Stanley, and in the House of Lords by Lord Aberdeen, to his being received in that character. The point, however, was not pressed in either House, and Mr. Roebuck was heard at the Bar.

In respect to Mr. Roebuck's emoluments, it is to be observed that no mention is made of them in any document officially communicated to the Colonial Department. They were paid, as appears from the Resolutions already quoted, out of the sums granted by the Governor General for the contingencies of the Assembly.

In the session of 1835, Lord Aylmer, in answer to the usual Address of the Assembly for their contingencies, stated that as a compliance with that Address involved questions of great importance in a Constitutional point of view, he required time for consideration before returning a definite answer. In a subsequent Message he pointed out the salaries of Mr. Viger, and the Librarian of the Assembly, as items which, not having been agreed to by the Legislative Council, he could not sanction, and he called on the House before he made any fresh advances, to indemnify him for those which he had granted in previous years.

The House interpreted these answers as a refusal of their contingencies, and accordingly separated without doing any business beyond adopting an Address to the Crown. Consequently, during this Session, nothing was paid to Mr. Roebuck. On the 11th November, 1835, Lord Gosford, in compliance with his instructions from Lord Glenelg, granted for the Contingencies of the House, £22,000, and on the 5th March following, a further sum of £5,000. Out of these sums it would appear, from Mr. Roebuck's letter, that he received £1,100 as his salary and contingencies for the year 1835, and £700 towards his salary and contingencies for the year 1836. No further grants having been made for the Contingencies of the Assembly, these, as it would appear, are the only payments made to him on account of his appointment.

The present claim is for the balance of £400 due on account of the year 1836, and the whole of the emoluments for the year 1837, amounting in all to £1500 sterling.

Appendix
(W. W.)
26th July.

No. 95.

GOVERNMENT HOUSE,
MONTREAL, 16th July, 1839.

THE MARQUIS OF NORMANBY.

MY LORD,—I have the honour to acknowledge the receipt of your Lordship's despatch of the 7th of June, No. 43, transmitting a minute of the fact respecting the claim of Mr. Roebuck, and to acquaint your Lordship that on the meeting of the Special Council I shall draw their attention to the case in question, and state to them your opinion as to the circumstances which require that the claim ought not to be rejected.

I beg however to remark, that I think it probable that the Council may not be disposed to view favourably Mr. Roebuck's claim.

(Signed,) J. COLBORNE.

No. 58.

DOWNING STREET,
2nd January, 1840.

SIR,—No opportunity having been afforded to your predecessor by a Session of the Special Council of Lower Canada previously to his departure from the Province, of carrying into effect the intentions of Lord Normanby, as contained in his Lordship's despatch, No. 43, of the 7th of June last, in regard to the payment of Mr. Roebuck of the arrears for salary claimed by him as Agent of the House of Assembly, I beg to call your attention to this subject, and to instruct you, when you shall meet the Special Council of Lower Canada, to bring Mr. Roebuck's claim under their consideration in the manner proposed by Lord Normanby.

I have the honour to be,

Sir,

Your most obedient servant,

(Signed,) J. RUSSELL.

The Right Honourable
C. Poulett Thompson,
&c., &c., &c.

(Copy)
No. 104.

GOVERNMENT HOUSE,
MONTREAL, 9th May, 1840.

MY LORD,—In obedience to your Lordship's directions, I brought before the Special Council the claim of Mr. Roebuck, and I submitted to them the statement of the case, transmitted by the Marquis of Normanby, together with his Despatch upon the subject, in order that the Members might be fully cognizant of the circumstances of the case, as well as of the opinion of your Lordship's predecessor.

After a full consideration of the documents, the Special Council, whilst they admitted the propriety of the reference made by Lord Normanby of the case for their consideration, if there appeared to his Lordship to be any equitable grounds for the allowance of the claim, were unanimously of opinion that none in reality existed, and the result of their deliberations satisfied me that had I proposed to them to vote the sum claimed by an Ordinance to that effect, which was the only means I could adopt of bringing the matter to a formal vote, no member could have been found in the Council, as constituted, either to propose or second such a motion.

Under these circumstances, your Lordship will at once see that it is utterly useless to attempt to urge the allowance of this claim upon the Council.

I have, &c.

(Signed,) C. POULET THOMPSON.

The Right Honourable
Lord John Russell,
&c., &c., &c.

(Copy)
No. 541.

DOWNING STREET,
18th December, 1850.

MY LORD,—I have the honour to transmit herewith the copy of a letter which I have received from Mr. Roebuck, together with two other letters addressed respectively to your Lordship, and to the Speaker of the Assembly (13th December, 1850,) on the subject of his claim to arrears of salary as Agent for the Assembly of Lower Canada.

I have apprized Mr. Roebuck that the question whether the claim preferred by him ought to be admitted, and whether consequently a recommendation to provide for it ought to be addressed to the Provincial Legislature, is one which I must leave to be determined by your Lordship and of your Executive Council.

I am,

My Lord,

Your most obedient servant,

(Signed,) GREY.

Right Honourable,
The Earl of Elgin,
&c., &c., &c.

(Copy.)

MILTON, LYMINGTON, HANTS,
December 12, 1850.

MY LORD,—Many years since, I acted as Agent of the House of Assembly of Lower Canada. In that character, and in behalf of that much maligned and much injured Assembly, I appeared at the Bar of the House of Commons, and afterwards at the Bar of the House of Lords. I was received as the Agent of the Assembly also by the existing Administration; and when the old Constitution of Lower Canada was abolished, I ceased to be the Agent of the Assembly, being at that time the creditor of the Assembly in the sum of fifteen hundred pounds.

By a very disgraceful proceeding the payment of this debt was avoided—all other debts of the Assembly and Province being paid. Bitter personal and party spite stood in the way of justice, so far as I was concerned. I hope these feelings of personal rancour have died out,—and I now appeal to the justice of the Canadian Legislature to pay the debt due to me.

I have asked Lord Grey to give you power to give the Queen's sanction for the payment of this claim, and I cannot for a moment doubt but that you will receive such power. May I ask your Lordship to forward the accompanying letter to the Speaker of the Legislative Assembly, together with the official and personal permission, which I at once assume you will receive.

I remain, my Lord,

Your obedient servant,

(Signed,) J. A. ROEBUCK.

To the Right Honourable
The Earl of Elgin,
&c., &c., &c.

Appendix
(W. W.)
26th July.

Appendix
(W. W.) (Copy.)

26th July.

MILTON, LYMINGTON,
13th December, 1850.

MY LORD,—Some years since, you told me that you would forward any letter or memorial from me to the Governor General of Canada, respecting a debt due to me by the late Assembly of Lower Canada. On that voluntary and very kind offer of yours, I now address you. I have written to Lord Elgin, and the Speaker of the Legislative Assembly of Canada on the subject of that debt, claiming payment from the Assembly simply because it is a debt, and not because I desire any favour at their hands. I have or have not a claim. If I have, (and of that I believe no doubt exists in your own mind,) the debt ought to be paid, without any notion of conferring an obligation on me. I ask no favour, wanting merely that which is my due.

But by the power of our Constitution, the Legislative Assembly will need the permission of the Crown to entertain this claim; without such permission, no matter how just the claim, the Assembly is powerless. I then, in full confidence of the justice of my own claim, and reposing perfect trust in the honour of your Lordship, ask of you that this permission should be given through Lord Elgin to the Assembly.

I send you the letters which I have written to Lord Elgin and to the Speaker of the Assembly. May I ask you to forward them to their destination after you have read them. I hardly know whether by this request I am taking an undue liberty; if so, I pray you to excuse me.

(Signed) J. A. ROEBUCK.

To the Right Honourable
The Earl Grey.

No. 35.

4th March, 1851.

MY LORD,—With reference to your Lordship's Despatch No. 541, of the 18th December last, I have the honour to enclose herewith the copy of a minute of the Executive Council of this Province, from which your Lordship will observe that it is the intention of this Government to recommend to Parliament next Session that provision be made for the payment of arrears of salary due to Mr.

Roebuck, as Agent for the late House of Assembly of Lower Canada.

I have, &c.,

(Signed,) ELGIN & KINCARDINE.

The Right Honourable
Earl Grey,
&c., &c., &c.

(Copy.)

EXTRACT of a Report of a Committee of the Honourable the Executive Council on Matters of State, dated 4th March, 1851, approved by His Excellency, the Governor General, in Council, on the same day, on the Despatch of Earl Grey to Your Excellency, dated 18th December, 1850, transmitting a letter from J. A. Roebuck, Esquire, urging his claim for arrears of salary due to him as Agent for the late House of Assembly of Lower Canada.

The Committee have ascertained that Mr. Roebuck was, by resolution of the House of Assembly of Lower Canada, appointed the Agent to represent to His Majesty's Government the interests and sentiments of the inhabitants of the late Province of Lower Canada; that a salary of £600 sterling per annum was attached to his office, together with an allowance of £500 Sterling per annum for contingencies; that Mr. Roebuck acted under the Resolutions in question in this capacity of Agent, and was received as such at the Colonial Office, from time to time, and that he was likewise heard before both Houses of the Imperial Parliament, as Agent for the Assembly of Lower Canada, in opposition to the Act for suspending the Constitution of Lower Canada.

Mr. Roebuck's claim was recommended in Despatches from the Marquis of Normanby and Lord John Russell in 1839 and 1840, but it seems not to have been entertained by the Special Council. Mr. Roebuck has again brought his claim under the consideration of Earl Grey: and the Committee of Council being of opinion that it is founded on justice, recommend that a sum be placed on the estimates to be submitted to Parliament during next Session, sufficient to enable Her Majesty to pay the sum of £1500 to John A. Roebuck, in full compensation for his services as Agent to the late House of Assembly of Lower Canada, that sum being the amount claimed by him, and ascertained to be due.

Certified.

(Signed,) J. JOSEPH,
C. E. C.

Appendix
(W. W.)

26th July.

Appendix
(X. X.)

26th July.

RETURN

Appendix
(X. X.)

26th July.

To AN ADDRESS of the House of Assembly, to His Excellency, the Governor General, dated 23rd July, 1851, for copies,

"1. Of the Queen's Letters Patent, under authority of which the Protestant Bishopricks of Quebec and Montreal have been erected or established."

"2. Of the Queen's Letters Patent, dated 29th January, 1845, in favour of the "Roman Catholic Archbishop of Quebec, and dated August 17th, 1839, in favour of "the Roman Catholic Bishop of Montreal, giving these Prelates certain corporate "powers, to which two latter documents, reference is made in the 136th chapter of the "Provincial Statutes of 1849."

"3. Of the Queen's Letters Patent, under authority of which the Protestant "Bishoprick of Toronto was separated from the former Diocese of Quebec, and "established in a separate See."

By Command,

J. LESLIE,
Secretary.

Secretary's Office,
Toronto, 26th July, 1851.

PROVINCIAL REGISTRAR'S OFFICE,
TORONTO, 25th July, 1851.

SIR,—I beg to transmit herewith copies of the Documents required from this Office pursuant to the Address of the Honourable the Legislative Assembly, of the 23rd instant, with the exception of the Queen's Letters Patent under which the Protestant Episcopal Bishoprick of Toronto was separated from that of Quebec, and established as a separate See, of which no Record could be found in this Office.

I am, Sir,

Your most obedient servant,

THOMAS AMIOT,
Deputy Registrar.

The Honourable JAMES LESLIE,
Provincial Secretary, &c., &c., &c.

No. 1.

LETTERS PATENT from His Majesty George the Third, erecting the Protestant Episcopal See of Quebec; and appointing the Right Reverend Jacob Mountain, D.D., Bishop thereof.

[Dated 28th June, 1793.]

GEORGE THE THIRD by the Grace of God, King of Great Britain, France and Ireland, Defender of the Faith, &c.

To all to whom these presents shall come,

GREETING:—

WHEREAS We did by Letters Patent under Our Great Seal of Great Britain, bearing date the thirteenth day of August, in the twenty-seventh year of Our Reign, give and grant unto the Right Reverend Father in God, Charles, by Divine Permission, Bishop of Nova Scotia in North America, by himself and by his sufficient Commissary or Commissaries to be by him substituted and appointed, full power and authority to exercise Jurisdiction Spiritual and Ecclesiastical in the Province of Quebec, now divided into two Provinces, and called the Province of Lower Canada and the Province of Up-

Fiat.
Recorded in the Office of Enrolments, at Quebec, the 4th day of December, 1793, in the First Register of Commissions from His Majesty. Folio 19.

Exd.

GEO. POWNALL,
Sec. & Reg.

per Canada, as well as in the Provinces of New Brunswick and the Island of Newfoundland respectively, according to the Laws and Canons of the Church of England as by our said Letters Patent, relation being thereunto had, will more fully and at large appear. Now we have thought fit to revoke and determine, and do hereby revoke and determine so much of our said Letters Patent as relates to the said Province of Quebec, (now the Province of Lower Canada and the Province of Upper Canada,) and every clause, article or thing in our said Letters Patent contained as relate thereto. And whereas the Doctrine and Discipline of the Church of England are professed and observed by a very considerable part of our loving subjects of the said Provinces of Lower Canada and Upper Canada and their dependencies in North America. And whereas by an Act of Parliament passed in the thirty-first year of our Reign, intituled, "An Act to repeal certain parts of an Act "passed in the fourteenth year of His Majesty's "Reign, intituled, 'An Act for making more effectual "provision for the Government of the Province of "Quebec in North America, and to make fur- "ther provision for the Government of the said "Province," sundry provisions are thereby made respecting the allotment and appropriation of lands for the support of a Protestant Clergy within our said Provinces, and also respecting the constituting, erecting and endowing Parsonages or Rectories within the said Provinces, and also respecting the presenta-

Appendix
(X. X.)

26th July.

tion of Incumbents or Ministers to the same, and also respecting the manner in which such Incumbents or Ministers shall hold and enjoy the same. And whereas the Churches of the said Provinces are not without great difficulty supplied with Ministers duly ordained, and the people thereof deprived of some offices prescribed by the liturgy and usage of the Church of England for want of a Bishop residing in the said Provinces, for remedy of the aforesaid inconveniencies and defects, We have determined to erect the aforesaid Provinces into a Bishop's See, and We do by these presents erect, found, ordain, make and constitute the said Provinces of Lower Canada and Upper Canada and their dependencies to be a Bishop's See, and be called from henceforth the Bishoprick of Quebec, and to the end that this our intention may be carried into due effect, We, having great confidence in the learning, morals, probity and prudence of our beloved Jacob Mountain, Doctor in Divinity, Do name and appoint him to be Bishop of the said See of Quebec and its dependencies, so that he the said Reverend Jacob Mountain shall be and be taken to be Bishop of the Bishop's See of Quebec and its dependencies, and may, by virtue of this our nomination and appointment enter into and possess the said Bishop's See as the Bishop thereof, during his natural life, without any let or impediment of Us, our Heirs or Successors; And We do by these presents, give and grant to the said Jacob Mountain and His Successors, Bishops of Quebec and its dependencies, full power and authority to confer the Orders of Deacon and Priest, to confirm those that are baptized and come to years of discretion, and to perform all the other functions peculiar and appropriated to the Office of a Bishop, such Bishop and his Successors having been first duly ordained or consecrated Bishops according to the form prescribed by the Liturgy of the Church of England, and also by him or themselves, or by his or their Commissary or Commissaries to be by him or them substituted and appointed to exercise jurisdiction Spiritual and Ecclesiastical in and throughout the said See and Diocese according to the Laws and Canons of the Church of England, which are lawfully made and received in England in the several causes and matters hereafter in these presents expressed and specified and no other; and for a declaration of Our Royal will concerning the special causes and matters in which We will that the aforesaid jurisdiction shall be exercised, We have further given and granted, and do by these presents, give and grant to the aforesaid Bishop and his Successors full power and authority by him or themselves, or by his or their sufficient Commissary or Commissaries by him or them to be substituted and named, to give institution to Benefices and grant Licenses to Curates, and to visit all Rectors, Curates, Ministers and Incumbents of all the Churches within their said Diocese, wherein Divine Service shall be celebrated according to the rites and liturgy of the Church of England, and all Priests and Deacons in Holy Orders of the Church of England resident in their said Diocese, with all and all manner of jurisdiction, power and coercion Ecclesiastical, that may be requisite in the premises, as also to call before him or them, or his or their Commissary or Commissaries at such competent days, hours and places whatsoever, when and as often as to him or them, or his or their Commissary or Commissaries shall seem meet and convenient, the aforesaid Rectors, Curates, Ministers, Incumbents, Priests or Deacons in Holy Orders of the Church of England or any of them, and to enquire by witnesses to be sworn in due form of Law by him or them, or his or their Commissary or Commissaries, and by all other lawful ways and means by which the same may by Law be best and most effectually done, as well concerning their morals as their behaviour in their said offices and stations respectively,

