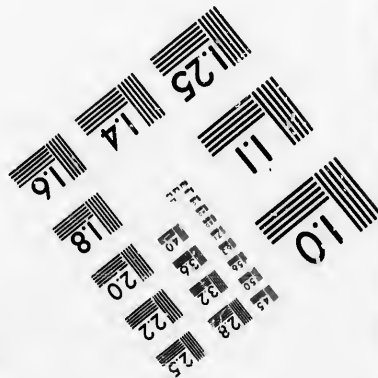
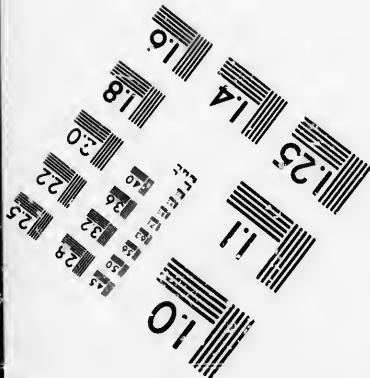
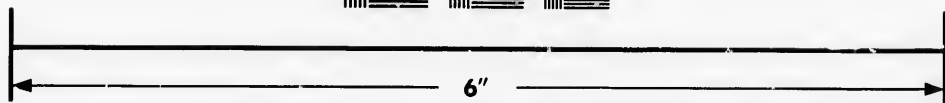
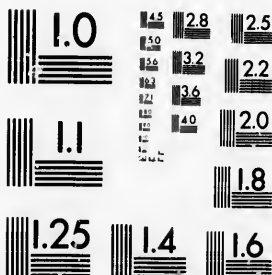


**IMAGE EVALUATION
TEST TARGET (MT-3)**



**Photographic
Sciences
Corporation**

25 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503

1.8
2.0
2.2
2.5
2.8
3.2
3.6
4.0

**CIHM/ICMH
Microfiche
Series.**

**CIHM/ICMH
Collection de
microfiches.**



Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques

1.0
1.1
1.2
1.3
1.4
1.5
1.6
1.7
1.8
1.9
2.0

© 1986

Technical and Bibliographic Notes/Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below.

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- Coloured covers/
Couverture de couleur
- Covers damaged/
Couverture endommagée
- Covers restored and/or laminated/
Couverture restaurée et/ou pelliculée
- Cover title missing/
Le titre de couverture manque
- Coloured maps/
Cartes géographiques en couleur
- Coloured ink (i.e. other than blue or black)/
Encre de couleur (i.e. autre que bleue ou noire)
- Coloured plates and/or illustrations/
Planches et/ou illustrations en couleur
- Bound with other material/
Relié avec d'autres documents
- Tight binding may cause shadows or distortion
along interior margin/
La reliure serrée peut causer de l'ombre ou de la
distortion le long de la marge intérieure
- Blank leaves added during restoration may
appear within the text. Whenever possible, these
have been omitted from filming/
Il se peut que certaines pages blanches ajoutées
lors d'une restauration apparaissent dans le texte,
mais, lorsque cela était possible, ces pages n'ont
pas été filmées.
- Additional comments:/
Commentaires supplémentaires:
- Coloured pages/
Pages de couleur
- Pages damaged/
Pages endommagées
- Pages restored and/or laminated/
Pages restaurées et/ou pelliculées
- Pages discoloured, stained or foxed/
Pages décolorées, tachetées ou piquées
- Pages detached/
Pages détachées
- Showthrough/
Transparence
- Quality of print varies/
Qualité inégale de l'impression
- Includes supplementary material/
Comprend du matériel supplémentaire
- Only edition available/
Seule édition disponible
- Pages wholly or partially obscured by errata
slips, tissues, etc., have been refilmed to
ensure the best possible image/
Les pages totalement ou partiellement
obscurcies par un feuillet d'errata, une pelure,
etc., ont été filmées à nouveau de façon à
obtenir la meilleure image possible.

Creased pages may film slightly out of focus.

This item is filmed at the reduction ratio checked below/
Ce document est filmé au taux de réduction Indiqué ci-dessous.

10X	12X	14X	16X	18X	20X	22X	24X	26X	28X	30X	32X
				<input checked="" type="checkbox"/>							

The copy filmed here has been reproduced thanks to the generosity of:

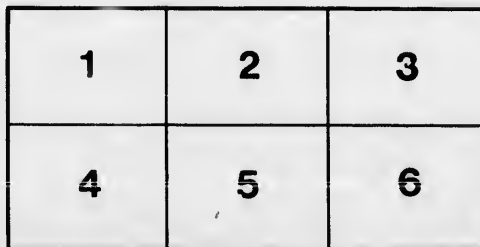
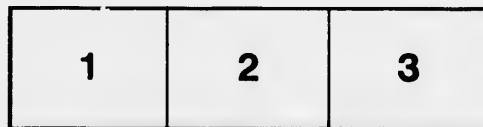
Archives of Ontario Library

The Images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol \rightarrow (meaning "CONTINUED"), or the symbol ∇ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

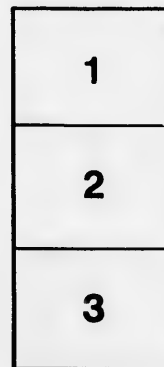
Archives of Ontario Library

Les Images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaîtra sur la dernière image de chaque microfiche, selon le cas: le symbole \rightarrow signifie "A SUIVRE", le symbole ∇ signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.



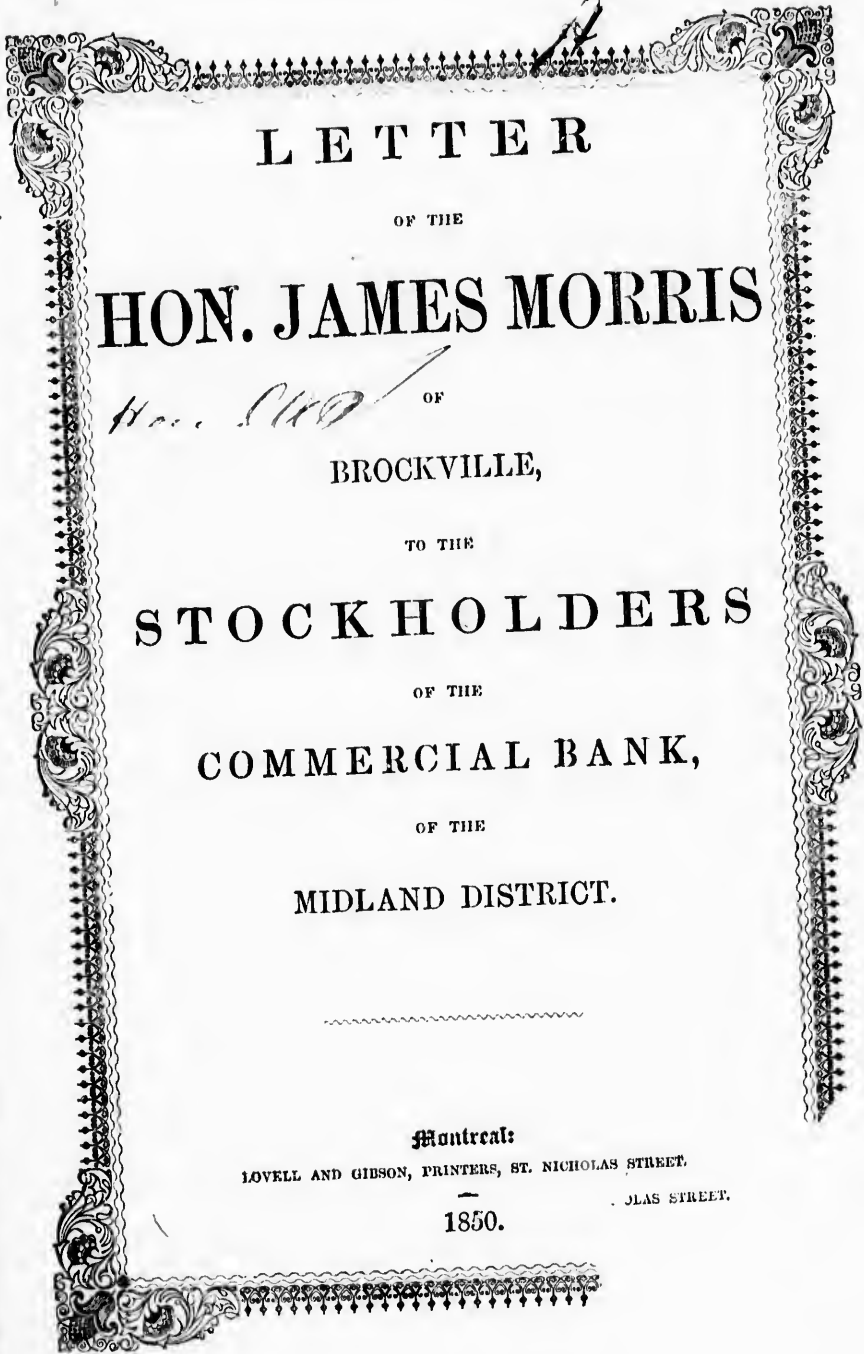
rrata
c

pelure,
n à

32X

14

1850-1



LETTER

OF THE

HON. JAMES MORRIS

Hon. Jas. Morris OF

BROCKVILLE,

TO THE

STOCKHOLDERS

OF THE

COMMERCIAL BANK,

OF THE

MIDLAND DISTRICT.



Montreal:

LOVELL AND GIBSON, PRINTERS, ST. NICHOLAS STREET.

1850.

... JAS STREET.