as also to administer all such oaths as are accustomed to be taken in Ecclesiastical Courts, and to punish and arrest the aforesaid Rectors, Curates, Ministers, Incumbents, Priests and Deacons in Holy Orders of the Church of England according to their merits, whether by removal, deprivation, suspension or other such Ecclesiastical censure or correction as they may be liable, to according to the Canons and Laws Ecclesiastical aforesaid. And further, We have given and granted, and do by these presents give and grant to the aforesaid Bishop and his Successors full power and authority from time to time, to name and substitute, under his and their hands and Episcopal seals, one or more sufficient Commissary or Commissaries to exercise and perform all and singular the premises in the said Diocese and the several parts thereof with effect, and to remove and change the said Commissaries from time to time as to him or them shall seem expedient. And We will, that during a vacancy of the said See by the demise of the said Bishop or his Successors or otherwise, institution to Benefices and licenses to Curates may be given by the Commissary or Commissaries, who were so as aforesaid named and substituted by the last preceding Bishop, and were in the possession of that office under such substitution and appointment at the time when the See became vacant, and in case of the death of such Commissary or Commissaries before another Bishop is appointed to the said See, We will that institution to Benefices and licenses to Curates within the said Diocese may be given by or by the authority of any two Clergymen of the Church of England resident in the said Diocese, who shall be appointed for that purpose by the Governor of the Province. And moreover We command, and by these presents, for Us, our Heirs and Successors, strictly enjoin as well all and singular our Governors, Judges and Justices, as all and singular Rectors, Curates, Ministers, Incumbents and other our subjects in our said Provinces of Lower Canada and Upper Canada and their dependencies, that they and every of them be aiding and assisting to the said Bishop and his Successors, and his or their Commissary or Commissaries in the execution of the premises in all things as becomes them: Nevertheless, We will, and do by these presents declare and ordain, that it shall be lawful for any person or persons against whom any judgment, decree or sentence shall be pronounced by any Commissary or Commissaries of the said Bishop or his Successors, to demand a re-examination and review of such judgment, decree or sentence before the Bishop himself or his Successors, who, upon such demand made, shall take cognizance thereof and shall have full power and authority to affirm, reverse or alter the said judgment, Sentence or Decree of his or their Commissary or Commissaries, after having fully and maturely re-examined and reviewed the same. And if any party or parties shall conceive himself or themselves aggrieved by any judgment, decree or sentence pronounced by the said Bishop and his Successors, either in case of any such revision or in any cause originally instituted before such Bishop or his Successors, it shall be lawful for such party or parties so conceiving himself or themselves to be aggrieved, to appeal from such sentence to Us, our Heirs or Successors in Our High Court of Chancery of Great Britain, so as notice of such appeal to be given to the said Bishop within fifteen days after such sentence shall have been pronounced, and good and sufficient security in the penalty of one hundred pounds, given by the appellant or appellants, to pay such costs as shall be awarded in case the sentence appealed from shall be affirmed by Commissioners to be named by us, our Heirs and Successors, under our Great Seal of Great Britain, for the hearing and determining of the same, and We will that such Commissioners shall have power finally to decide and determine the said appeal in as

Appendix
(X. X.)

26th July.

Appendix
(X. X.)

26th July.

ample manner and form as the Commissioners appointed and assigned under our Great Seal of Great Britain, by virtue of the Statute made in the twenty-fifth year of the Reign of King Henry the Eighth, intituled, "an Act for the submission of the Clergy "or restraint of Appeals," can or may hear and definitively determine Appeals from any of the Courts of the Archbishops of our Realm of England. Moreover, We will and grant by these presents that the said Bishop be a Body corporate, and do ordain, make and constitute him to be a perpetual Corporation and to have perpetual Succession, and that he and his Successors be, forever hereafter called and known by the name of the Bishop of Quebec, and that he and his successors by the name aforesaid shall be able and capable in the law, and have full power to purchase, have, take, hold, and enjoy such manors, messuages, lands, rents, tenements, annuities and hereditaments of what nature or kind soever, in fee and in perpetuity, or for term of life or years, as by grant or license under our Great Seal of our said Provinces of Lower and Upper Canada, he or they shall at any time be authorised to take, hold and enjoy, and also all manner of goods, chattels and things personal whatsoever, of what nature and value soever, and also to demise any of the said manors, messuages, lands, tenements and hereditaments whereof or wherein he or they shall have any estate or interest as aforesaid in such manner as by license under the Great Seal of our Provinces of Lower Canada and Upper Canada, he or they shall at any time be authorized for that purpose, and that he and his Successors by and under the said name may prosecute, claim, plead and be impleaded, defend and be defended, answer and be answered in all manner of Courts, of Us, Our Heirs and Successors, and elsewhere, in and upon all and singular causes, suits, writs, and demands, real, personal and mixed, as well temporal as spiritual, and in all other things, causes and matters whatsoever, and that he and his Successors shall and may, forever hereafter, have and use a Corporate Seal, and the said Seal from time to time, at his and their will and pleasure change, alter or make new, as to him or them may seem expedient. Moreover, We will and ordain by these presents, that the Bishop of the said See of Quebec and his Successors shall be subject and subordinate to the Archiepiscopal See of the Province of Canterbury, and to the most Reverend Father in God, John, Lord Archbishop of Canterbury, Primate of all England and Metropolitan, and his Successors, in the same manner as any Bishop of any See within the Province of Canterbury in our Kingdom of England, is under the authority of the aforesaid Archiepiscopal See of Canterbury, and the Archbishop thereof, save and except in the matter of Appeals from judgments, decrees or sentences pronounced by the said Bishop of Quebec, or his Successors, which We will shall not be made to the said Archbishop of Canterbury or to his Courts, but to Commissioners appointed by Us or Our Successors in manner aforesaid; and to the end that all the matters and things aforesaid may have their due effect, we do hereby signify to the most Reverend Father in Christ, John, Lord Archbishop of Canterbury, Primate of all England and Metropolitan, that we have erected and founded the aforesaid Episcopal See of Quebec, and have named and preferred our beloved Jacob Mountain, Doctor in Divinity, to the said Bishopric, and have appointed him the Bishop an ordinary Pastor thereof, requiring, and by the faith and love whereby he is bound unto Us, commanding him to consecrate the aforesaid Jacob Mountain, Bishop of Quebec in manner accustomed, and diligently to do and perform all other things appertaining to his office in this behalf, with effect; and further to the end that all the other things aforesaid may be firmly holden

and done, We will and grant to the aforesaid Jacob Mountain that he shall have our Letters Patent under our Great Seal of Great Britain, duly made and sealed.

In Witness whereof, we have caused these our Letters to be made Patent. Witness Ourself, at Westminster, the twenty-eighth day of June, in the thirty-third year of our Reign.

By Writ of Privy Seal.

YORKE.

On Sunday, the seventh day of July, in the year of our Lord one thousand seven hundred and ninety-three, and in the eleventh year of the translation of the most Reverend Father in God, John, by Divine Providence Lord Archbishop of Canterbury, Primate of all England, and Metropolitan, in the Chapel within the Palace of the said most Reverend Father, situate at Lambeth, in the County of Surrey, the said most Reverend Father, by virtue and authority of certain Letters Patent of His most gracious Majesty, George the Third, by the Grace of God King of Great Britain, France and Ireland, Defender of the Faith, and so forth, under the Great Seal of Great Britain, and dated at Westminster, the twenty-eighth day of June, in the thirty-third year of His said Majesty's Reign, the Right Reverend Fathers in God, Beilby, by Divine permission Lord Bishop of London, John, by Divine permission Lord Bishop of Bangor, and Samuel, by Divine permission Lord Bishop of Saint David's assisting him, consecrated the Reverend Jacob Mountain Doctor in Divinity, named and appointed Bishop of Quebec and its dependencies, by His Majesty's aforesaid Letters Patent, (he having first taken the oath of fidelity and true allegiance to His said most Gracious Majesty, and of denying, refusing, and renouncing all and all manner of Foreign Jurisdiction, Power, Authority and Superiority, according to the force, form and effect of an Act of Parliament of this famous Kingdom of Great Britain, made and provided in that behalf, and of paying all due reverence and obedience to the said most Reverend Father in God, the Lord Archbishop of Canterbury, and to his successors, and to the Cathedral and Metropolitan Church of Christ, Canterbury,) the rites, circumstances and ceremonies anciently used in the Church of England, being observed and applied according to the form and manner prescribed in the Book entitled, "The form and manner of making and consecrating Bishops, Priests, and Deacons," in the presence of me, William Moore, Notary Public; there being then and there also present the Reverend Griffith Griffiths, Clerk, Master of Arts, and the Reverend William Philip Warburton, Clerk, Master of Arts, Chaplains to his said Grace, the Lord Archbishop of Canterbury, and George William Dikes, Esquire, Secretary to his said Grace, with many others, then and there in great numbers assembled.

Which I attest.

(Signed), WILLIAM MOORE,
Notary Public.

And we, the underwritten Notaries Public, by Royal authority duly admitted and sworn, residing at Doctors Commons, in the City of London, do hereby certify and attest to all whom it may concern, that William Moore, whose name is subscribed to the aforesaid Act, was and is a Notary Public, and that the letters, name, and words "William Moore, Notary Public" thereto subscribed, were and are of the proper hand-writing and subscription of the said William Moore; that we were present and saw him sign the same, and that full faith and entire credit is and

Appendix
(X. X.)

26th July.

Appendix
(X. X.)

26th July.

ought to be given to all acts, subscriptions and attestations of the said William Moore as well in Judgment as out.

In testimony whereof we have hereunto subscribed our names, to serve and avail, as occasion may require, at Doctors Commons aforesaid, this eighth day of July, in the year of our Lord one thousand seven hundred and ninety-three.

(Signed), ROBERT JENNER,
Notary Public,

One of the Deputy Registers of the Province of
Canterbury.

(Signed,) J. COBB,
Notary Public.

PROVINCIAL REGISTRAR'S OFFICE,
TORONTO, 24th July, 1851.

I do hereby certify the foregoing to be a true and faithful Copy of the Record of the original Letters Patent.

THOMAS AMIOT,
Deputy Registrar.

No. 2.

LETTERS PATENT dated at Westminster, 18th July, 1850, nominating and appointing Dr. Fulford to the See and Diocese of Montreal.

VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland Queen, Defender of the faith:

To all to whom these presents shall come,

GREETING:—

WHEREAS His late Majesty King George the Third, our Royal Grandfather, did by His Letters Patent under the Great Seal of Our Kingdom of Great Britain, bearing date the twenty eighth day of June one thousand seven hundred and ninety three, in the thirty-third year of His Reign, found, ordain, make and constitute the Provinces of Lower and Upper Canada, in America, and their dependencies to be a Bishop's See to be called from thenceforth the Bishoprick of Quebec; and His said late Majesty did in and by His said Letters Patent, nominate and

Her Majesty's
Letters Patent, dated at Westminster, 18th July, 1850, nominating and appointing Francis Fulford D. D. to the See and Diocese of Montreal.

Recorded
26th Nov. 1850.
R. A. TUCKER,
Registrar.

appoint Jacob Mountain, Doctor in Divinity, the first Bishop of the said See, with certain powers and authorities as in the said Letters Patent is mentioned and set forth. And whereas, the said Jacob Mountain, having been duly consecrated thereto, took upon himself the office of Bishop or Pastor of the said See, and afterwards departed this life, whereby the said See became vacant. And whereas His late Majesty King George the Fourth, our Royal Uncle did by His Letters Patent, under the Great Seal of our United Kingdom of Great Britain and Ireland, bearing date the tenth day of November, one thousand eight hundred and twenty five, in the sixth year of His Reign nominate and appoint Charles James Stewart, Doctor in Divinity, to be the Bishop and Ordinary Pastor of the said See, with the like powers and authorities as has thentofore been granted to the said Jacob Mountain, subject nevertheless, to any separation or division of the several Provinces then constituting the said Bishopric, into several and distinct Sees which might at any time thereafter be deemed fit and expedient to be made, as in and by the said Letters Patent will more fully appear; and the said Charles James Stewart having been duly

consecrated thereto, took upon himself the office of Bishop or Pastor of the said See. And whereas, His late Majesty King William the Fourth Our Royal Uncle, by His Letters Patent under the Great Seal of Our said United Kingdom, after reciting amongst other things that it had been represented to His said Majesty by the said Charles James Stewart, that by reason of the great extent of his Diocese and his own impaired health it was no longer in his power efficiently to discharge the Episcopal duties which had devolved upon him, and that he beseeched His said Majesty that a Bishop might be appointed to assist him in the discharge of such duties under the title of Bishop of Montreal, did nominate and appoint the Venerable George Jehosaphat Mountain, Doctor of Divinity and Archdeacon of Quebec, to be Bishop of Montreal, with certain powers and authorities and under certain limitations as mentioned in the said Letters Patent. And whereas the said George Jehosaphat Mountain, having been duly consecrated thereto, took upon himself the office of Bishop or Pastor pursuant to the tenor of the said Letters Patent, And whereas the said See or Diocese of Quebec hath become vacant by the death of the said Charles James Stewart the Bishop thereof, and it is expedient and desirable from the great extent of the said See or Diocese that the limits thereof should be altered, and that the same should in futuro comprise the District of Quebec, Three Rivers and Gaspé only, and the said George Jehosaphat Mountain, late Bishop of Montreal hath been duly appointed Bishop thereof, and it is further expedient and desirable that so much of the said Diocese of Quebec as constituted the District of Montreal which is separated for judicial purposes from the District of Three Rivers and Saint Francis and bounded by the limits of the same under an Act of the Provincial Parliament now in force should be formed into a separate See or Diocese to be called the Bishoprick of Montreal; Now know ye, that we taking the premises into our Royal consideration, do by these Our Letters Patent under the Great Seal of Our United Kingdom of Great Britain and Ireland, erect so much of the ancient Diocese of Quebec as constituted the District of Montreal, separated for judicial purposes as aforesaid, to be a Bishop's See or Diocese, and do declare and ordain that the same shall be styled "the Bishoprick of Montreal;" saving nevertheless to Us, Our Heirs and Successors the powers of altering from time to time, with the consent of the Archbishop of Canterbury for the time being if the said See be vacant, or otherwise of the said Archbishop and of the Bishop of the said See for the time being, the limits of the said Diocese and of the jurisdiction of the Bishop thereof. And we do further by these Our Letters Patent ordain and constitute the Town of Montreal in the said Diocese to be a Bishop's See and the seat of the said Bishop, and do ordain that the said Town of Montreal shall henceforth be a City. And we do hereby further order, ordain and declare that the parish Church called Christ Church in the said City of Montreal shall henceforth be the Cathedral Church and the See of the said Bishop of Montreal and his Successors in the said See. And to the end that this our intention may be carried into due effect, We, having great confidence in the learning, morals, and probity of our well beloved Francis Fulford, Doctor in Divinity, do name and appoint him to be ordained and consecrated Bishop of the said See of Montreal. And we do hereby signify to the Most Reverend Father in God, John Bird, by divine Providence Lord Archbishop of Canterbury, Primate of all England, and Metropolitan, the erection and constitution of the said See and Diocese, and our nomination of the said Francis Fulford thereto, requiring and by the faith and love whereby he is bound unto us, commanding the said Most Reverend Father in God to ordain and conse-

Appendix
(X. X.)

26th July.

Appendix
(X. X.)

26th July.

erate the said Francis Fulford to be Bishop of the said See and Diocese in manner accustomed, and diligently to do and perform all other things appertaining to His office in this behalf with effect. And we do ordain and declare that the said Francis Fulford so by us nominated and appointed, after having been ordained and consecrated thereunto as aforesaid, may by virtue of such appointment and consecration enter into and possess the said Bishop's See as Bishop thereof, without let or impediment from Us, Our Heirs, and Successors for the term of his natural life, subject nevertheless to the right of resignation hereinafter more particularly expressed. Moreover, We will and grant by these presents that the said Bishop of Montreal shall be a body corporate, and do ordain, make and constitute him to be a perpetual corporation, and to have perpetual succession, and that he and his successors be forever hereafter called or known by the name or title of the Lord Bishop of Montreal, and that he and his successors by the name and title aforesaid, shall be able and capable in the Law and have full power to purchase, have, take, hold, and enjoy Manors, Messuages, Lands, Rents, Tenements, Annuities and Hereditaments of what nature or kind soever in fee and in perpetuity or for a term of life or years, and also all manner of Goods, Chattels and things personal whatsoever of what nature or kind soever, and that he and his successors by and under the said name or title may prosecute, claim, plead and be impleaded, defend and be defended, answer and be answered in all manner of Courts of Us, our Heirs and Successors and elsewhere in and upon all and singular causes, actions, suits, writs and demands real and personal and mixed, as well spiritual as temporal and in all other things, causes and matters whatsoever, and that the said Bishop of Montreal shall and may forever hereafter have and use a Corporate Seal, and the said Seal from time to time at his and their will and pleasure, break, change, alter or make anew as he or they shall deem expedient. And we further ordain and declare that the said Bishop of Montreal and his successors shall be subject and subordinate to the Archbishop of Canterbury and his successors. And we do further will and ordain that every Bishop of Montreal shall take an oath of obedience to the Archbishop of Canterbury for the time being as his Metropolitan, which Oath shall and may be ministered by the said Archbishop or by any other person by him duly appointed or authorised for that purpose. And we do further by these presents expressly declare that the said Bishop of Montreal and also his successors having been respectively by Us, Our Heirs and Successors named and appointed, and by the said Archbishop of Canterbury canonically ordained and consecrated according to the form of the United Church of England and Ireland, may perform all the functions peculiar to the office of Bishop within the said Diocese of Montreal. And for a declaration of the spiritual causes and matters in which the aforesaid jurisdiction may be more specially exercised, We do by these presents further declare, that the aforesaid Bishop of Montreal and his Successors, may exercise and enjoy full power and authority by himself or themselves or by the Archdeacon or Archdeacons, or the Vicar General or other officer or officers hereinafter mentioned, to give Institution to Benefices, to grant Licenses to officiate to all Rectors, Curates, Ministers, and Chaplains of all the Churches and Chapels, or other places within the said Diocese wherein Divine Service shall be celebrated according to the Rites and Liturgy of the Church of England, and to visit all Rectors, Curates, Ministers and Chaplains, and all Priests and Deacons in Holy Orders of the United Church of England and Ireland, resident within the said Diocese, as also to call before him or them, or before the Archdeacon or Archdeacons or the Vicar General, or other officer or officers hereinafter

mentioned, at such competent days, hours, and places, when and so often as to him or them shall seem meet and convenient, the aforesaid Rectors, Curates, Ministers, Chaplains, Priests, and Deacons, or any of them, and to enquire as well concerning their morals as their behaviour in their said offices and stations respectively, subject, nevertheless, to such rights of review and appeal as are hereinafter given and reserved. And for the better accomplishment of the purposes aforesaid, we do hereby grant and declare that the said Bishop of Montreal and his Successors may found and constitute one or more dignities in his Cathedral Church, and also one or more Archdeacons within the said Diocese, and may collate fit and proper persons to be Dignitaries of the Cathedral Church, and one or more fit and proper persons to be the Archdeacons of the said Archdeacons respectively. Provided always, that such Dignitaries and Archdeacons shall exercise such jurisdiction only as shall be committed to them by the said Bishop or his Successors, and the said Bishop and his Successors may also from time to time, nominate and appoint fit and proper persons to be respectively the officers hereinafter mentioned, that is to say, to be Vicar General, Official Principal, Rural Deans, and Commissaries either general or special, and may also appoint one or more fit and proper persons to be Registrars and Actuaries. Provided always, that the Dignitaries and Archdeacons aforesaid, shall be subject and subordinate to the said Bishop of Montreal and his Successors, and shall be assisting to him and them in the exercise of his and their jurisdiction and functions. And We will and declare, that during a vacancy of the said See of Montreal, by the demise of the Bishop thereof or otherwise, the Dignitaries and Archdeacons and Vicar General, and other officers respectively appointed as aforesaid, shall continue so far as by law they may or can the jurisdictions and functions delegated to them, and that the said Registrars and Actuaries shall respectively continue to discharge the duties whereunto they have been appointed, until a new Bishop of the said See of Montreal shall have been nominated and consecrated, and his arrival within the limits of the said Diocese shall have been notified to the said parties respectively. And We further will and do by these presents declare and ordain, that it shall be lawful for any party against whom any judgment, decree, or sentence shall be pronounced by any of the said Archdeacons or by the Vicar General, or other officer or officers of the said Bishop or his Successors, to demand a re-examination and review of such judgment, decree or sentence, before the Bishop or his Successors in person, who upon such demand made, shall take cognizance thereof, and shall have full power and authority to affirm, reverse, or alter the said judgment, sentence or decree, and if any party shall consider himself aggrieved by any judgment, decree, or sentence pronounced by the said Bishop of Montreal or his Successors, either in case of such review or in any cause originally instituted before the said Bishop or his Successors, it shall be lawful for the said party to appeal to the Archbishop of Canterbury or his Successors, who shall finally decide and determine the said appeals. Provided always, that in any such case of appeal or review, notice of the intention of the party to make such appeal or demand such review shall be given to the Bishop or subordinate Judge by whom the sentence appealed from or to be reviewed shall have been pronounced, within fifteen days from the promulgation thereof. And we do further and by these presents ordain, that in all cases in which an appeal shall be made or review demanded as aforesaid, a copy of the judgment or sentence in such case promulgated or given, setting forth the causes thereof, together with a copy of the evidence on which the same was founded, shall with-

Appendix
(X. X.)

26th July.

Appendix
(X. X.)

26th July.

out delay be certified and transmitted by such subordinate Judge to the said Bishop or his Successors, or by the said Bishop or his Successors to the said Archbishop of Canterbury, as the case may require. Moreover it is Our will and pleasure, and We do hereby declare and ordain, that nothing in these presents contained shall extend or be construed to extend to repeal, vary, or alter the provisions of any Charter whereby Ecclesiastical Jurisdiction has been given to any Court of Judicature within the limits of the said Diocese. And for removing doubts with respect to the validity of the resignation of the said office and dignity of Bishop of Montreal, it is Our further will that if the said Bishop or any of his Successors, shall by Instrument under his hand and seal, delivered and sent to the Archbishop of Canterbury for the time being, and by him accepted and registered in the office of the Vicar General of the said Archbishop, resign the office and dignity of Bishop of Montreal, such Bishop shall from the time of such acceptance and resignation cease to be Bishop of Montreal to all intents and purposes, but without prejudice to any responsibility to which he may be liable in Law or Equity, in respect of his conduct in his said office. And lastly, to the end that all things aforesaid may be firmly holden and done, we will and grant to the aforesaid Francis Fulford, that he shall have our Letters Patent under our Great Seal of our said United Kingdom, duly made and sealed. In witness whereof, we have caused these our Letters to be made Patent. Witness Ourself at Westminster, the eighteenth day of July, in the fourteenth year of our Reign.

By Writ of Privy Seal.

CROWHURST.

On Thursday, the twenty-fifth day of July, in the year of our Lord one thousand eight hundred and

Notarial Act of the consecration of Doctor Francis Fulford, Bishop of Montreal.

With legalization of two Notaries. Recorded 26 Nov., 1850.

R. A. TUCKER,
Registrar.

and in the thirteenth year of the translation of the Most Reverend Father in God, John Bird, by Divine Providence Lord Archbishop of Canterbury, Primate of all England and Metropolitan in the Collegiate Church of Saint Peter, Westminster, in the County of Middlesex.

The said most Reverend Father, by virtue and authority of certain Letters Patent of Her most Gracious Majesty, Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, and dated at Westminster, the eighteenth day of July, in the fourteenth year of Her said Majesty's Reign, (The Right Reverend Father in God, Edward, by Divine permission Lord Bishop of Salisbury; Ashhurst Turner, by Divine permission Lord Bishop of Chichester; Samuel, by Divine permission Lord Bishop of Oxford; Samuel, by Divine permission Lord Bishop of Norwich, and John, by Divine permission Lord Bishop of Toronto assisting him.) consecrated the Reverend Francis Fulford, Doctor in Divinity, named and appointed Bishop of the See and Diocese of Montreal, by Her Majesty's aforesaid Letters Patent; he having first taken the oaths of fidelity and true allegiance to Her said Most Gracious Majesty, and of denying, refusing, and renouncing all and all manner of Foreign Jurisdiction, power, authority, and superiority, according to the force, form, and effect of an Act of Parliament of this famous Kingdom of Great Britain, made and provided in that behalf, and of paying all due reverence and obedience to the said most Reverend Father in God, the Lord Archbishop of Canterbury, and his Successors, and to the Cathedral Metropolitan Church of Christ, Canterbury, the rites, circumstances, and ceremonies used in the

Church of England, being observed and applied according to the form and manner prescribed in the Book intitled, "The form and manner of making and consecrating Bishops, Priests, and Deacons," in the presence of me, Francis Hart Dyke, Notary Public, principal Registrar of the Province of Canterbury, there being then and there also present the Right Worshipful Sir John Dodson, Knight, Doctor of Laws, with many others then and there assembled.

Which I attest,

F. H. DYKE,
Notary Public.

And we the undersigned Notaries Public by Royal authority, duly admitted and sworn, residing at Doctors Commons in the City of London, do hereby certify and attest to all whom it may concern, that Francis Hart Dyke, whose name is subscribed to the foregoing Act, was and is a Notary Public, and that the letters, name and words thereto subscribed were and are of the proper handwriting and subscription of the said Francis Hart Dyke: that we were present and saw him sign the same, and that full faith and entire credit is and ought to be given to all acts, subscriptions and attestations of the said Francis Hart Dyke, as well in Judgment as out.

In testimony whereof we have hereunto subscribed our names to serve and avail as occasion may require, at Doctors Commons aforesaid, this sixth day of August, in the year of our Lord one thousand eight hundred and fifty.

P. C. TOKER,

Not. Pub.

RICHARD ADDAMS, Jr.,

Not. Pub.

PROVINCIAL REGISTRAR'S OFFICE,
TORONTO, 24th July, 1851.

I hereby certify that the foregoing is a true and correct copy of the Record of Her Majesty's Letters Patent, dated at Westminster, 18th July, 1850, nominating and appointing Francis Fulford, D.D., to the See and Diocese of Montreal, as it is entered on the Record of this Office in Lib. C. M. Folios 10, 11, 12, 13, 14, 15, 16, 17 and 18.

THOS. AMIOT,
Deputy Registrar.

No. 3.

LETTERS PATENT incorporating the Roman Catholic Bishop of Quebec.

[Dated 20th January, 1845.]

PROVINCE OF CANADA.

C. T. METCALFE.

VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, &c. &c. &c.

To all to whom these presents shall come or whom the same may concern,

GREETING:—

WHEREAS Our Beloved and Faithful subject, The Right Reverend Joseph Signay, Bishop of the Roman Catholic Diocese of Quebec in our said Province, has by his Petition in that behalf prayed that We would be pleased to direct that Our Royal Letters Patent should be issued, incorporating him the said Jo-

Letters Patent incorporating the Roman Catholic Bishop of Quebec.

Recorded in the Registrar's Office,

Appendix
(X. X.)

26th July.

Appendix
(X. X.)
28th July.

of the Records, at Montreal, the first day of February, 1845, in the eighteenth Register of Commissions and Letters Patent.— Folio 470.

R. A. TRICKER,
Registrar.

of Quebec and his Successors, in and by a certain Act of the Parliament of the late Province of Lower Canada, made and passed in the first year of the Reign of His late Majesty King William the Fourth, intitled, "An Act to enable His Majesty to acquire the property of the Episcopal Palace at Quebec and of the ground thereunto attached for the public use of the Province," together with all other goods and property which the said Catholic Bishop of Quebec and his Successors may subsequently acquire, to the behoof of their said Bishoprick, for the proper maintenance of himself and his Successors, and of their future Co-adjutors, and of the Priests and other Ecclesiastics whose assistance is necessary to enable him to administer the Roman Catholic Diocese of Quebec, and also to promote those works of Charity and Public utility to which he feels it his duty to lend his aid, should be declared to be holden in mortmain: Provided that the whole property so to be holden in mortmain, which may be lawfully acquired in right of the said Episcopal See as its future endowment, should not exceed in annual value the sum of two thousand pounds sterling, over and above the rent or sum of one thousand pounds sterling, as above mentioned, and that such property and revenue should be transmitted to the Successors of him the said Roman Catholic Bishop of Quebec in their capacity, and for the purposes aforesaid, upon each successive vacancy and succession, in virtue of such Letters Patent, without any other Act being necessary for the transfer and alienation of such property and revenues: And whereas We have taken the said Petition into Our consideration and are graciously pleased to assent thereto. Now Know Ye that We of Our especial grace, certain knowledge and mere motion, have made, constituted and declared, and by these presents do make, constitute and declare the said Right Reverend Joseph Signay and his Successors, Bishops of the said Roman Catholic See of Quebec, an Ecclesiastical Corporation, or Body Corporate and Ecclesiastical in name and in deed, by the name of "The Roman Catholic Bishop of Quebec in the Province of Canada," and that by the same name he and they shall have perpetual succession and a common Seal, with power to alter, break and make new the same when and so often as he or they shall judge it expedient so to do, and that he and his Successors by the same name may sue and be sued, implead and be impleaded, answer and be answered, defend and be defended in all Courts of Record, and places of Judicature and Jurisdiction within the said Province, and do, perform and execute all and every lawful acts and things in as full and ample manner and form to all intents and purposes and constructions as any other Ecclesiastical Corporation, or Body Corporate and Ecclesiastical by law may or ought to do. And Know ye Further, that We, of our especial grace, certain knowledge and mere motion, have given and granted, and by these presents, do give and grant to the said Joseph Signay and his Successors, Bishops of the Roman Catholic See of Quebec, Our Royal License and Authority, to have and to hold in mortmain for ever, all the goods and property which the said Bishop of Quebec and his Successors may acquire subsequently to the date of these presents to the behoof of their said Bishoprick, for the proper maintenance of himself and his Successors, and of their future Co-adjutors, and of the Priests and other Ecclesiastics whose assistance is necessary to enable him to administer the Roman Ca-

seph Signay and his Successors, Bishops of the said Roman Catholic Diocese of Quebec, with all the rights and privileges by law belonging to other Incorporations, and that by such Letters Patent the rent or sum of one thousand pounds sterling, assigned to the Roman Catholic Bishop

tholic Diocese of Quebec, and also to promote those works of Charity and Public Utility to which it is the duty of himself and his Successors to lend his and their aid: Provided however, and this Our Royal License and Authority is given and granted upon this express condition, that the whole property so to be holden in mortmain, which may be acquired in right of the said Episcopal See as its endowment, shall not exceed in annual value the sum of two thousand pounds sterling money of Great Britain, over and above, and exclusive of the before mentioned rent of one thousand pounds sterling as aforesaid: And We do hereby will and direct that the aforesaid rent of one thousand pounds sterling money aforesaid, together with all and every the said property, goods and revenues so as aforesaid to be acquired from and after the date of these presents, shall be transmitted to the Successors of him the said Roman Catholic Bishop of Quebec in their capacity and for the purpose aforesaid, upon each successive vacancy and succession in the said Roman Catholic See, in virtue of these presents and the authority hereinbefore contained, without any after Act being necessary for the transfer, transmission or alienation of the said property, goods and revenues.

In testimony whereof, we have caused these Our Letters to be made Patent, and the Great Seal of our said Province of Canada to be hereunto affixed. Witness our right trusty and well beloved, the Right Honourable Sir Charles Theophilus Metcalfe, Baronet, G. C. B., one of Our Most Honourable Privy Council, Governor General of British North America, and Captain General and Governor-in-Chief in and over our Provinces of Canada, Nova Scotia, New Brunswick and the Island of Prince Edward, and Vice Admiral of the same, &c. &c. &c., at Montreal, this twenty-ninth day of January, in the year of our Lord one thousand eight hundred and forty-five, and in the eighth year of our Reign.

By Command,

D. DALY, Secretary.

PROVINCIAL REGISTRAR'S OFFICE,
TORONTO, 24th July, 1851.

Certified to be a true and faithful copy of the Record of the original Letters Patent.

THOMAS AMIOT,
Deputy Registrar.

No. 4.

LETTERS PATENT incorporating the Roman Catholic Bishop of Montreal.

[Dated 15th August, 1839.]

PROVINCE OF LOWER CANADA.

J. COLBORNE.

VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith.

To all to whom these Presents shall come, or whom the same may concern,

GREETING:—

WHEREAS Our Beloved and Faithful subject, The Right Reverend Jean Jacques Lartigue, Bishop of the Roman Catholic Diocese of Montreal, in our said Province, by his Petition in that behalf, dated the first day of May, one thousand eight hundred and thirty-seven, represented to Our Royal Predecessor, His late Majesty King William the Fourth, that the said Church had,

Letters Patent incorporating the Roman Catholic Bishop of Montreal.

Filed.
Recorded in the Registrar's office of the Records, at

Appendix
(X. X.)
28th July.

Appendix
(X. X.)
26th July.

Quebec, 17th day
of August, 1839, in
the 16th Register
of Letters Patent,
and Commissions,
etc. Folio 182.