11

1875

1876

1877

1878

1879

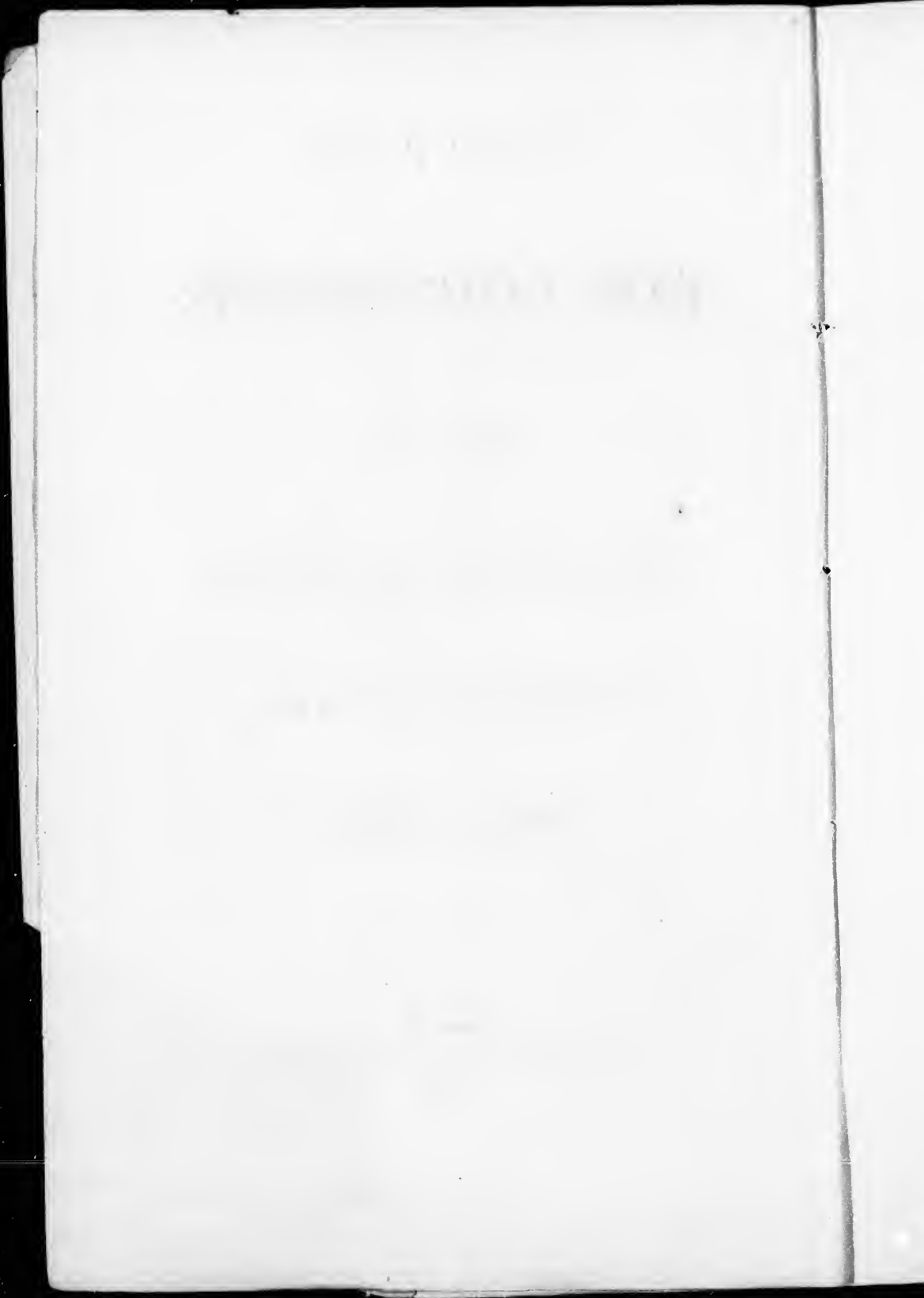
1880

1881

LETTER
OF THE
HON. JAMES MORRIS
OF
BROCKVILLE,
TO THE
STOCKHOLDERS
OF THE
COMMERCIAL BANK,
OF THE
MIDLAND DISTRICT.

Montreal:
LOVELL AND GIBSON, PRINTERS, ST. NICHOLAS STREET.

—
1850.



TO THE
STOCKHOLDERS
OF THE
COMMERCIAL BANK, M. D.

GENTLEMEN,

Upon my retirement from the Bank of which you are the Proprietors, and with which I have been connected since its establishment in 1832, I deem it right to address you rather fully in explanation of the cause of my resignation of the Cashiership of your Office in this place. This, after so many years of friendly intercourse, I consider as particularly due to those of you, who reside in the Johnstown and Bathurst Districts, influenced as many of you were by me, to take stock in the Institution.

In May last, while attending to my Legislative duties at Toronto, Mr. Cameron, the Cashier of the Office in that City, showed me a letter from the Cashier at Kingston, desiring him to obtain, if possible, a share of the Public Account, and requesting him to ask me to aid him in the matter. I remarked, that there was something connected with the request that I did not like, inasmuch as the Bank had been offered and had refused, not long before, one half of the Government deposits and in consequence of such refusal the entire deposits of the Government had been given to the Bank of

Upper Canada; and that to ask for a share of them under such circumstances would, to my mind, be a very singular act. But I told Mr. Cameron, that I would see the Inspector General and ascertain whether anything could be effected with him. I accordingly called upon that officer and the result was an arrangement of a highly advantageous character, which, as will be seen by my statement, I at once intimated by telegraph to the Cashier at Kingston, and on receipt of which he, the *same day*, replied by the same medium to the Cashier at Toronto, requesting him to have the size of the Bills of Exchange reduced—thus approving of the transaction, which a few hours later he chose to view in so different a light. I call your particular attention to this fact, that on receipt of my telegraphic communication, so far from a whisper of disapproval being conveyed to me or an intimation made, that the arrangement was not satisfactory, at a time when it could at once have been suspended,—so far from this being the case, the Cashier at once telegraphed to his Agent at Toronto to procure smaller bills. Surely this was no evidence of dissatisfaction, on the contrary it was a direct and positive approval of the transaction at the very time that I was acting in the matter. Yet on a subsequent part of the same day, the Cashier addressed to me a letter of so offensive a character, that I at once returned it to him under a blank envelope. The letter was unofficial and was addressed to me in my capacity of a private individual, in which character alone he could have had any right to address me, for I had been

solicited to act, and I had acted, not as the servant of the Bank but as a private individual, exerting whatever influence was attached to my position as a public man. I consequently looked on the matter as one peculiarly of a personal nature between Mr. Harper the Cashier, and myself, with which it did not come within the province of the Board of Directors to interfere, unless the intervention of their authority had been asked for by me, to keep their subordinate within the bounds which usually regulate gentlemen in their correspondence with each other; but they, it would appear, thought otherwise, and by the adoption and communication to me, as the Manager of their agency here, of a minute approving of the Cashier's conduct—sanctioned his proceedings, assumed the responsibility of his act, and gave, to what otherwise might have been looked upon as a mere personal difference between their organ and myself as private parties, the character of an antagonism between me and your whole Board of Directors, thus involving me as a private individual and as the representative of the Bank in this place. Shortly after the termination of my negotiation with the Government at Toronto, I returned home for a few days and, while here, resumed my official duties in the Office, addressing the Bank on the business of the Institution as formerly. I wrote to the Cashier on the 10th of June and on Friday the 14th, I received a letter from the President, with the Minute of the Board of the previous day above alluded to, of which the following are copies:

The Honorable James Morris,
Cashier, Brockville.

SIR—Herewith, I beg to hand you at the request of the Board of Directors of the Commercial Bank, a copy of a minute, passed this day, at their usual semi-weekly meeting.

I am Sir,
Your Obedient Servant.

JOHN HAMILTON,
President.

COMMERCIAL BANK, Kingston. 13th June, 1850.

Extract from the Minutes of the Board of Directors of the Commercial Bank, 13th June, 1850.

"The Cashier submitted to the Board a letter addressed to him on 10th instant, by the Honorable James Morris, relating to the receiving of deposits from the Collectors of Customs at Brockville, on public account, upon the reading of which, the Board resolve, that as in the present state of matters the Cashier can hold no official communication with Mr. Morris, the President be requested to inform that gentleman, that they have waited for some time in expectation that he was about to retire from his situation as Cashier at Brockville, or if not, offer to them a satisfactory explanation of his extraordinary proceeding in returning Mr. Harper's letter in a blank envelope, as already noted on the minutes."

On receipt of this letter and minute, I immediately replied, that I should be in Kingston on the Monday following and would be happy to appear before the Directors and explain personally. Previous to my departure on Monday morning, I told some friends that I was confident the Directors would not meet the man, whom, without inquiry, or without seeking explanation from him, they had so unjustly censured, and I was therefore not disappointed on arriving at Kingston, to receive the following letter in reply to a note addressed to the President, begging to be informed at what hour I should wait on the Board:

Hon. J. Morris.

DEAR SIR,—The Board are at present assembled, and I communicated your note to them, and am, by them, requested to say that as the matter to be referred to by you, appears on their minutes, they deem it best that your explanation should be in writing.

I am in haste,

Your Obedient Servant,

JNO. HAMILTON.

Commercial Bank, Kingston, 17 June, 1850,

There is, in conduct such as this, a thorough want of manliness, something indeed so completely un-English that I shall not trust my feelings to characterize it. While at Toronto, I was, as the Directors well knew, as independent of them as any gentleman of the Legislature, my accountability to the Bank beginning and ending with the proper discharge of the duties appertaining to the Office in this place, and yet after their organ, through the Cashier at Toronto, had sought for and had obtained my co-operation as a public man, and as one of the largest shareholders in the Bank, likely to make the best bargain I could, in effecting an advantageous arrangement for the Institution, they overlooked my social and public position when so engaged, and seized upon my connection with the Office in this place to record an insulting Minute, without having previously called upon me for any explanation whatever, and when I, whom they had thus treated condescended to appear in Kingston, as I said I would, and expressed my willingness to explain in person, they had not the courage to face me, but desired that my explanation might be in writing, and in writing they got it, as will appear by the following letter:

KINGSTON, 17th June, 1850.