D. DALY,
Registrar.

for all Spiritual and Ecclesiastical purposes, been erected into a distinct Bishoprick, with Ecclesiastical jurisdiction, and prayed that His Majesty would be pleased to direct that Letters Patent should be issued, incorporating him the said Jean Jacques Lartique and his Successors, Bishops of the said Roman Catholic Diocese of Montreal, with all the rights and privileges by law belonging to other Incorporations, and that by such Letters Patent the Cathedral Church of Saint James in the City of Montreal, in our said Province, with the lands, tenements and buildings and appurtenances thereunto belonging, with all other goods and property which the said Catholic Bishop of Montreal might subsequently acquire to the behoof of the said Bishoprick, for the proper maintenance of himself and his Successors, and of their future Co-adjutors, for the completion of the said Cathedral of Saint James, for the coming support of that Church, for the maintenance of the Priests and Ecclesiastical Officers officiating in the said Cathedral, and of the Teachers and Pupils of the Diocesan Seminary, for the benefit of the Missions of the Diocese to the Indians, Emigrants and other persons incapable of paying Tithes and lawful dues of the Church, should be declared to be holden in mortmain: Provided that the whole property so to be holden in mortmain, which might lawfully be acquired in right of the said Episcopal See as its future endowment, should not exceed in annual value the sum of two thousand pounds sterling over and above and exclusive of the before mentioned Cathedral of Saint James and the buildings and other appurtenances thereunto belonging, and that such property and Revenues should be transmitted to the Successors of him the said Roman Catholic Bishop of Montreal in their capacity, and for the purposes aforesaid, upon each successive vacancy and succession, in virtue of such Letters Patent, without any other Act being necessary for the transfer and alienation of such property and Revenues. And whereas the Right Reverend the Bishop of the Roman Catholic Diocese of Quebec and his Co-adjutor the Right Reverend the Bishop of the Roman Catholic Diocese of Sidyme certified to His late Majesty their assent to and concurrence in the said Petition. And whereas We have taken the said Petition into Our consideration, and are graciously pleased to assent thereto: Now know Ye, that We of Our especial grace, certain knowledge and mere motion, have made, constituted and declared, and by these presents do make, constitute and declare the said Right Reverend Jean Jacques Lartique and his Successors, Bishops of the said Roman Catholic See of Montreal an Ecclesiastical Corporation or Body Corporate and Ecclesiastical in name and deed, by the name of "The Roman Catholic Bishop of Montreal in the Province of Lower Canada," and that by the same name he and they shall have perpetual succession and a common Seal, with power to alter, break and make new the same when and as often as he or they shall judge it expedient so to do, and that he and his Successors by the same name may sue and be sued, implead and be impleaded, answer and be answered, defend and be defended in all courts of Record and places of Judicature and Jurisdiction within the said Province, and do and perform all and every lawful acts and things, in as full and ample manner and form to all intents, constructions and purposes as any other Ecclesiastical Corporation or Body Corporate and Ecclesiastical by law may or ought to do. And know ye further, that We of Our especial grace, certain knowledge and mere motion have given and granted, and by these presents do give and grant to the said Jean Jacques Lartique and his Successors, Bishops of the said Roman Catholic See of Montreal, Our Royal

License and authority to hold in mortmain for ever, the Cathedral Church of Saint James, the Episcopal Palace, Diocesan Seminary, School House and other buildings thereunto belonging, heretofore acquired or erected by the said Jean Jacques Lartique, Bishop as aforesaid, situate on Saint Denis Street in the said City of Montreal, together with all and every the lands, tenements and appurtenances situate in the said City of Montreal, thereunto adjoining or in any wise appertaining, which belonged to or were held by the said Roman Catholic Bishop, Jean Jacques Lartique, on or before the said first day of May one thousand eight hundred and thirty seven, and also all other goods and property which the Catholic Bishop of Montreal has acquired or may acquire subsequently to the said first day of May, which was in the year of our Lord one thousand eight hundred and thirty seven, to the Bishop of the said Bishoprick for the proper maintenance of themselves and their future Co-adjutors, for the completion of the said Cathedral of Saint James, for the becoming support of that Church, for the maintenance of the Priests and Ecclesiastical Officers officiating in the said Cathedral, and of the Teachers and Pupils of the Diocesan Seminary, for the benefit of the missions of the Diocese to the Indians, Emigrants and other persons incapable of paying Tithes and lawful dues of the church. Provided however, and this Our Royal License and authority is given and granted upon this express condition, that the whole of the property so to be holden in mortmain which may have been or may be acquired in right of the said Episcopal See at its endowment shall not exceed in annual value the sum of two thousand pounds sterling money of Great Britain, over and above and exclusive of the before mentioned Cathedral of Saint James, and the buildings, lands, tenements, and appurtenances thereunto belonging, held and possessed as acquired by the said Jean Jacques Lartique, Bishop of the said Roman Catholic See, to the behoof of the said Bishoprick as aforesaid on or before the first day of May, in the year of our Lord one thousand eight hundred and thirty seven. And we do hereby will and direct that all and every the said property, goods and revenues so as aforesaid acquired and held before, or to be acquired from and after the said first day of May in the year of our Lord one thousand eight hundred and thirty seven, shall be transmitted to the Successors of him the said Roman Catholic Bishop of Montreal in their capacity and for the purposes aforesaid, upon each successive vacancy and succession in the said Roman Catholic See, in virtue of these presents and the authority hereinbefore contained without any other act being necessary for the transmission, transfer or alienation of the said property, goods and revenues.

In testimony whereof we have caused these Our Letters to be made Patent, and the Great Seal of Our said Province of Lower Canada to be hereunto affixed. Witness, Our Trusty and well beloved Lieutenant General, Sir John Colborne, G. C. B., G. C. H., Governor General of all our Provinces on the Continent of North America, and of the Islands of Prince Edward and Newfoundland, and Captain General and Governor in Chief in and over Our Provinces of Lower Canada, Upper Canada, &c., &c., at Our Government House in Our City of Montreal, in our said Province of Lower Canada, the fifteenth day of August, in the year of our Lord one thousand eight hundred and thirty nine, and in the third year of our Reign.

(Signed,) D. DALY, Secretary.

PROVINCIAL REGISTRAR'S OFFICE,
Toronto, 24th July, 1851.

Certified to be a true and faithful copy of the
Record of the original Letters Patent.

THOMAS AMOT, Deputy Registrar.

Appendix
(X. X.)
26th July.

M E S S A G E .

ELGIN AND KINCARDINE.

THE GOVERNOR GENERAL transmits, for the information of the Legislative Assembly, copies of a Despatch from Her Majesty's Secretary of State for the Colonies, communicating Her Majesty's disallowance of an Act of last Session, entitled, "An Act to amend the Currency Act of this Province," also, of sundry communications in relation to that Act.

GOVERNMENT HOUSE,
Toronto, 28th July, 1851.

No. 208.

GOVERNMENT HOUSE,
TORONTO, 16th August, 1850.

MY LORD,—I have the honour to transmit herewith, the copy of an Act passed during the last Session of the Provincial Parliament to amend the Currency Act of this Province, with a Minute of the Executive Council thereupon. The latter document explains the objects which the Legislature had in view in this Act, and I venture to request for it your Lordship's favourable consideration, as the subject is one which materially affects the trading interests of the Province.

I have, &c.,

(Signed,) ELGIN & KINCARDINE.

The Right Honble.

Earl Grey,
&c., &c., &c.

(Copy.)

EXTRACT from a Report of a Committee of the Hon. the Executive Council on matters of State, dated 14th August, 1850, approved by His Excellency the Governor General in Council on the same day.

The Committee of the Executive Council have had under consideration, on Your Excellency's reference, an extract of a Despatch from Sir Edmund Head to Earl Grey, dated 30th March last, on the subject of the currency, and in connection therewith, the Act lately passed by the Canadian Legislature to amend the Currency Act of this Province. The Committee of Council concur in the opinion expressed by Sir Edmund Head, that it is extremely desirable that there should be an uniform currency throughout British North America, especially as there is a prospect of an extensive inter-colonial trade between the said Provinces, and likewise a common system of postage. The Committee of Council entertain no doubt that it would tend much to facilitate the growing commercial intercourse between all the Provinces, and the neighbouring States of the American Union, if the cur-

rency were assimilated as much as possible to that of the United States. In the United States there are two standards of value, gold and silver—but owing to the slight appreciation of the gold Eagle as compared with the silver dollar, the latter coin usually commands a premium in the market, and the former may be considered as the standard practically. The value in Halifax currency of the British Sovereign was fixed by the Act 4 and 5 Vict. cap. at £1 4s. 4d., which is as near as possible its value as compared with the half Eagle of the United States. By the above mentioned Act the value of the silver dollar was fixed at 5s. 1d. currency, the object having been to secure a silver standard in Canada, which was at the time considered preferable to a gold one. The effect, however, has been to depreciate the Canada paper currency as compared with that of the United States; and thus to prevent Canada Bank notes from passing at par along the extensive frontier of the United States. A general demand to equalize the currency induced the Canadian Government to recommend the Currency Act, lately passed, to Parliament, and it was carried through both Houses without opposition. The Committee of Council are now called upon to advise Your Excellency to take steps to give effect to its provisions. It will be observed that the Governor in Council is authorized to take steps to procure the coinage of certain gold and silver coins more particularly specified in the Currency Act, a copy of which accompanies this Report. The Committee of Council trust that facilities will be extended by Her Majesty's Mint for the proposed coinage, and they respectfully recommend that Your Excellency should communicate on the subject with Her Majesty's Principal Secretary of State for the Colonies. As with regard to the proposed silver coins, it is provided that their intrinsic value shall bear to their nominal value the same proportion as the British silver coins do, a considerable seignorage can be obtained. The Committee of Council are of opinion that silver coins should be struck of the value of 3d. currency, 6d. currency, 1s. currency, and 2s. 6d. currency. These coins would be the 1-20th, 1-10th, 1-5th and 1-2 the dollar respectively, and for the present the Committee of Council are of opinion that these silver coins would be sufficient. With

Appendix
(Y. Y.)
28th July.

regard to the gold coins, the Committee of Council are of opinion that two would be sufficient—either five dollar and half five dollar pieces—or four dollar and half four dollar pieces. These coins should be equal in value to the half Eagle of the United States and its parts, or proportionate to such value. Under the late Act of the Parliament of New Brunswick, the value in currency of the sovereign has been fixed at £1 4s. 4d., which is the same value attached to it in Canada, and the provision in the Act is that the proposed gold coins, whether of the value of £1 5s., £1, 12s. 6d. or 10s. currency, shall be of the same intrinsic value, as compared with the sovereign, as the sums for which they pass shall bear to £1 4s. 4d. currency. The Committee of Council are respectfully of opinion, that communications should take place between Your Excellency and the Lieutenant-Governors of the Sister Provinces, with the view of obtaining the co-operation of the respective Governments in carrying the scheme of a British American coinage into execution.

(Copy.)

TREASURY CHAMBERS,
24th October, 1850.

SIR,—I am directed by the Lord's Commissioners of Her Majesty's Treasury to acquaint you, for the information of Earl Grey, that the Canada Act No. 779 of 1850, entitled, "An Act to amend the "Currency Act of this Province," has been brought under the notice of this Board by the Board of Trade, together with the letter addressed by you to that Department on the 7th instant, and the copy of a despatch from the Governor General of Canada which accompanied it.

My Lords desire me to state that they are by no means satisfied of the propriety of the measure proposed by this enactment for a nominal depreciation of the dollar and half dollar, with a view to the substitution of a gold for a silver currency; a measure which would have the certain effect of causing a temporary derangement of the monetary affairs of the Province, without, as it appears to my Lords, attaining a satisfactory settlement of the object proposed.

My Lords, however, abstain from entering at present further into the consideration of this question, as there are other provisions in the Act which render it necessary that it should at once be disallowed by Her Majesty. My lords refer to those clauses which authorize the Governor General to cause silver and gold coins to be struck for circulation in the Province.

Their Lordships entertain strong objections on many grounds to such an enactment, but it is sufficient to observe that it involves an uncalled for and most objectionable interference with the prerogative of the Crown.

I am further directed to request that Earl Grey will call the attention of the Governor General, to the impropriety of allowing an Act of this description to pass, without a clause suspending its operation, until the pleasure of Her Majesty thereon should be known.

I have, &c.,

(Signed,) C. E. TREVELYAN.

H. Merivale, Esq.,
&c., &c., &c.

(Copy.)

MEMORANDUM.

THE Undersigned has the honour to submit the following remarks on the letter of Sir C. E. Trevelyan to Mr. Merivale, dated 24th October last:

Sir C. E. Trevelyan announces that the Lords of Her Majesty's Treasury are of opinion that the Act of the Canadian Parliament, entitled "An Act to amend the Currency Act of this Province," should be disallowed on the ground that "it involves an uncalled for and most objectionable interference with the Prerogative of the "Crown." This interference consists in the authority given to the Governor in Council, to cause gold and silver coins to be struck for circulation in the Province, an authority which it was never contemplated to exercise except with the sanction of Her Majesty's Imperial Government, and through the medium of the Royal Mint.

The want of a Colonial coinage has been felt for many years, during which the people of Canada, in number nearly two millions, have been allowed to depend on the coinage of a foreign nation, or on the depreciated silver tokens issued from the Royal Mint. The Royal Prerogative not having been exercised to supply such an obvious want, the Canadian Parliament, with the great unanimity, sanctioned a measure by which the Governor in Council was authorized to do so, and to defray any expense that might be incurred in consequence. As the supply of a Colonial coinage is far from being the most important provision of the Act under consideration, the undersigned would respectfully submit that it would be most inexpedient to disallow the Act on the ground urged by Sir C. E. Trevelyan. The disallowance of Acts of such a character is calculated to cause the most serious embarrassment to the people of Canada, and to produce wide-spread discontent. Sir C. E. Trevelyan may recollect the feeling that was manifested both by the Legislature and people of Canada, when it was proposed to disallow the Charter of the Commercial Bank in the year 1833. The undersigned has no doubt that a feeling of even greater dissatisfaction would be the consequence of the adoption of a similar policy, under the altered circumstances of the Country.

The undersigned submits that the object desired by the Lords of the Treasury would be accomplished if the objectionable portion of the Act were repealed during the next Session of the Canadian Parliament, with a recital in the repealing Act of the grounds on which this step was necessary. This would certainly accomplish the object in the most satisfactory manner, as it would be an admission by the Canadian Legislature that it had no desire to interfere with the Royal Prerogative. It would of course be desirable, in proposing such a measure, to be able to give some assurance to the Canadian Parliament that Her Majesty's Government would take steps to exercise the Prerogative for their relief. It appears from Sir C. E. Trevelyan's letter, that the Lords of Her Majesty's Treasury are by no means satisfied of the propriety of the measure under consideration, in so far as it makes an alteration in the nominal value of the dollar and half dollar, with a view to the substitution of a gold for a silver currency. The Lords of the Treasury do not appear to think that the measure would be "a satisfactory settlement of the object proposed," while it would have "the certain effect of causing a temporary derangement of the monetary affairs of the Province." The undersigned most respectfully submits that as the

Appendix
(Y. Y.)
28th July.

Appendix
(Y. Y.)

38th July.

parties more immediately interested, the Bankers, Merchants, and Traders of the Province, see none of the objections entertained by their Lordships, it would be inexpedient, even should the Legislature and people of Canada be in error, to place any impediment to their Legislation. But the undersigned is fully convinced that the Act in question will not have the effect of causing any derangement of the monetary affairs of the Province, whereas its disallowance would lead to the most serious consequences. The period for the Act coming into force having been fixed for the first of January, the Banks have made all their preparations accordingly. They have exported their silver Coin (principally to England) and replaced it with gold. The substitution of the former could only be effected at present at a heavy loss, particularly as the winter season is approaching. The undersigned being well aware that the argument once used in Canada in favour of fixing the value of the dollar at 5s. 1d., viz: that the Banks would be protected thereby, can have no weight with the Lords of the Treasury, is unable to conceive on what grounds it can be urged, that in one British Province that coin should be valued at 5s. 1d., currency, while in the other it is only 5s., currency. Neither can the undersigned see any just ground of objection to the proposition, that the currency in Canada should be assimilated to that of the United States, while the advantages of such assimilation are obvious and manifold. The great intercourse between the two Countries, the circulation of the notes of each on the frontier of the other, render it most desirable that the coins should be of precisely similar value. So with regard to the other British Provinces, between which and Canada the intercourse is rapidly increasing, the undersigned submits that it would be most desirable to have a uniform currency, and that it would be much more expedient to assimilate it to that of the United States, than to continue a depreciated coinage. Should the Lords of Her Majesty's Treasury be induced to re-consider the subject of the Canada Act, it may be found an unobjectionable course to take no step at present with regard to the Act, but allow the necessary amendments to be made during the next Session of the Provincial Parliament, which will obviate the very great embarrassment which would be experienced by its present disallowance.

(Signed,) F. HINCKS,
Inspector General.

(Copy.)
No. 575.

DOWNING STREET,
9th April, 1851.

20 Feb., 1851. MY LORD,—I transmit to Your Lordship with this Despatch a communication which I have received from the Lords Commissioners of the Treasury on the subject of the Canada Act No. 779 of 1850, entitled, "An Act to amend the Currency Act of this Province."

2. For the reasons fully stated in the letter of their Lordships, I have come to the conclusion that it will be necessary to advise Her Majesty to disallow this Act.

3. The inconveniences of establishing a Currency which shall be peculiar to Canada are so many and so obvious, that it is unnecessary for me to do more than refer generally to the subject. It would, therefore, give me great satisfaction to be instrumental towards the attainment of an object of so much general interest and advantage, as the estab-

lishment of one general and uniform system for all the Provinces of British North America.

4. I can suggest no measure more likely to be conducive to the accomplishment of this end, than that the several Legislatures should pass Acts appointing Commissioners to meet together at the Seat of Government for Canada, for the purpose of framing general regulations constituting an uniform Currency for all the Provinces.

5. These Acts might contain provisions giving such regulations prospectively, the force of law in the several Provinces (if adopted with the common consent of all the Commissioners) so soon as they should have been confirmed by Her Majesty in Council.

6. The basis of these regulations would be matter for future consideration; but in my own opinion the best arrangement would be to adopt the British Currency as the standard, converting all existing claims and engagements in Colonial Currency into their equivalent in British Currency, and making the latter in future the standard, with a provision that payments might be made in foreign coins, at rates determined from time to time by their actual value in the market, periodically announced in the Gazette, in the same manner as the averages of corn are in this Country.