SIR,—I am in receipt of your respective letters of the 18th and 17th instant, the former giving copy of a minute of the Board regarding an existing misunderstanding between Mr. Harper and myself, and although the matter is one having no connection with my duty as Cashier of the Office of the Bank at Brockville, I do not hesitate to place in your hands the enclosed statement of facts, which I have to request may be submitted to the Directors for their information, and afterwards be filed among their records.

I am Sir,

Your Obedient Servant,

J. MORRIS.

HON. JOHN HAMILTON, *President.*

COMMERCIAL BANK, KINGSTON.

They were, however, probably right in coming to so safe a conclusion, for smarting as I was under an unprovoked injury, I might not have measured my language in addressing them, and certainly I would have told them some unpalatable truths, regarding the management of their own office.

From Kingston I proceeded to Toronto, and on my arrival there, being desirous of ascertaining whether the opinion of gentlemen well qualified to judge of the transaction, would accord with the view taken by the Board, or would harmonize with my own, I wrote the letter which follows—the statement of facts therein alluded to, being a copy of the one I enclosed to the Bank before leaving Kingston, and which to this day remains unanswered.

TORONTO, 19th June, 1850.

Gentlemen,—As you are the two oldest Bankers in the Province, I feel desirous of obtaining your opinion of my Agency in a matter, which is clearly set forth in the enclosed "statement of facts." Craving your indulgence for the liberty I have thus taken with you;

I remain,

With much Respect,

Your Obedient Servant,

J. MORRIS.

B. Holmes Esq. M.P. }

T. G. Ridout, Esq., Cashier, B. U. Canada. }

*Statement of facts regarding my negotiation with the Inspector General,
for Exchange on London for the Commercial Bank, M. D.*

On Monday the 27th May, Mr. Cameron and myself had a conversation about the Government Accounts, one half of which he informed me had been offered to the Bank, and refused by the Board at Kingston.

It was, I think, on that day, that Mr. Cameron showed me a letter from Mr. Harper, in which he desired him, Mr. C. to request me to use "my influence" with the Government, to get a share of the public account. I accordingly called on the Inspector General and on Tuesday the 28th wrote to Mr. Harper as the result of my interview, that although the Inspector General could not give him a part of the Government Deposits, he had offered Bills on London, 30 days sight, to the extent of £25,000, or £30,000, at a rate to be agreed on, to remain in deposit for at least three months, at 3 per cent interest, and at the end of that time to be chequed out to meet the current demands against the Government. To that letter, I expected an answer on Thursday morning, the 30th. After writing to Mr. Harper, I went to the Bank and communicated to Mr. Cameron what had transpired, who expressed very strongly, the gratification which he felt at the prospect of an arrangement so satisfactory, being made. On that morning Mr. Hamilton the President arrived in Toronto, to whom Mr. Cameron related what had taken place, and on meeting the President, during the afternoon, in the Legislative Council Chamber he said to me, "That he was much pleased to learn that I was likely to succeed in getting the Exchange from the Government, as it would come in most opportunely, the Bank having had to draw for a large amount on its agents in London and Glasgow. I repeated briefly to Mr. Hamilton what had taken place, and informed him that the rate of Exchange would be agreed on between the Inspector General, Mr. Cameron and myself.

On Thursday morning not hearing from Mr. Harper, and Mr. Cameron having received no letter, and being afraid that the Government might dispose of the Exchange to other parties—and desiring moreover to have the Bills delivered on that day to Mr. Cameron, in order that he might despatch them by the English Mail of the following morning, I, after consulting with Mr. Cameron, went in search of the Inspector General, who, although 't was a holiday, accompanied me to his office, and after some hesitation, and, at first, stipulating that one half of the amount must be payable in Montreal, consented to give £35,000 at 11 per cent, being £5,000, more than I had previously asked for, the full amount to remain in deposit for at least three months, at 3 per cent interest and then to be chequed out at the Toronto office only, in such sums as the wants of the Government might require. Bills were to be given for £24,000, and £11,000 sterling, the former to be sent to Pollard, to whom the Bank owed £30,000, the latter to a Bank in Glasgow which was under advances or acceptances to the extent of £20,000. On completing the matter I called and informed Mr. Cameron that all was arranged and that the Bills would be sent to him during the day; before

leaving his office, I communicated the following by telegraph to Mr. Harper "I have taken £35,000 at 11 per cent," and on returning to my lodgings, I wrote to him as follows:—

TORONTO, 30th MAY, 1850.

MY DEAR SIR,—Not hearing from you this morning as I expected, and believing that I had made a highly advantageous arrangement with Mr. Hincks, I sought him immediately after breakfast, and after some conversation prevailed on him to give me £35,000, which I directed him to give in Bills of £24,000 and £11,000. Had I known that you owed £50,000 I would have tried for a larger sum than I asked for, but I was under the impression that you were indebted £20,000 to Pollard, and £10,000 to the Scotch Bank.

Ridout paid 11½ per cent, for £60,000, a few days since, but of this say nothing. As I informed you by Telegraph we pay 11 per cent, bills at 30 days sight, and interest at the rate of 3 per cent, to commence tomorrow—no part of the amount to be repaid in less than three months.