7. I have furnished the Lieutenant Governor of New Brunswick with a copy of this Despatch, with reference to an Act of that Province, to which it has been necessary, for similar reasons, to withhold Her Majesty's confirmation.

I have, &c.,

(Signed,)

GREY.

Right Honourable

The Earl of Elgin,
&c., &c., &c.

Enclosure in Earl Grey's Despatch, No. 575, 9th April, 1851.

(Copy.)

TREASURY CHAMBERS,
20th February, 1851.

SIR,—I am commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint you for the information of Earl Grey, with reference to your letter of the 6th December last, that my Lords have had under their attentive consideration the Despatch therein enclosed from the Governor General of Canada, with the Memorandum accompanying it, by the Inspector General of the Province, on the question of disallowing the Canada Currency Act as suggested in the letter of this Board of the 24th October last.

I am desired to state that the opinion expressed in that letter was founded on considerations not lightly adopted, both of constitutional law and of general policy, and my Lords do not find in the arguments advanced by Mr. Hincks sufficient reasons for altering the view which they took of this matter; and impressed as they are with the desirableness of abstaining, as far as possible, from interfering with measures of a local character adopted by the Canadian Legislature, they still feel that the course which they then suggested, is the one which it is proper and right to follow.

The objection most prominently put forward by their Lordships against the Act in question was founded on those clauses which, by conferring on the Governor General the assumed right of coining

Appendix
(Y. Y.)

28th July.

Appendix
(Y. Y.)
28th July.

money, involved an interference with the prerogative of the Crown; but they disapproved of the Act also on other grounds.

That objection, however, has a deeper import and a wider bearing than the Inspector General, from the tenour of his remarks and the nature of his recommendations, appears to be aware of; and the very circumstance of an Act of this nature having been passed by the Parliament of Canada unanimously and with little discussion, shews that, although the Inspector General does not question the abstract rights of the Crown in this respect, the policy of maintaining them is not understood in the Colony, or at any rate has not been duly considered.

My Lords therefore think it desirable to bring under the notice of the Canadian Government, through the Secretary of State, the grounds upon which this prerogative rests.

In Vattel's Law of Nations, it is laid down that "the public faith being surety for the money, the Sovereign alone has a right to have it coined. For this reason, the right of coining is placed among the prerogatives of Majesty."

The writer proceeds to cite examples with regard to the delegation of this power, from which it may be inferred that "the King could not grant that privilege, it being inseparable from the Crown." It would hence appear that the Sovereign holds the power as an inalienable prerogative, for the benefit of the State and subject to its laws.

The foundation of the prerogative was to enable the Sovereign to maintain the faith of contracts between all classes of the subjects; and it is essential to the exercise of this power, that it should be maintained in the person of the Sovereign or ruling power of the State, as an alteration of the Currency in one part of the Territory would necessarily affect, not only the inhabitants of that District, but all other subjects who have contracts with them. The delegation to local authorities of the right to alter the standard, or to issue new coins, would disable the Queen from effecting the objects for which the prerogative exists.

My Lords think it therefore incumbent on Her Majesty's Government to maintain this prerogative of the Crown unimpaired, and they are of opinion that a local Act assented to by the Governor General without authority, and assuming to confer upon him this attribute of the Sovereign, ought not to be allowed to remain on the Statute Books of the Provincial Legislature.

The objection to that clause of the Act which assigns new rates to the dollar, &c., stands upon a somewhat different footing, because it confers no new powers on the Governor General, and merely revises the rates at which foreign Coins pass current by the same authority (namely an Act of the Provincial Legislature) as that which established the rates already existing.

There is, however, this great distinction between the course followed on the present and on the former occasion, that whereas the Canada Act 4 and 5 Vict., chap. 35, was framed in accordance with previous instructions from Her Majesty's Government, and was reserved for the special confirmation of Her Majesty in Council, the Act now under consideration has been passed without previous communication with Her Majesty's Government, and has not been reserved for Her Majesty's sanction.

No reason is assigned for this deviation from the

usual and prescribed course of proceeding in the case of Bills of this description; but the Inspector General contends for the principle of allowing the Provincial Legislature the power of regulating the currency of the Province, without special reference to Her Majesty's Government.

My Lords feel it right to observe, with reference to this claim, that the power of giving Currency to Coins cannot be separated from the prerogative of coining; for the Sovereign who coins money assigns the nominal rate at which it shall pass current, and the admission of foreign Coins into circulation, at rates conflicting with those assigned to current Coins of the realm, would interfere with the exercise of this right.

Hence the right of legitimatising foreign Coin, and making it current, is included by Judge Blackstone in the prerogative of the Crown relating to the coinage.

Her Majesty's Government have, upon these grounds, been careful of late years to reserve within the controul of the Crown, all proceedings of Colonial Legislatures relating to the Currency, and the instructions to Governors expressly apprise them that they are not empowered to pass any law without authority of Her Majesty's Government, whereby an alteration may be made in the circulating medium of the Colony.

My Lords do not consider that they can upon any constitutional principle abandon that controul, which has heretofore been exercised over the proceedings of Colonial Legislatures relating to the Currency, and they feel that they are bound to require that any Bills which may pass the Parliament of Canada, on such subjects, may, as formerly, be reserved for the signification of Her Majesty's pleasure thereon.

Lord Grey will observe that the objections entertained by this Board against the Act in question are twofold, viz:

First, On account of the clauses which would confer upon the Governor General the right of Coining, a prerogative reserved by Constitutional Law in the person of the Sovereign—and

Secondly, On account of the clause for altering the current rates of certain foreign Coins, as being irregularly enacted, and as coming into operation without the previous assent of Her Majesty in Council, and thereby interfering with the due controul of Her Majesty over arrangements affecting the same prerogative.

My Lords would much regret if any embarrassment should be occasioned to the Canadian Government or Legislature by the adoption of this decision, more especially as if any such should arise, it would, they fear, be aggravated by the circumstance of the Act having been allowed to come into operation on the 1st January, owing to a disinclination to act upon the view of this Board regarding the disallowance of the Act, without first consulting the Local Government: but it does not appear to their Lordships that any practical difficulty, or inconvenience in regard to the monetary concerns of the Province, can arise from disallowing the Act, since the Law, as it existed previous to the passing of the recent Act, gave the Banks the option of forming their reserves of any of the current Coins whether Gold or Silver; and the proceeding, which they are said to have taken, of remitting the Silver dollars which they had in their chests to this Country, and substituting for them Gold Coins of the United States, was perfectly open to them under the provisions of that Law.

Appendix
(Y. Y.)
28th July.

Appendix
(Y. Y.)

28th July.

The disallowance of the Act, will not therefore, as the Inspector General supposes, affect at all the proceedings of the Banks in this respect, which are in perfect accordance with the provisions of the existing law, or render it necessary for them to revert to their former practice of holding their reserves solely in silver coin.

I am at the same time to observe that although, for the reasons above assigned, my Lords have thought it necessary to recommend that the Act should be disallowed, they would have felt great reluctance in suggesting this course, if the expediency of the regulations proposed to be established had appeared to them to be free from doubt, and if the maintenance of the controul of Her Majesty's Government over proceedings affecting the Currency of the Colonies did not involve grave questions of policy; no less than of constitutional principle.

The History of the Currency of the British Colonies affords ample evidence of the necessity for the exercise of the controlling power of the State. All the anomalies which have arisen in past times, and the difficulties which in some cases still remain to be adjusted, may be traced to the ill considered and partial proceedings adopted in the Colonies, in the absence of systematic and judicious superintendence on the part of the Home Government.

It was not until the inconvenience arising from the conflicting and arbitrary valuations assigned to the Coins in circulation in the different possessions of the Crown, became so pressing as to require at all hands a remedy for the evil, that the Government undertook the settlement of the question upon sound and general principles. With this object it was essential that they should take the superintendence of it into their own hands, and assert the power, for the advantage of the Colonies themselves, which is vested in the Sovereign by Royal prerogative for regulating the circulation. The beneficial effects of this superintendence must be apparent when the confusion which existed previously to the adoption of the measures of 1838 is compared with the present state of the Currency in most of Her Majesty's Colonies.

The character of the Legislation recently proposed in more than one Colony leads this Board to apprehend, that past experience would be of little avail, if the Colonial Assemblies were left to Legislate on these subjects without controul, and that those bodies would still be governed by partial and restricted views, instead of broad and general principles. But if controul is to be maintained, it is obvious that it can be exerted with greater efficiency, as well as convenience, in anticipation of Legislative provision, rather than by correcting measures after they have been passed. The difficulty of dealing with questions of this description would be greatly augmented, if local Acts are to come into operation and assume the force of Law, before Her Majesty's Government have had an opportunity of expressing an opinion upon them, so that the effect of the interference of the Government is not, as it clearly ought to be, to prevent an objectionable law from taking effect, but to repeal the law after it has been acted upon.

If any proof were required of the necessity of maintaining the regulations which have been established on this subject, it would be afforded by one of the arguments which is advanced in favour of the recent Legislation in Canada.

One of the objects which is most insisted upon is the advantage of combining, in an uniform system,

the Currencies of the British North American Provinces; and it appears to be considered that this object would be promoted by the Canada Act now under consideration.

No doubt the attainment of an effectual arrangement for that purpose is most desirable; but the first difficulty to be overcome in the matter is that of reconciling conflicting views and interests, and the discovery of a means of effecting the necessary change in the currency of some of the Colonies, without disturbing existing relations between debtors and creditors.

The superintendence of a general controlling power would be almost essential to the carrying into effect an extended arrangement of this nature in the different Colonies, and my Lords do not consider that the object would be promoted by hasty legislation in one Province, in the hope that others would follow in the same course.

The Inspector General observes in his Memorandum, that "he is unable to conceive on what grounds it can be urged that in one British Province, Coin (the dollar) should be valued at 5s. 1d. currency, while in others it is 5s. currency."

My Lords entirely concur in the view which thus appears to be entertained by the Inspector General, that there are no good grounds for having a different value assigned to the same Coin in different Colonies: but they must observe that this discrepancy has arisen from the same course having at former periods been adopted by the different Colonies, which is pursued in the present instance by the Canadian Legislature, namely, that of one Colony legislating on the subject without reference to Her Majesty's Government, or to the circumstances existing in other Colonies; and further, that rating the dollar at 5s. currency in Canada will not attain the uniformity sought.

The nominal rating of the dollar at 5s. currency at present obtains in two of the Provinces, viz., New Brunswick and Newfoundland.

In the former, the pound Sterling is rated at £1 4s, being equivalent to the rating of the dollar at 5s. currency, estimating that coin at 4s. 2d. sterling. 5s. currency in New Brunswick expresses therefore a different value from 5s. currency in Canada, where the pound Sterling is rated at £1 4s. 4d; and although my Lords have before them a Bill of the Legislature of New Brunswick, in which a re-rating of the Coins in circulation is proposed on a basis similar in some respects to that adopted in the Canada Act, it has not received the assent of Her Majesty, and as yet, therefore, the case of New Brunswick cannot be referred to as one in which the system sought to be established in Canada has been adopted.

In the case of Newfoundland, the rating of the dollar at 5s. currency is merely nominal, there being no legal enactments for regulating the currency of that Island, and consequently no fixed rates at which the Coins in circulation can be estimated. In Nova Scotia the dollar is rated at 5s. 2½d. currency, and at Prince Edward's Island at 6s. 3d.

It is evident from this statement of the various rates assigned to the dollar in the North American Provinces, that if, as my Lords are led to infer from the above passage in the Inspector General's Memorandum, the measure has been brought forward in Canada under the impression that, by fixing the nominal rating of the dollar at five shillings, uniformity will thereby be attained in the currency of the different Provinces, the parties pro-

Appendix
(Y. Y.)

28th July.

Appendix
(Y. Y.)

28th July.

lessing that object had not even ascertained the state of the currencies of the other Provinces, before introducing a Bill of such importance.

It is also evident that much difficulty will be experienced in modifying the ratings of the various currencies of the different Colonies into a uniform scheme, and my Lords are unable, without further information as to the views entertained in the Provinces, to propose any definite arrangement for that object.

All these difficulties have indeed been overcome in Bermuda and the most considerable of the West India Islands, by the simple course of adopting the denomination of Sterling in accounts, and the increased use of British money, and a similar measure was at one time contemplated by the Legislature of Nova Scotia.

Their Lordships are of opinion that such a solution of the question would be, in many respects, the most satisfactory and advantageous, although they are aware of the arguments which may be advanced in favour of a system of Currency for the North American Colonies, more nearly according with that of the United States.

My Lords will hereafter advert to this point, which is connected with the question of the most advantageous system of Currency to be adopted for the British North American Provinces, collectively: but before entering into the consideration of that general question, it is necessary that they should express their views upon the particular measure which is proposed, for an alteration of the rating of the dollar in Canada.

That measure is avowedly founded on the desire to assimilate the currency of the Province with that of the United States, as established by the law in force in that country relating to the Coinage. That law was passed in the year 1836, and previously therefore to the recent alteration, which has taken place in the relative value of the precious metals, and which there is good reason for believing has arisen from extraordinary and probably temporary causes. Its provisions make both gold and silver Coins legal tender, but assigned to the former a smaller proportionate quantity of pure metal, than should be assigned to them in reference to the Silver coins, according to the average relative value of the two metals in the general market of the world. Difficulty must indeed always occur in defining the relative mean value of the two metals measured by each other, but there is no doubt that the silver dollar usually bears an Agio in the United States, and consequently that the eagle which contains nominally ten dollars, does not represent the value of ten silver dollars. Hence the anomaly has arisen that the silver dollar, though a legal tender for no more than one tenth of an eagle, is intrinsically worth more, and the bank note representing a dollar, and for payment of which no coin existed until very lately, except a silver dollar, was issued on the credit chiefly of gold coins of less intrinsic value than the number of silver dollars nominally contained in them.

In Canada a more correct system of rating has been adopted. The value expressed in the denomination of local currency of the pound Sterling having been first ascertained, the several coins of foreign States admitted into circulation were rated by a comparison with the British Sovereign. The gold coins, according to their equivalent contents of pure gold—the silver coins, according to their contents of pure silver, taking the average value of that metal as measured by the gold standard of

Appendix
(Y. Y.)

28th July.

this country. On this basis, which my Lords conceive as the only consistent principle on which foreign coins can be rated for circulation in the British dominions, the Sovereign having been rated at £1 4s. 4d. currency, the eagle was correctly rated relatively to the Sovereign at 50s. currency, and the silver dollar at 5s. 1d. currency, which was as nearly as could be expressed in that denomination, its intrinsic value.

This principle of rating, whilst it gave concurrent circulation to the coins of both metals, as in the United States, avoided the anomaly which has been referred to in the case of the Currency of that country; but it appears to have given rise to some discrepancy in regard to the value at which the notes of the Banks of the two countries circulate, when they come in contact with each other. The notes of the Canada Bank for 5s. currency, represent the tenth part of an eagle, and are consequently equivalent to the United States dollar notes; but as they do not represent silver specie dollars, (rated at 5s. 1d. currency) it is stated that they are not taken by the border population of the United States as equivalent to the notes of their own Banks, which nominally, though not virtually, represent silver specie dollars.

The avowed object of the proposed alteration of the rating of the Silver dollar in Canada, is to counteract this partial depreciation of the Bank Notes of that Province, and this object would be attained by depreciating that Coin relatively to the Gold Coin, in the same proportion as Silver is under-rated relatively to Gold in the United States' Mints. My Lords, however, cannot but think that any partial advantage to be attained by this alteration would be dearly purchased, if it should expose the monetary concerns of the Province to risk of embarrassment.

Their Lordships can understand that some inconvenience may arise in retail transactions between the bordering population, from this discrepancy in the value arbitrarily assigned to the Bank Notes of the two countries; but this inconvenience must be very partial, and confined to a small portion of the population, and my Lords cannot conceive that such notions can affect the real exchange between the two countries, or interfere with the ready adjustment of their monetary transactions. My Lords are unable to assent to the opinion, that for the sake of remedying a partial inconvenience of this sort, it is expedient to adopt a measure for rating a single Coin upon an arbitrary valuation, contrary not only to sound principle, but to the scheme upon which other Coins, Silver as well as Gold, continue to be rated.

From the arguments employed by the Inspector General, he would appear to be under the impression, that the Currency of Canada had heretofore been based on a Silver standard.

Such an impression can only have been formed from an imperfect knowledge of the state of the law.

It is true, that the reserves in the Banks consisted, until lately, of Silver Dollars of the United States.

There were obvious reasons why the Banks should give a preference to these Coins. They constituted a convenient reserve for facilitating the payment of the small notes, of which the circulation of the Province mainly consists; and they were, probably, more easily obtainable than other coins, from the circumstance that, being undervalued in their own country, they would naturally

Appendix
(Y. Y.)

28th July.

flow into Canada, where they were rated at their intrinsic worth.

But the law, as has been seen, allowed the Banks to employ either Silver or Gold Coins for their reserves, and it is more than probable that, even if the Canadian Act in question had not been passed, the recent change in the relative value of the precious metals, would have induced those who were in possession of Silver Dollars to remit them to Europe for the sake of the profit to be derived from their sale, substituting Gold Coins in their Chests of reserve, and that the change which is stated to have been effected by the Banks in anticipation of the Canada Act coming into operation, and in consequence of its enactment, would have been voluntarily undertaken by them as a profitable operation. But the substitution of Gold for Silver in their Coffers can effect no real alteration in the value for which the notes circulate: these still represent the same proportions of the British Sovereign and the United States Eagle, that they did before.

A very material change would, however, in all probability, result from this Act, namely, that in consequence of the undervaluation of the silver dollar, that Coin would cease to flow into Canada, and the usual Silver circulation of the Province would disappear.

The consequences of this change demand, in the opinion of my Lords, very serious consideration.

Whatever opinion may be entertained regarding the issue of Notes of a very small denomination, it can hardly, my Lords conceive, admit of a doubt, that if the convertibility of these Notes is to be respected, provision should be made for facilitating their payment on demand, and the circulation of a country cannot stand on a sure basis if it consists to a great extent of notes for small sums, when the reserves on the faith of which they are issued is formed of Coins, the lowest denomination of which greatly exceeds the amount expressed in each note. Such would be the condition of the circulation of Canada, if the state of the Law rendered it disadvantageous for the Banks to hold Silver Coins in their Coffers, while a great proportion of their issues consists of 5s. (Currency Notes.) In the United States, the inconvenience of not having a ready means of converting into Coin the Dollar Notes, owing to the withdrawal of the Silver dollars from circulation, appears to have led to the recent measure adopted by them of a Coinage of Gold Dollars. It is possible that, if those Coins can be obtained in sufficient quantities, and are made a legal tender in Canada, they might supply ultimately a medium of exchange for the payment of the small Notes; but no such resource could have been contemplated when the Canada Act was passed, and that measure must be considered, as it applies to the existing monetary arrangements of the Province. It is to be hoped that the business of these Banks is conducted with such care, as to prevent any risk of a sudden and excessive demand upon them for Coin; but foresight cannot always prevent commercial embarrassment; and if a monetary crisis should arise, there can be no doubt that any difficulty in finding Coin to discharge Notes presented for payment, would tend greatly to aggravate it. The aim of Legislation on these subjects should be to guard beforehand against the occurrence of such contingencies.

For these reasons my Lords continue to be of opinion, that the alteration of the law proposed by

the Canada Act, was not called for by any circumstances of sufficient cogency, and is of a character likely to lead to embarrassment.

It is true, that the immediate derangement of the monetary concerns of the Province, which, in the absence of any information regarding the arrangements made by the Banks, my Lords were led to apprehend from a forced and sudden change in its circulating medium, has not taken place, but they had not at that time any evidence of the effect of the demand for Silver which has since occurred in Europe and the East Indies, and which, as above observed, has rendered it a profitable transaction for the Banks to remit their Stock of Silver Coins to this country, and replace them with Gold Coins from the United States. Such casual occurrences, however, afford no ground for permanent legislation.

My Lords would deprecate any forced reversal of the proceedings of the Banks, which indeed, in present circumstances, they have already stated reasons for thinking almost impossible; but it appears to them to be highly inexpedient that an alteration of the law should be made, which by discouraging the importation of Silver into the Province, when the extraordinary demand for it shall have ceased, should prevent those Institutions from strengthening their reserves by the addition of Silver Coin, when prudence may dictate such a measure. In the present state of the small note circulation of the Province, it appears to their Lordships to be necessary to maintain a mixed currency, consisting to a considerable extent of Silver Coins, in order to discharge the 5s. Currency Notes on demand, and while different Coins are allowed by law to pass current, the only sound principle of rating them is founded on their intrinsic value, in reference to the standard Coin of the Empire.

My Lords have further directed their attention to the proposition for a special Coinage, which, as the Inspector General rightly observes, might, if desirable, be carried into effect, on an address of the Assembly, without the aid of Colonial Legislation.

Although the provisions of the Act for this purpose, if it had been allowable to carry them into effect, were necessarily restricted to the Province of Canada, it appears to be contemplated that the coinage sought for should be adopted for the whole of the British Provinces of North America, and my Lords have considered the proposition in this general view.

They do not think that there would be any advantage in discussing the question, whether, as implied by the Inspector General, the inconvenience complained of from the want of Coins adapted to the Currency of Canada, is attributable to neglect on the part of the Home Government, or as might be contended on the other hand, to the proceedings of the Colony in past times, for assigning fictitious rates to Coins, and thereby rendering the circulation of the Province unadapted to any existing Coins. Their Lordships are ready to admit that much inconvenience may arise from the present state of things, and that it would be very desirable to find a remedy for it.

The question does not, however, in their Lordships' opinion, admit of so easy a solution as the Government of Canada appear to have supposed, when they introduced the measure.

The objection which their Lordships have urged in regard to the circulation of 5s. Currency notes,

Appendix
(Y. Y.)

28th July.

1851

issued on the faith of a reserve of Gold Coins, would apply with greater force to a Currency of the character proposed, to be based on a Gold standard, with a subordinate token Coinage of Silver, the amount for which the latter shall be legal tender being strictly limited.

The circulation of the Province would be placed in an anomalous position, if concurrently with such a limitation upon the Silver Coins, Notes of a denomination below that of any Gold Coin passed current as an unlimited tender; and a revision of the regulations regarding the issue of small Notes, payable on demand, would seem to be an indispensable preliminary to a measure of that description.

The scheme of a local coinage requires, however, consideration on general grounds.

Although the chief uses of a circulating medium are confined to the internal trade of a Country, the operations of commerce render its employment necessary, under contingencies of not unfrequent occurrence, for the purpose of adjusting foreign exchanges, and it is therefore convenient that it should consist of Coins readily available for that object.

In the case of a country of sufficient extent and wealth to maintain a large amount of money in circulation, and of commerce so extended that its Coins are frequently sent to distant Countries, such Coins acquire a known value, which renders them acceptable in all places as a medium of exchange, and gives them currency beyond their proper limits.

They can always be obtained with facility either for export to foreign Countries or re-transmission home, according to the requirements of Commerce.

But in Communities of more limited means, the circulation of which is necessarily restricted, the same advantages do not exist. A special Coinage may be perfectly adapted to their internal wants; but the contingency of its export in the case of an adverse state of the exchanges must be contemplated, and the more limited the community, the more it will be exposed to sudden drains of this nature. When thus exported, the Coins would of course have no other value than they would derive from their contents of precious metal, and as they would have none of those facilities for adjusting transactions with other Countries, which are afforded by the Coins of a great commercial people, trading with all parts of the World, there would be no object for retaining them in the shape of Coin. They would probably therefore be melted for sale in the shape of bullion.

This was the case with the Rupees, which were largely imported into England from India in 1848, and, if the Coins of so wealthy and populous a country afford an example of this effect, it can hardly be doubted that in the case of Canada, Coins, adapted only for its internal wants, if once exported, would not readily return.

It is on this account evidently desirable that a Coinage should be adapted for as wide a range as possible; and the want of power to maintain a Currency proper to themselves, probably gave rise to that mixed circulation in the British Colonies which, in spite of difficulties in adapting itself to the denominations of account in which current transactions are expressed, is in other respects advantageous as affording all the facilities for adjusting the balance of foreign trade, which are attained by the money of large and wealthy communities.

On these grounds it appears to my Lords that a scheme for a special Coinage, framed with a view only of meeting the internal wants of a single Province, is very objectionable. Were the proposition of the Canadian Parliament to be adopted, similar facilities might, with equal reason, be demanded by other Provinces, modified according to their peculiar views; and the inconveniences arising from conflicting denominations of account would be aggravated by the circulation, in neighbouring localities, of a variety of Coins representing no common value.

If therefore the adoption of a special Coinage should be found advisable, it would be essential for its efficient working, that it should combine all the British Provinces of North America in one general scheme.

Such a scheme could not, however, be devised until uniformity is established in the currencies of the different Provinces, and this is an object for the settlement of which, as their Lordships have observed, both time and consideration are requisite.

Other difficulties present themselves in regard to the proposal for a local Coinage, which do not seem to have occurred to the Canadian Government.

It is proposed that the Coins should be struck in Her Majesty's Mint and sent out to Canada, at the expense of the Colony.

If this were a single and final operation, the expense attending it might not be a matter for any serious consideration; but when it is borne in mind that in Countries which possess a circulating medium of their own proper Coins, it is necessary to have frequent recourse to their Mints, in order to replace money deteriorated by wear, or sent to other places in the operations of commerce, it will be evident that the necessity of resorting to the Mint of a distant country on every emergency, more especially when the communication by sea is subject to periodical interruptions of long duration, would render the community liable to great delay and expense in reinforcing their circulating medium, and materially aggravate those inconveniences which my Lords have adverted to as inseparable from a confined circulation.

All these objections would be obviated at once, by the substitution of the circulating medium of the United Kingdom for the mixed currency now in use, instead of resorting to the questionable alternative of a special Coinage.

British Sovereigns can always be procured in any part of the world, and could be imported into Canada, either from England or other places, without incurring the delay and expense which would be incurred in procuring Coins on every occasion from the Royal Mint. Although the Coins of this realm may not combine with all the facility that may be desirable, with those of the Country bordering on the North American Provinces, their use in those Colonies must facilitate the adjustment of trade with the Mother Country; and they derive from the wealth and extensive commerce of Great Britain those qualities which fit them, in an eminent degree, for the adjustment of mercantile transactions; their value is well known; they have an universal currency, and they are even admitted by the Law of the United States as legal tender by weight for payments in that country.

There would, no doubt, be difficulties to be overcome in this as in any other change. The great impediment to the introduction of the Money of the United Kingdom, as the sole or chief medium of

Appendix
(Y. Y.)
28th July.

exchange in the North American Provinces, arises from the use of fictitious denominations of account which represent no integral of the pound sterling. The substitution therefore of the Coins of the realm for a mixed circulation, could only be effectually carried out by the abandonment of the fictitious system of the local currencies, and the adoption, in their stead, of sterling denominations of account; but this, as it appears to my Lords, is a change which could be adopted with greater facility than any other, and without any of those risks of disturbing existing relations between debtor and creditor which must almost inevitably arise in transitions from one nominal Currency to another, because complications must ensue if contracts were to be adjusted in a denomination of account differing from that in which they were originally expressed, where neither denomination expresses terms denoted by any actual Coin; whereas the distinction between transactions in sterling and in the local denominations is in all cases clearly understood and accurately defined. Such a change, as my Lords have observed, has already been effected in many of the British Colonies without any apparent inconvenience, and with great ultimate advantage; and although, in the case of Canada, some repugnance may be felt to a departure from a system which, with all its defects, has the advantage of a partial assimilation with the Currency of the United States, my Lords cannot but think that this advantage is greatly diminished by the anomalies which have given rise to the proposition now before this Board, but which that proposition appears to be hardly calculated to remove.

My Lords are persuaded that Earl Grey will concur with them in thinking that the several points connected with this subject, upon which they have offered the foregoing observations, require very serious consideration, and that, as a preliminary to such consideration, it will be necessary that the disallowance of the Canada Currency Act should be submitted to Her Majesty.

I am, &c.,

(Signed,) C. E. TREVELYAN.

H. Merivale, Esq., &c., &c.

(Copy.)
No. 67.

GOVERNMENT HOUSE,
TORONTO, 16th May, 1851.

MY LORD,—I have the honour to enclose herewith the copy of a Memorandum by the Inspector General of this Province, on the subject of the communication from the Lords Commissioners of the Treasury, forwarded to me in your Despatch No. 575, of the 9th of April, to which I beg leave to call your Lordship's attention.

I have, &c.

(Signed,) ELGIN & KINCARDINE.

The Right Honourable

Earl Grey,
&c., &c., &c.

(Copy.)

Enclosure in Lord Elgin's Despatch, No. 67.

MEMORANDUM.—The undersigned, Inspector General of Public Accounts in Canada, has the honour to submit the following observations on Sir C. E. Trevelyan's letter to Earl Grey, under date 20th February last, communicating the opinion of the Lords Commissioners of Her Majesty's Treasury, that the Canada Currency Act, No. 779, of 1850, should be disallowed.

The objections entertained to this Act are :

Appendix
(Y. Y.)
28th July.

1st. That the right of Coining belongs solely to the Sovereign, and ought not to be exercised by any inferior authority.

2nd. That the reduction of the current value of the dollar from 5s. 1d. to 5s. is inexpedient; that it would impair the obligations of contracts to the injury of the debtor, and that, under the Act, there would be no coin in which small notes could be paid.

3rd. That it would be inconvenient for Canada to have a Coinage of its own.

4th. That the best mode of proceeding in order to obtain an uniform Currency for British North America, would be for the several Provinces to agree to adopt the British Currency.

In support of the first objection, the following quotation is made from Vattel's "Law of Nations": "The public faith being surety for the money, the Sovereign alone has the right to have it coined. For this reason the right of coining is placed among the Prerogatives of Majesty."

It seems to the undersigned to be beyond a doubt that by the term Sovereign, Vattel meant the Sovereign power of the State, or in countries enjoying free Constitutions, the Legislature. Sir C. E. Trevelyan would scarcely contend that an English Sovereign could in the present day, by the exercise of the Royal Prerogative, raise or lower the standard or fineness of the current coin of the United Kingdom, or assign any value to a coin other than such as may be proportionate to its weight when of such fineness or standard. The Imperial Act 56 Geo. 3, cap. 68, removes all doubt on this head. It will not, it is presumed, be contended, that the Crown has greater power in this behalf in Canada than in England. The Imperial Act above referred to, does not make the coin to be issued under it, a legal tender elsewhere than within the United Kingdom. If it be no interference with the Prerogative of the Crown for the two Houses of the Imperial Parliament to pass an Act for regulating the Coinage within the United Kingdom, with the concurrence of the Crown, the undersigned is respectfully of opinion that neither can it be considered any interference with the Prerogative, for the two Houses of the Canadian Parliament to pass an Act for regulating the Coinage in Canada, with the same consent. The Prerogative in question is clearly one of those which may quite constitutionally be restricted by Act of Parliament, and the undersigned is unable to discover wherein the Prerogative has been more violated in the Canada Act than in the 56 Geo. 3. The latter Act empowers "His Majesty's Master and Worker of the Mint," to strike or cause to be struck coins for circulation in the United Kingdom, the former Act confers the same power on the Governor of Canada in Council, there being no Canadian Mint.

The authority of the Crown is no more impaired in one Act than in the other. In both cases the power is in reality vested in the Crown, whose instructions would necessarily be obeyed by the Governor of Canada as implicitly as by the Master of the Mint. In both cases the Act of Parliament defines the weight, standard and denomination of the Coin. The foregoing observations have reference to the constitutionality of the Act. It may be proper to add that it was never intended by the Canadian Government to establish a separate Mint, or to adopt any proceeding relative to the coinage except in concurrence with Her Majesty's Government. The powers given to the Governor in Council were necessary as an authority for them to defray the expenses of the Coinage. It must be borne in mind that a

Appendix
(Y. Y.)

28th July.

question has been raised by Sir C. E. Trevelyan, quite distinct from that having reference to the constitutionality of the Act, viz: as to the expediency of the Imperial Government interfering with Colonial Acts making alterations in the value of current coins. It must be obvious that by the exercise of this power of interference, all the dangers apprehended from "the delegation to local authorities of the right to alter the standard or to issue new coins," would be averted. Although for reasons which will be stated elsewhere in this memorandum, it was not deemed expedient to advise the Governor General to withhold the Royal assent from the Act under consideration, the undersigned has no desire to dispute the claim of the Imperial Authorities to control Colonial Legislation when its effects would be "to impair the faith of contracts, or affect the interests of any class of Her Majesty's subjects having contracts with the people of the Colony." It must however be admitted, that the interference of the Imperial Authorities ought not to be exercised in cases of minor importance, and especially in a case which being in itself of that character, happens to be one in which a particular Imperial Department holds opinions at variance with the two Houses of the Canadian Parliament, and of the entire Banking and Commercial interests of the country, who must be the sufferers from any erroneous legislation on the part of the Province. The power of the Imperial Authorities to interfere with every Act passed by the Canadian Parliament is undoubted, but the inexpediency of doing so, unless in cases involving Imperial interests, is now admitted on all hands. The undersigned humbly submits that no objection to the Canada Currency Act, on the ground of its unconstitutionality or improper interference with the Royal Prerogative, can be sustained.