Cameron has called on me with your Telegraph, but I declined to go back to the Inspector General's office, the entries of the Bills having been made.

Your Bills receivable in New York will surely soon put Kennedy in funds.

Cameron holds five years debentures to the amount of £5000, which I shall endeavour to get Mr. Hincks to receive on account of the Loan.

This morning I again alluded to our getting a share of the Government account, but Mr. Hincks silenced me by saying. "I was most anxious that your friends should have had one half of the business, but as they declined it I cannot now give that which belongs to another." And I must say that he is right in keeping faith with Ridout.

Should you be much in want of a further sum, let me know, and I will see what I can do for you.

FRIDAY MORNING.

The Mail arrived and I am still without your letter.

Yours sincerely.

J. MORRIS.

F. A. Harper, Esq.

Mr. Cameron was delighted with my success, and said that the resident Director, Mr. Berzy was equally well pleased, both being of opinion that the arrangement was a most advantageous one for the Bank. No disapproval was communicated by Telegraph—on Thursday afternoon or Friday morning, when it would have been in my power to cancel the whole matter,

but on Saturday morning (the first of the two Bills having by that time been forwarded to Europe by Mr. Cameron) I received a letter from Mr. Harper couched in the following language:—See letter.*

On reading the letter, I was more incensed than I had ever been in my life, and after causing a copy to be taken, I returned it to the writer under a blank envelope, addressing him immediately by Telegraph as follows: "Return at once the 2d's and 3d's of the Exchange, and write to your Agents in London and Glasgow, desiring them not to use the Bills, I consider myself deeply insulted," to this he answered, "Too late to recall Drafts as will be explained on Monday, meantime I look for a letter from you." I replied, "You will be in good time to recall the drafts by next steamer, I cannot reply to such a letter as I have received."

Having requested Mr. Harper to recall the Bills I proceeded to the Receiver General's office and Colonel Tache on learning my position at once offered to take them back, and entirely relieve the Bank from all responsibility and at my request he called on Mr. Cameron, and informed him that he would be most happy to receive the Bills back, and cancel the whole arrangement, intimating at the same time, that no favor had been conferred on the Government by taking the Exchange as he had declined to sell to another

* The letter here alluded to, formed part of the statement and the following is an extract from it:—

Your note of the 28th instant reached me yesterday, and your telegraph when the Board were sitting. In your note to me, you merely state that Mr. Hincks said he would give us £25 to 30,000, Sterling, at a price to be agreed upon, in deposit at 3 p. interest, and 30 days notice to be given before checking on it. Now, you must be aware that such a negotiation could not be entered into without the assent of the Board. The Board were therefore taken by surprise with your telegraph, stating that you had taken £35,000 at 11 p. 30 days, without waiting for their reply, or any negotiation whatever by us with the Government. How is it that Mr. Cameron has not written me on the subject? For as this matter comes under his office duties, it should have come through him officially.

"I consider the rate too high for we can only get 11 to 11½ per cent in Montreal in small amounts, and pay Pollard ½ p. there would be no profit to send it to London and the only way to make ½ p. is to send to New York. Did any of the other Banks take at the same rate and on the same terms? if so, we cannot complain on that point, but the Board will not sanction your acting in that way again without their consent being asked and obtained. I will be anxious to learn the cause of your procedure for explanation to the Board. We would not have offered more than 10½ per cent, for I am certain the rate at New York will fall from the rise in cotton and other articles in England."

I offer no comment upon this remarkable document, but would simply remark that as at this period Sterling Exchange was worth 10½ to 10¾ per cent, in New York, it does seem strange that with this fact before them they would not have offered more than 10½ per cent. Strange, very strange!

Bank, and also to parties from New York. When the Receiver General left the office of the Bank, Mr. Cameron sent a communication by Telegraph to Mr. Harper to the following effect:—

“Receiver General has called and expresses his willingness to take back the Exchange, and cancel the transaction. Morris feels greatly injured.”

Mr. Cameron was strongly opposed to the recall of the Bills, believing as he did, that I had been instrumental in doing valuable service to the Bank, which he believed the Cashier would yet acknowledge. Without particularizing the superiority of the arrangement effected by me, compared with the terms granted to the Bank of Upper Canada and Bank of Montreal, it will be sufficient to give copies of a note which I addressed to the Inspector General and of his reply thereto, to satisfy any dispassionate person, that the duty which I undertook, not of my own volition, was discharged with fidelity to the Shareholders of the Bank.

—
TORONTO, 5th JUNE, 1850.

MY DEAR SIR,—Referring to my recent negotiation with you for Exchange on London for the Commercial Bank, may I beg to be informed, if I got it on as favorable terms as the other Banks obtained their Exchange.

Yours truly,

J. MORRIS.

Hon. F. Hincks.

—
WEDNESDAY, 5th JUNE, 1850.

MY DEAR SIR,—In reply to your note of this day I beg to state that no Bank has obtained Exchange on *more* favorable terms than the Commercial. The Bank of Upper Canada paid for a portion of the amount obtained by it 11½ per cent, and the Bank of Montreal paid 11, *payable in Montreal* and at such times as the Government should require it.