The next objection to the Act is based on the change made in the value of the dollar from 5s. 1d. currency, to 5s. Sir C. Trevelyan is of opinion that "The anomalies which have arisen in past times, and the difficulties which in some cases still remain to be adjusted, may be traced to the ill-considered and partial proceedings adopted in the Colonies, in the absence of systematic and judicious superintendence on the part of the Home Government." It may be contended on the other hand that the "Anomalies" which had existed in Canada, and "the difficulties which still remain to be adjusted," may be traced to the ill-considered interference of the Imperial Treasury Department with Canadian Legislation. It is now ten years since the Currency Act, the amendment to which has given rise to the present discussion, was passed. Although Sir C. Trevelyan ascribes the difficulties which have arisen to the "ill-considered and partial proceedings adopted in the Colonies," yet he elsewhere admits that "The last Act 4 and 5 Vict. chap. 35, was passed in accordance with previous instructions from Her Majesty's Government." The undersigned is well aware that this statement is correct. The Legislative Assembly in 1841 resolved with the same unanimity that it did in 1850 that the value of the silver dollar should be fixed at 5s., the rate at which it had been a legal tender since the settlement of the country. The influence of the then Governor General acting under instructions from the Treasury, was brought to bear on the question, and it was intimated that the Bill would not be assented to unless an amendment fixing the value of the dollar at 5s. 1d. was agreed to. The Bill being very important on other grounds, its supporters most reluctantly yielded the point. It was however the opinion of all those best acquainted with the subject, that a blunder had been committed, and the experience of ten years

confirmed that opinion in the minds of all practical men. Sir C. Trevelyan's objection to the rating of the dollar at 5s. is that "The Eagle, which contains nominally ten dollars, does not represent the value of ten silver dollars, that the silver dollar, though a legal tender for no more than one-tenth of an Eagle, is intrinsically worth more," and that, "5s. 1d. currency is as nearly as can be expressed in that denomination, its intrinsic value."

The undersigned respectfully submits that Sir C. Trevelyan is in a serious error as to a matter of fact. He desires first to observe, that Sir C. Trevelyan on all occasions refers to the silver dollar as if all dollars were of precisely the same intrinsic value. The dollar which obtains the most general circulation, is the Mexican, and as regards some of those dollars, Sir C. Trevelyan's remarks may be correct, but Sir C. Trevelyan is either ignorant of the fact, or else he has not given to it the weight to which it is clearly entitled, that there are no less than eight Mints in Mexico, the coins struck at which differ from each other both in weight and fineness; nay, more, the coins struck at the same Mint in different years differ from one another in value from one-half to one per cent. The above remarks are important, as proving that no reliance can be placed on calculations as to the value of silver dollars as compared with the gold Sovereign. So far as Canada is concerned, as the Mexican dollars bear an agio, not only as compared with gold, but with the American half-dollars, the discrepancies in their value is of little importance. They are generally sold by weight, and their average value may be 5s. currency. Sir C. Trevelyan is, however, mistaken, in supposing that the American half-dollars usually bear an agio in the United States, or that their value as compared with gold is of 5s. currency. Intrinsically these coins may have been worth a very small per-centage more than 5s., but rating the Sovereign at 24s. 4d., and the Eagle at 50s., the silver dollar of the United States should be rated at 5s., that being, to use Sir C. Trevelyan's language, as nearly as could be expressed in that denomination its intrinsic value. To establish the incorrectness of Sir C. Trevelyan's opinion as to the value of the silver dollar being 5s. 1d., the undersigned submits the following proof:—

1. In a work published in 1842, by Messrs. Eckfeldt and Dubois, Assayers of the Mint of the United States, entitled, *A Manual of Gold and Silver Coins of all Nations, struck within the last Century*, will be found the following remark: "It is a remarkable fact, however, that our Gold and Silver Coins have, ever since that date" (that of the passage of the Coinage Act of 1834, not 1836, as stated by Sir C. Trevelyan), "passed concurrently without premium either way."

2. The New York Prices Current, for a series of years establish the fact, that while Mexican dollars bore an agio of about 1 to 1½ per cent., American Gold and Silver Coins have not varied ¼ per cent. in value.

3. Since the passage of the Canada Act, under the Treasury Instructions, by which American dollars were rated at 5s. 1d., gold has been at a premium of from 1 to 2 per cent., Canada Bank notes have been at a discount of 2 to 3 per cent. in the United States, and the exchanges on New York have been at a premium of from 2 to 3 per cent. Since the correct rating of the dollar by the Act which has been disallowed by the Treasury, all these difficulties have been removed. It is remarked by Sir C. Trevelyan, that "from the arguments employed by the Inspector General, he

Appendix
(Y. Y.)

28th July.

Appendix
(Y. Y.)

28th July.

" would appear to be under the impression that the Currency of Canada has heretofore been based on a silver standard"—and " that such an impression may have been formed from an imperfect knowledge of the law." The undersigned deems it unnecessary to notice the imputation that a person occupying the position which he has the honour to fill in this Province, could possibly be ignorant of the fact that gold was a legal tender as well as silver. He, however, must, with all submission, repeat that the effects of the law passed under the Treasury instructions, was to make silver practically the sole standard. If it be a fact that gold invariably commanded a premium, after the passing of that Act, of from 1 to 2 per cent., that the value of Bank notes and of exchange was regulated by that of the dollar, then the undersigned submits that that coin was as much the standard in Canada as the Sovereign is in England. The undersigned believes that he has sufficiently established that from first to last the Imperial Treasury Department has been in error with regard to the rating of the dollar; but even admitting that their view is correct, he submits whether it is expedient to resist the wishes of the Canadian Legislature and people on such a point. Imperial interests can be but very slightly affected by the change. It is indeed more than probable, that beyond the precincts of the Treasury, the subject has attracted no attention whatever. If the Gold Coin of the United States be slightly appreciated, as compared with the silver Coin, and if such appreciation be injurious to England, it must be obvious that the latter country would suffer infinitely more by it in her immense transactions with the United States, than in her comparatively small ones with Canada. To the people of Canada it is of the highest importance that her currency should not be depreciated as compared with the United States, and it certainly seems rather surprising that Sir C. Trevelyan should be so alive to the importance of having an uniform Currency throughout British America, and should at the same time think it of so little consequence that there should be uniformity between the United States and Canada. Sir C. Trevelyan having assumed, with the view of shewing the inconsistency of the undersigned, that one of the objects of the Canada Act was to assimilate the Currency throughout British America, it is necessary to state, that the avowed object of the Act, as elsewhere admitted by Sir C. Trevelyan, was to assimilate the Currency of Canada to that of the United States.

Both objects doubtless are important, but they are obviously inconsistent with one another. The undersigned was not so ignorant as to suppose that by rating the dollar at 5s., the Canada Currency would be assimilated to that of New Brunswick, but he contended on a former occasion as he does now, that the rating of the dollar at 5s. having been sanctioned in New Brunswick in accordance with the wishes of her Legislature, it is inconsistent on the part of the Treasury to object to an Act of the Canadian Parliament fixing the same rate. It being established, as the undersigned ventures to hope it has been, that it was expedient to change the value of the dollar from 5s. 1d. to 5s., a more favourable time for effecting the change could not have been selected. Should the late alteration in the value of the precious metals have arisen, as Sir C. Trevelyan states " there is good reason for believing, from extraordinary and probably temporary causes" this is obviously the proper time to effect an assimilation of the Canadian Currency to that of the United States, without " impairing the obligation of contracts." The silver dollar is at present worth more even than 5s. 1d., and no debtor

Appendix
(Y. Y.)

28th July.

therefore would be injured by its being rated at 5s. Alteration in the value of coins should of course be made only on very strong grounds, but in the present case the people of Canada, who were the parties principally interested, were universally of opinion that the very slight alteration made in the value of the dollar was warranted under the circumstances. The objection raised to the rating of the silver dollar at 5s., on the ground of the circulation of small notes, is not believed by those who have had practical experience, to be a valid one. In the United States, small notes are extensively circulated, and no such inconvenience has been felt. The Banks would be able, under the law, to pay any demand in gold amounting to the smallest gold coin in circulation, and as it would be their business to provide silver to satisfy legal demands, and as they anticipate no difficulty in being able to do so, and furthermore, as any difficulty or loss in this respect could fall on Canada, and not either on the Imperial Treasury or any parties in the United Kingdom, the undersigned submits that this objection, however formidable it may be in the estimation of Sir C. Trevelyan, does not constitute a sufficient ground for the disallowance of an Act of the Canadian Legislature. The third objection is founded on the inexpediency of having a Provincial Coinage. It is supposed that Canada, and even British North America, is a country too limited in population and wealth to have a coinage of its own; that its coins would not in the Markets of the world have that value which would attach to Coins of countries of more importance; and that having no known value in foreign Countries, they could be melted for sale as bullion. The undersigned differs entirely in opinion from Sir C. Trevelyan on this point. The trade of Canada is principally confined to the United States and Great Britain. A Coin of ten dollars, equal in value to the Eagle, would circulate more freely in the United States than the Sovereign, and as freely in England as the Eagle. It is scarcely probable that when Canadian Bank notes circulate freely in the United States, the Gold coins, which would be the basis of its circulation, would be refused. The immense amount of British gold which has been melted in the United States, affords abundant proof that the Coins of great Commercial Countries, when exported under an unfavourable state of the exchanges are not retained in their original shape to form part of the currency of the foreign country; but it is unnecessary to argue this question further. The undersigned is not aware that Canada or British America has much to gain by a Provincial Coinage. It would, no doubt, have been a source of gratification and pride to have had a Coin bearing the " image and superscription " of the beloved Sovereign of the Empire, and the Canadian people through their Legislature have offered to bear any expense which the indulgence of such a sentiment would have caused. As a mere question of economy, the undersigned is of opinion that the use of the American Eagle and its parts may be continued without any disadvantage. He cannot, however, forbear expressing his opinion that the obstacles thrown in the way of a Provincial Coinage, by the Treasury Department, have been unnecessary.

The 4th objection has reference to the separate action taken by Canada with reference to the Currency question. It is assumed to be a matter of great importance that there should be an uniform Currency in British America, and it is suggested that communications should take place between each Province with a view of bringing about such uniformity, and further that it would be expedient to assimilate the coinage to that of the United

Appendix
(Y. Y.)

28th July.

Kingdom. Without in any way wishing it to be understood that the undersigned is either insensible of the importance of having an uniform Currency throughout British America, or that he is opposed to any proposition for bringing about such a result, he may be permitted to repeat that the object of the highest importance is to assimilate the Currency of British America, but especially Canada to that of the United States. The transactions of Canada with the Sister Provinces are comparatively of little importance. With the people of the United States in the other hand Canadians are brought into constant daily intercome. They travel in the same Steamers and Railroad Cars, lodge at one another's Hotels and carry on a most extensive Commercial intercourse with each other. To have an entirely different Currency as suggested would be an intolerable inconvenience. There has already been a demand for a decimal Currency similar to that of the United States, and any attempt to introduce the Currency of the United Kingdom, would cause that demand to be universal. At present the Halifax Currency is so easily converted into dollars and cents that little inconvenience is felt, and in point of fact in many parts of the Province exchanges of commodities are effected through the instrumentality of the Currency. Further remarks on this subject may be postponed until communications have taken place with the Governments of the Sister Provinces. In conclusion the undersigned has to offer a few remarks on the complaint made by Sir C. Trevelyan that the Currency Act was not reserved in accordance with the 13th clause of the royal instructions, and according to the precedent in the case of 4 and 5 Vict., chap. 35. The royal instructions it may be observed were framed at a time when very different principles of Colonial Policy were avowed by the Imperial Government, from those by which they now profess to be governed. They have been repeatedly deviated from in matters of much more importance than the present without its being deemed expedient to complain of such deviation, much less to disallow an Act of Parliament expressly on that ground. If it be considered that these instructions should be literally followed the undersigned is respectfully of opinion that the present system of Government will be rendered extremely difficult. In the present instance, however, the undersigned is humbly of opinion that it requires a most rigid interpretation of the instructions to support the complaint made by Sir C. Trevelyan. The Currency Act of 1850, made no such important alterations in the value of coin as that of 1841, and there is no provision in that Act, whereby any coin, save only the legal coin of the Realm may be made or declared to be a legal tender. The dollar had been a legal tender under the former Act and the mere correction of a blunder in its rating could scarcely be deemed of sufficient importance either to warrant its reservation, or to justify the interference of the Treasury Department. It seems to the undersigned that if the Canadian Parliament, with the concurrence of Her Majesty's representative, cannot be permitted to pass such an Act as that under consideration, it is very questionable how far they are fit to enjoy representative Government at all. The undersigned trusts that he will be excused for expressing himself perhaps too strongly on this subject. He does so from a sense of duty to his Sovereign, convinced as he is that much irritation will be caused by the disallowance of this Act. Following out the liberal views of Colonial Policy which have been for some years avowed by the Imperial Government and Parliament, deference has been paid to Parliamentary Majorities in Canada in points of great public importance, while at the same time irritation

is kept up by interference in matters of really trivial importance as far as imperial interests are concerned, but regarding which the entire public opinion of Canada is united. These remarks may appear to be uncalled for, as the Act has been disallowed. The undersigned, however, entertains no doubt that the Canadian Legislature will not abandon the attempt to place their currency on a more satisfactory basis, than that in which it has been placed by the Act of 1841, and he is therefore anxious to impress as far as in his power, on the mind of Her Majesty's Principal Secretary of State for the Colonies that it will be most inexpedient to continue the present warfare between Canada and the Treasury Department on a point on which the former is convinced she is right, but which is of no importance whatever to the interests of the Empire.

The whole humbly submitted.

(Signed,) F. HINCKS,
Inspector General.

Inspector General Office,
14th May, 1851.

(Copy).

No. 583.

GOVERNMENT HOUSE,
TORONTO, 15th April, 1851.

MY LORD,—With reference to my despatch No. 575, of the 9th inst., I have the honour to transmit an order of Her Majesty in Council, disallowing the Act passed by the Legislature of Canada in the month of August last, intitled "An Act to amend the Currency Act of this Province."

I have, &c.,

(Signed) GREY.

The Right Honourable
The Earl of Elgin and Kincardine,
&c., &c., &c.

(Copy).

Extract from Report of the Committee of Council for Trade, recommending the disallowance of Canada Act No. 779, "because by signifying his assent to the Act, and by not referring for the special confirmation of your Majesty in Council, the Governor General acted in contravention of the thirteenth clause of the Royal Instructions."

(Copy).

At the Court at Buckingham Palace, the 14th day of April, 1851.

Present :

The Queen's Most Excellent Majesty,
His Royal Highness Prince Albert,
Lord Chancellor, Lord J. Russell,
Lord Steward, Visct. Palmerston,
Lord Chamberlain, Lord Broughton,
Earl of Carlisle, Sir George Grey, Baronet,
Earl Grey.

Whereas the Governor of Her Majesty's Province of Canada, with the Council and Assembly of the said Province, did in the month of August, 1850, pass an Act which has been transmitted, entitled as follows, viz :

No. 779.

An Act to amend the Currency Act of this Province.

Appendix
(Y. Y.)

28th July.

Appendix
(Y. Y.)

28th July.

And whereas the said Act has been referred to the Committee of the Lords of Her Majesty's most Honourable Privy Council, appointed for the consideration of all matters relating to trade and foreign Plantations, and the said Committee have reported as their opinion to Her Majesty that the said Act should not receive Her Majesty's Royal Confirmation. Her Majesty was thereupon this day pleased, by and with the advice of Her Privy Council, to declare Her disallowance of the said Act, and the same is hereby disallowed accordingly. Whereof the Governor, Lieut. Governor, or Commander in Chief, for the time being, of Her Majesty's Province of Canada, and all other persons whom it may concern, are to take notice and govern themselves accordingly.

(Signed,) WM. L. BATHURST.

(Copy.)
No. 66.

GOVERNMENT HOUSE,
TORONTO, 16th May, 1851.

MY LORD,—With reference to your Lordship's despatch, No. 583, of the 15th of April, I have the honour to enclose herewith a copy of a letter, which has been addressed to my Secretary (15th May, 1851,) by Mr. Attorney General LaFontaine, stating that before a Proclamation can issue notifying Her Majesty's Disallowance of the Act to amend the Currency Act of this Province, it is necessary that I should receive from your Lordship the certificate required by the 38th Section of the Union Act.

I have, &c.,

(Signed,) ELGIN AND KINCARDINE.

The Right Honourable,
The Earl Grey,
&c., &c., &c.

(Copy.)

OFFICE OF ATTORNEY GENERAL FOR LOWER
CANADA, TORONTO, 15th May, 1851.

SIR,—Having taken communication of a Despatch, No. 583, of 15th of April last, from the principal Secretary of State for the Colonies, and accompanied by a copy of an order of Her Majesty in Council, dated at the Court at Buckingham Palace, the 14th day of same month, declaring Her Majesty's disallowance of an Act passed by the Legislature of Canada, entitled "An Act to amend the Currency Act of this Province," I beg to state that in order to give effect to the Disallowance in question, it is necessary that a Proclamation be is-

sued by His Excellency, the Governor General, expressive of Her Majesty's pleasure in the matter, and as in the body of such Proclamation it is necessary to insert the date at which such Act was received by Her Majesty's Principal Secretary of State, certified under his hand and seal as prescribed by the 38th Section of the Union Act, and as such certificate does not accompany the documents referred to I have the honor to request that you will, at your earliest convenience, take such steps as may be necessary for procuring the same, as the issuing of the Proclamation will be necessarily suspended until the receipt of such certificate.

I have, &c.,

(Signed,) L. H. LAFONTAINE.

Lieut. Colonel,
The Honourable R. Bruce,
Governor's Secretary,
&c., &c., &c.

(Copy.)
No. 605.

DOWNING STREET,
5th June, 1851.

MY LORD,—I have to acknowledge the receipt of your Lordship's Despatch, No. 66, of the 16th May, and transmit herewith the certificate required by the 38th Section of the Union Act, of the receipt of the Currency Act by me on the 3d of September last, and which I regret through some inadvertence did not accompany the order of Her Majesty in Council disallowing the Act.