Truly yours,

F. HINCKS.

Upon these facts, which will be verified by Mr. Cameron.

I submit.—Whether my agency was sufficiently authorized, and whether I acted as an Officer of the Bank or in my social and public character?

I submit.—Whether in the discharge of the duty, inconsiderateness and want of judgment were manifested?

I submit.—Whether the arrangement was advantageous to the Bank or otherwise?

I submit.—Whether the letter of Mr. Harper, was under the circumstances, justifiable?

I submit.—Whether I was not justified by the facts of the case in having returned a letter which I looked on as an outrage to my feelings?

(Signed,)

J. MORRIS.

In reply, I received the following letter :

TORONTO, 22nd June, 1850.

The Honorable James Morris,

Dear Sir,—We have to acknowledge the receipt of your letter of the 19th Inst, with its enclosures, relative to your late negotiation with Government for the purchase of £35,000 sterling, exchange, on behalf of the Commercial Bank, all which we have carefully perused and after mature consideration we beg leave to offer the following remarks as the result of our opinion on the points submitted, viz:—

1st. Whether your Agency was sufficiently authorized and whether you acted as an Officer of the Bank or in your social and Public character ?

We consider that the communication made to you by Mr. Cameron on the 27th May, expressive of Mr. Harper's wish, that you should use your influence with Government to obtain for the Commercial Bank a part of the Public account, constituted you the Special Agent of the Bank for that service, and that use was sought to be made of your Political influence to effect that object, irrespective of your duties as an officer of the Bank at Brockville.

Query 2nd. "Whether in discharge of the duty, inconsiderateness and want of judgment were manifested?"

In our opinion your negotiation with the Government for the exchange was effected on terms favorable to the Bank, and such as other similar Institutions in the Province—we have ascertained, would most willingly have accepted, and it evinced on your part a desire to carry out Mr. Harper's views for obtaining a share of the Public account.

3rdly "Whether the arrangement was advantageous for the Bank or otherwise?"

That question may be considered under two heads viz. whether the Bank required the Bills to cover its account in Europe—or whether for sale in the Canada or New York market—in the former case the purchase was invaluable, as it upheld the credit of the Bank by a first class remittance bearing easy terms of payment, viz. a permanent deposit of 3 months at 3 per cent. interest per annum to be drawn out after 30 days notice, and as the overdrawn account was probably created at a higher rate of premium than 11 per cent, there would remain reasonable profit on the transaction; on the other hand if the Bank held the Bills for sale—they were able to have disposed of the amount in Canada at an *advantage* of at least one per cent, or at New York at rates yielding a like premium, *ta.* ing the difference of Exchange into consideration.

4th. "Whether the letter of Mr. Harper was under the circumstances justifiable?"

Had you undertaken of your own mere motion, in your capacity of Cashier of the Bank Office at Brockville, to have bought so large an amount of Exchange, without consulting the Board, there would have been good cause to check you in such a proceeding, but in the case under con-

sideration, we conceive you to have been induced by the suggestion of Mr. Harper, himself, communicated through Mr. Cameron to lend your political influence to the service of the Bank, consequently, the conduct of that gentleman in writing to you the letter of the 30th of May, was, in our judgment unwarrantable on every ground that it can be viewed from: and his reason for so doing appears to us incomprehensible, as it must be acknowledged on all hands, that you had conferred a signal favor on the Bank by your negotiation with the Government, which was effected not in the capacity of an officer of the Bank, but by Personal influence with the heads of departments, we therefore, under the circumstances, consider Mr. Harper's letter to be written in a style well calculated to wound the feelings of a gentleman and consequently unjustifiable. We are confirmed in this conclusion by the fact of your having already received from the President of the Bank an expression of approval—that gentleman having, as we learn, upon being informed by Mr. Cameron of the state of the negotiation in which you were engaged, seized the first opportunity of congratulating you upon the prospect of success, saying how pleased he was, that you were likely to succeed in what would be precisely what the Bank at the time required.—

5thly. Whether you were not justified by the facts of the case in having returned a letter which you looked upon as an outrage to your feelings.

In our opinion your returning Mr. Harper's letter in the manner described was the sole false move made, not that you were wrong in sending back under a blank envelope a letter so offensively couched, but we should rather think your proper course had been, to enclose it to the Directors appealing to them for a vindication of your conduct, and we cannot but believe in such case, you would not only have been protected from the outrage on your feelings of which you justly complain, but that you would have received the thanks of the Board for the zeal manifested in the advancement of the interests of the Bank.

We remain,

Dear Sir,

Your Obedient Servants,

(Signed,)

BENJAMIN HOLMES.
THOMAS G. RIDOUT.

The same statement having been handed by me to the Honorable Messrs McGill & Gordon, I was favored by these gentlemen with the following letter:—

The Hon. James Morris.

TORONTO, 25th JUNE, 1850.