I have, &c.,

(Signed,) GREY.

The Right Honourable,
The Earl of Elgin,
&c., &c., &c.

I, Henry, Earl Grey, one of Her Majesty's Principal Secretaries of State, having the Department of War and the Colonies, do hereby certify that the Act passed by the Legislature of Canada, on the 10th of August, 1850, entitled "An Act to amend the Currency Act of this Province" was received by me on the third day of September following.

Given under my hand and seal, this day of June, 1851.

(Signed,) GREY.

[Seal.]
Colonial Office,
Downing Street.

Appendix
(Y. Y.)

28th July

TORONTO:
PRINTED BY LOVELL AND GIBSON
FRONT STREET.

M E S S A G E .

ELGIN AND KINCARDINE.

THE GOVERNOR GENERAL transmits for the information of the Legislative Assembly, copies of a Correspondence with Her Majesty's Secretary of State, on the subject of two Acts passed during the last Session of the Legislature of this Province, entitled "An Act to alter the rate at which certain silver Coins shall be a legal tender," and "An Act to establish freedom of Banking in this Province, and for other purposes relative to Banks and Banking."

Government House,
Toronto, 28th July, 1851.

(Copy.)
No. 237.

GOVERNMENT HOUSE,
TORONTO, 7th December, 1850.

MY LORD,—I have the honour to submit for your Lordship's perusal the copy of a memorandum which has been addressed to me by the Inspector General, [7th Dec., 1850] with reference to an Act passed during the last session of the Provincial Parliament, entitled "An Act to establish freedom of Banking in this Province, and for other purposes, relative to Banks and Banking."

I have, &c.,

(Signed,) ELGIN & KINCARDINE.

The Right Honourable
Earl Grey,
&c., &c., &c.

*Enclosure in Lord Elgin's Despatch, No. 237,
7th December, 1850.*

MEMORANDUM of the Inspector General on the Act 13 & 14 Victoria, c. 21, entitled "An Act to establish freedom of Banking in this Province, and for other purposes relative to Banks and Banking."

Under the system of Banking, which has hitherto prevailed in Canada, Joint Stock Companies have been incorporated by the Legislature, with limited liability and power to issue notes, to a certain extent fixed by the Act of Incorporation. No evil has been experienced in Canada from this system, owing to the small number of Banks which have been incorporated, and to the prudent manner in which they have been conducted. Under a similar system in the neighbouring States, very great evils have been sustained by the public, owing to the numerous failures which have taken place. The extension of the present system in Canada would be very likely to lead to similar results, more especially if Banks should be incorporated in the small towns with small capitals, and if the system be maintained, it will be difficult to refuse such charters. It became necessary there-

fore, to devise some plan for insuring a sound paper currency in Canada. There is no Bank in the Province occupying the relative position to the Provincial Government, that the Bank of England does to the Imperial Government, and that could properly be entrusted with the function of exclusively supplying the paper currency, saving the rights of existing corporations. The plan of establishing a sole Bank of Issue, in connection with the Government, was at one time proposed, but there is no probability that it would receive the sanction of the Legislature. In the State of New-York a system of free Banking was established some years ago, which has been eminently successful, and is likely to be adopted in several other States. It presents the double advantage of affording under this security to the bill holder, and of creating a home market for the public securities. With certain necessary modifications, this system has been established in Canada by the Act under consideration. Every note to be issued by any individual Banker or Company, must be countersigned by a public officer, who is previously to receive an equal amount in public securities, bearing six per cent. interest, and which securities are to be held for the benefit of the bill holder. The details of the Bill are substantially similar to those in the New-York Act, which has been found to work most satisfactorily. The effect in that State has been to raise the value of the public securities very materially, and a similar result may be anticipated in Canada. The notes of the Banks are redeemable in specie on demand, and in case of failure, the securities deposited afford a reliable guarantee fund.

(Copy.)
No. 610.^B

DOWNING STREET,
24th June, 1851.

MY LORD,—Having transmitted for the consideration of the Lords Commissioners of the Treasury, two Acts, passed by the Legislature of Canada, in its last session, entitled, "An Act to alter the rate at which certain silver coins shall be a legal tender," and "An Act to establish freedom of Banking in this Province, and for other purposes relative to Banks and Banking", I have now to transmit to your Lordship for your information, the copy of a letter

Appendix
(Z. Z.)

28th July.

which has been received in this Department [11th June, 1851] from the assistant Secretary to their Lordships, upon the subject.

I concur in the views which their Lordships have expressed in this letter with respect to both of these Acts, and I shall accordingly postpone submitting either of them to Her Majesty, until the Government and Parliament of Canada shall have had an opportunity of again considering them, with the remarks which they have suggested to the Lords Commissioners of the Treasury.

I have therefore to instruct your Lordship to take the earliest opportunity of laying this despatch, with the enclosed letter, before both Houses of the Provincial Legislature, and in doing so, you will invite their serious attention to the remarks of the Lords Commissioners of the Treasury upon the Acts adverted to, and especially the Act for establishing freedom of Banking. I trust that the Parliament of Canada will recognize the expediency of amending the latter Act in the manner suggested by their Lordships, bearing in mind that, judging from past experience, the legislation of the United States can by no means be regarded as affording a safe example for imitation on matters of Currency and Banking, since few countries have suffered so severely from errors committed on such questions; and also that any apparent and temporary advantage which the Province might derive from facilitating the operation of the Banks, would be dearly purchased by the danger which must be incurred from allowing the Currency to rest on a basis, not calculated to meet the pressure of those periods of commercial difficulty, to which even the most prosperous countries must from time to time be exposed.

I am, &c.

(Signed.) GREY.

Right Honourable
The Earl of Elgin,
&c. &c. &c.

*Enclosure in Earl Grey's Despatch, No. 610,
24th June, 1851.*

(Copy)

TREASURY CHAMBERS,
11th June, 1851.

SIR.—I am commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint you, for the information of Earl Grey, that the two Canada Acts, viz:

No. 787, "An Act to alter the rate at which certain silver coins shall be a legal tender;" and No. 798, "An Act to establish freedom of Banking in this Province, and for other purposes relative to Banks and Banking;" have been brought under the notice of my Lords by the Board of Trade, together with his Lordship's Minute thereon.

I am to request you will observe to his Lordship, with regard to the first of these Acts, that, as it affects the currency of the Province, it would have been more regular if it had been reserved for the signification of Her Majesty's pleasure thereon, before it was allowed to come into operation; and that it would have been satisfactory to my Lords if some information regarding the intrinsic value of the Coins affected by it had been afforded, in order that Her Majesty's Government might have had the means of forming a judgment upon the propriety of the rates assigned to them.

My Lords are led to infer, from the circumstance

Appendix
(Z. Z.)

28th July.

of the rates fixed by the Act being so much below the nominal value of the Coins, that the quantity of pure silver contained in them is considerably less than the amount which would be necessary to give them intrinsically that value; and as inconvenience might arise from suspending the operation of the Act, their Lordships are unwilling to recommend any measure which would have that effect. They would otherwise have been disposed to suggest the disallowance of the Act, in order that the question of assigning rates to the Coins of the North American States, representing quarter and smaller fractional denominations of the dollar, should be considered in connection with the general subject of the currency of the Province.

Under the view above stated, however, my Lords recommend that no decision should be taken by Her Majesty's Government respecting this Act, until information has been obtained from the Governor General regarding the intrinsic value of the Coins in question, and the grounds on which the proposed rates have been assigned to them.

I am also to request you will inform Earl Grey that the other Act, No. 798, "to establish Freedom of Banking, &c.," has received the attentive consideration of this Board; and that my Lords are anxious that the result of that consideration should be brought under the notice of the Canadian Government, before the Act is submitted to Her Majesty.

The principle on which this enactment is founded, is explained in the Memorandum of the Inspector General which accompanies it; and my Lords observe that that Officer attributes the freedom of Canada from those evils which have attended the system of banking followed in the United States, to the small number of Banks which have hitherto been incorporated in the Province, and to the prudent manner in which they have been conducted. He appears, however, to be of opinion that it would be difficult to refuse the grant of similar Charters to other Banks if the law remained unaltered, and that the Province would thence be exposed to the risks attending an uncontrolled increase of the note circulation by competing Banks. In order to obviate this difficulty, the Bill now before my Lords has been passed by the Local Legislature—the most important provisions of which are those which restrict the privilege of issuing promissory notes, payable on demand, to Joint Stock Banks with a certain amount of subscribed Capital, and on the deposit of Government debentures equal to the amount of the notes which they are authorized to issue.

The Inspector General, in the views which he has stated, appears to recognize the importance of a limitation in the issue of Promissory Notes; and in that principle my Lords entirely concur.

It must, indeed, be obvious to those who have attentively considered the question of a note circulation, that, besides the precautions desirable for securing the ultimate solvency of Banks of Issue, the great difficulty of legislating on the subject arises from the risk that, in giving the facilities to commerce which are afforded by the use of Bank Notes, the Country may be exposed to a derangement of its monetary concerns from speculative issues exceeding the legitimate demands of trade.

Experience has fully proved, not only in this country, and many of the colonies, but, as my Lords apprehend, in the United States also, that the obligation to pay in specie, on demand, has not been sufficient to guard against this evil; and that competing Banks, with an unrestricted power of issue, are too often disposed, at times when speculation is rife, to extend their issues beyond the amount which

Appendix
(Z. Z.)

28th July.

would be practicable, if the circulation consisted solely of the coin which is represented by the notes, and beyond therefore the amount at which it could be maintained without depreciation. It was after repeated proofs of the revulsions which ensued from such practices, that the circulation of Great Britain was established on the system laid down in the Act of 1844. The principle on which that Act was founded, was that of restricting the amount of Promissory Notes in the United Kingdom, which might be at any time issued on credit, considerably within the lowest amount of the previous circulation of the country; and that all issues of notes exceeding that amount should be made only on the deposit of specie in the Bank of England. The effect of the measure gives all the advantage which can legitimately and safely be obtained from the use of a cheap medium of exchange, combined with the most complete security against over issue.

My Lords refer to the principles by which the circulation of this country is governed; because they learn, from the Inspector General's memorandum, that the adoption of a similar measure for founding a single Bank of Issue (saving the rights of existing Banks) was at one time in contemplation by the Canadian Government. My Lords are not aware of the grounds upon which that project was abandoned; but, although the establishment of a Bank in connection with the Government appears to have been considered impracticable or inexpedient, it does not follow that some modification of the scheme adopted in the United Kingdom, with respect to the circulation, the leading feature of which is a limitation of the amount of notes issued on the credit of securities, and the maintenance of a deposit of specie equal to all issues exceeding that amount, might not still be attainable in Canada.

The scheme of the Canadian Act appears to my Lords to be defective on this point. The deposit of public securities, equal in amount to the notes authorized to be issued, would indeed afford to the holders the undoubted advantage of protecting them against loss from failure on the part of the Banks to pay their notes in specie, to the extent of the value which those securities may bear at the time when it may be necessary to sell them, and would obviate many of the evils arising from unrestricted credit; but it would establish no guarantee for the immediate convertibility of the notes on demand; and the very confidence, arising from the feeling of ultimate security, might facilitate the undue expansion of the circulation, when called for by a speculative demand.

The credit of the Government of this Country stands higher than that of the Government of Canada; yet during the Commercial Crisis of 1847, Exchequer bills, though bearing an unusually high rate of interest, fell to 3 s. discount. During the fever of the Railway speculation of the preceding year, the expediency of an enactment for extending circulation, by the issue of notes on the credit of securities of this description, had been urged upon the Government with the view of facilitating the completion of the works then in progress; but it is now abundantly evident, that, if at the time of the crisis the circulation of this country had rested on no sounder basis, an utter derangement of the monetary concerns of the kingdom must have ensued, and the disasters of that calamitous year would have been fearfully aggravated.

It may be that there is no reason to apprehend at present any such speculative demands for the expansion of the circulation in Canada, as those which have arisen in past times in the United Kingdom. But the Government of that Province should bear in mind that they are legislating for a country of great though imperfectly developed resources, and

that, while it may be expedient to foster the legitimate impulse to improvement arising from the increase of its trade and capital, by adopting a cheap circulating medium, it would be a fatal mistake to expose its progress to the reverses which invariably follow too great an extension of the facilities which may be afforded by the use of paper money.

The Canadian scheme no doubt offers the collateral advantage referred to by the Inspector General, of enhancing the value of the Government debentures by creating a new demand for them; but the price thus raised by a fictitious demand would be dependent on the maintenance of the circulation based on the deposit of the securities, and the credit of the Government debentures would be affected by changes in the state of the monetary concerns of the Province, to an extent far exceeding the fluctuations which arise from the varying demands for investment. In proportion as those securities might derive increased though temporary value from expansion of the circulation in times of prosperity, they would be exposed to the risk of depreciation in the event of the necessity arising for bringing them into the market to provide funds for the payment of bank-notes. The prices of public securities must indeed, under all circumstances, be subject to impressions from the state of trade and circulation; but, not only would this effect be increased by making such securities the basis of the circulation, but the public credit of the Province might be injured by partial and incautious operations of the Banks, though the general trade might be in a healthy state, and the ability of the Government to meet its engagements unquestioned. Even in this limited view of the case, therefore, it would be desirable to provide some security against an excess of issues on the credit of a deposit of these debentures.

My Lords are not insensible to the difficulty of prescribing, under the present circumstances of the circulation in Canada, a fixed amount of notes to be issued on the credit of securities. They are, however, of opinion that the main object of obtaining protection against over issues might be, in a great measure, secured by providing for the constant maintenance of a proportionate reserve of specie against the amount of issues, under the supervision and controul of the Government, and the frequent publication of the assets and liabilities of the Banks.

It appears to my Lords that facilities for the indefinite extension of Banks of Issue cannot safely be conceded without some precautions of this nature.

The right of inspection conferred on the Government by the Act will be of little real avail if unaccompanied by any power to controul the proceedings of the Banks in regard to the circulation, and the annual accounts to be laid before the Legislature will not afford the check on the proceedings of the Banks, which is obtained by frequent publicity of the state of their transactions, especially of those which relate to the issues of notes and the reserve of specie. The arrangements which have been adopted of late years in this country for the publication of the assets and liabilities of the Bank of England, and of the returns relating to the circulation of the Country Banks, have been attended with the most beneficial effect, and there can be little doubt that the confidence which was generally reposed in the Banks at a time of great Commercial difficulty, was mainly owing to the knowledge possessed by the public of the sound state of the circulation.

With regard to the amount of the reserve of specie which it may be proper to require, my Lords are aware that in the management of a Bank of Issue, the proportion of bullion which it may be expedient to retain to meet the notes in circulation, must vary

Appendix
(Z. Z.)

28th July.

Appendix
(Z. Z.)

28th July.

with circumstances; but they believe that it is generally admitted that on an average, a reserve of specie equal to one third of the circulation, is as much as a prudent banker would, in ordinary circumstances, think it necessary to maintain; and the Imperial Parliament appears to have been influenced by that impression when the law of 1844 was passed, by which, on any Country Bank relinquishing its privilege of issue, the Bank of England is empowered to increase its issue of notes by an amount equaling two-thirds of the authorized circulation of such Country Bank.

Impressed with these views, my Lords would strongly urge upon the Canadian Government the policy of introducing amendments into the Act for establishing Freedom of Banking, for the purpose of securing the constant maintenance of a reserve of specie in the banks, availing themselves of the privileges conferred by the Act, never less in amount than one-third of the notes actually in circulation, and the publication of returns of their assets and liabilities, verified in such way as the Government may direct, at least once in every month.

In making these suggestions, my Lords have no wish to interfere with the general management of the concerns of Canada, which has now the advantage of a responsible Government; but on the other hand, they could not reconcile it to themselves to withhold from that Government, the result of that wider experience which, after many trials and difficulties, has been obtained in this Country, of the effect of entrusting the circulation to competing Banks without adequate controul. My Lords must also remind the Government of Canada, that while that Province is under obligation to the Mother Coun-

try for the loans which have been raised under its guarantee for the purpose of promoting Canadian interests, Her Majesty's Government, as representing this country, has a claim to require that no measure should be passed which may in its results have an effect on the public credit of Canada, and thus possibly interfere with the arrangements for the repayment of those loans: and that, in that view, it is no less their interest than their duty to warn the Canadian Government of the consequences which they may apprehend from legislation of the character now before this Board.

There are other provisions in the Act in question, the reconciliation of which, by the Canadian Government, would be satisfactory to my Lords. The principal of these are the very low amount fixed for the shares in Banking Companies, which may have the effect of creating irresponsible bodies of proprietors, and the extension of the \$5 note circulation, without even that limitation which is imposed in the case of the existing Incorporated Banks. My Lords, will, however, only further observe with reference to the latter point, that when the circulation consists in great measure of Bank Notes of a very low denomination, the danger resulting from improvident issues would be greatly aggravated, and that the further extension of issues of this description affords an additional argument in favour of the restrictions on the management of the Banks which my Lords have suggested.

I have, &c.,

(Signed)

C. E. TREVELYAN.

H. Merivale, Esq.,

&c, &c., &c.

Appendix
(Z. Z.)

28th July.