DEAR SIR,—At your request we have carefully perused and maturely considered the statement of facts, connected with your late negotiation with the Government for a large amount of Sterling Exchange on account of the Commercial Bank, and a letter dated 30th May, from Mr. Harper, the Cashier thereof, relating to that important transaction; upon both of which as friends and men of business you wish us to express an opinion. Though the subject is a delicate one, we do not hesitate to comply with your desire, and to say that in our opinion your bargain with the Government under the circumstances mentioned, was highly advantageous to the Bank; that without your influence with the Inspector General it is not probable that Mr. Cameron, the representative of the Board of Directors here, at whose instance you moved in the matter and with whom you consulted, could have obtained the Exchange on such favorable terms, and that in furthering the views of the Cashier, you were evidently, as it appears to us, not acting in your capacity of Agent of the Bank at Brockville, but in your public, political and social position, deeply interested in the prosperity of the Institution, and *fully warranted*, though not directly authorized in express, written terms, to enter into and complete the negotiation in question for which you deserved thanks and not censure at the hands of the Bank authorities. We are, therefore, further of opinion that the aforesaid letter of the Cashier, is couched in language of a very harsh and discourteous character, not warranted by the premises, and was calculated to wound your feelings and to excite your indignation, and that in place of entering into an angry correspondence with the writer of it, we think you were justified in returning it, as you did, under a blank cover.

We are,

Dear Sir,

Yours very faithfully,

(Signed,)

PETER MCGILL,
JAS. GORDON.

Such, gentlemen, is a correct narrative of a matter in which you are not without an interest, and I doubt not you will bear with me while I briefly review the case. My influence with the Government was sought for and obtained, "to get a part of the public account," and during the time that I was negotiating with the Inspector General, a letter was received by an officer of the Bank at Toronto,

from the Cashier at Kingston, declining to execute an order for Exchange, and stating that he had to provide for remitting a large amount to Britain.

At this period, the President of the Bank arrived at Toronto, and on being informed of my first step in the matter, he gave it his full approval, and less he could not have done without a betrayal of the trust which you have reposed in him—saying, that the Exchange would come in most opportunely, as the Bank had been under the necessity of drawing heavily on its Agents in Britain.

Fully impressed with the advantageous nature of the arrangement to the Bank, being informed of its want of Exchange and of the amount, and encouraged by the approval of the President, I went through with my mission, consulting with the representative of the Bank in Toronto at every step, and I succeeded in getting the Receiver General's Exchange to the amount of £35,000, Sterling, as a permanent deposit for three months. On the completion of the negotiation, I at once telegraphed to the Cashier, and on the same day was requested to procure smaller bills, as the Cashier at Kingston had telegraphed the office at Toronto to that effect, and thus, as I have already stated, approved, the transaction at a time, when, on the slightest intimation of dissatisfaction, I could at once have put an end to the whole affair. The value of this arrangement, too, was far greater than the common deposits of the Government would have been, had these been at the disposal of the Inspector General. In proof of the value of the deposit, I may

state that Sterling Bills to the amount of £10,000 were shortly afterwards sold at the Toronto Office, at $12\frac{1}{2}$ per cent. premium, 60 days, being an advance of 2 per cent. on the cost, and it was predicted that I would receive a vote of thanks from the Board for my assistance in the matter. Well, gentlemen, the thanks, but not such as were anticipated by a friend, were received in two instalments. The first in the shape of a most extraordinary letter from the Cashier, telling me that "*the Board will not sanction your acting in that way again, without their consent being asked and obtained.*" Acting in what way? Complying with the Cashier's own request, executing, to the best of my ability, a mission which I had been solicited to undertake, and effecting an arrangement highly advantageous to the Bank, and which, at the outset, had the approval of the President. "*I will be anxious to learn the cause of your procedure for explanation to the Board.*" The cause of my procedure forsooth! They well knew that I had entered upon the negotiation at the request of their organ, as communicated to me by their Manager at Toronto, and they also knew that the arrangement effected, was peculiarly favorable to the Bank; but it would seem there was an object to be attained, and its accomplishment did not depend on a candid avowal of these facts.

The second instalment of thanks came in form of the Minute of the Board, intimating that the Cashier could hold no official correspondence with me as the Manager of the Agency in Brockville, and that the resignation of my office had been for some time

looked for. When this Minute was passed, I have charity enough to believe that several of the Directors were ignorant of the merits of the case, otherwise it is scarcely possible that they would have lent themselves to such a discreditable proceeding; and one would be led to suppose that the President and Cashier were absent. But no—the former was presiding as Chairman, composedly listening to censure being cast on a man, whose every act, with reference to the Bank for the last eighteen years, had been to promote its interests—an assertion supported by the condition of the office I have just surrendered; and the latter was doubtless sitting by, exhibiting his returned letter, and calling on the Directors to decide, that for an *unofficial* act, and for *unofficial* services rendered to the Bank, I was *officially* responsible to them—the two positions being, in their opinion, quite compatible. And such, indeed, was the decision of those sapient logicians, no doubt to the infinite delight of their organ, the sensibility of whose conscience being deadened to the provocation he had given, could look at nothing, *but that letter* which I had so promptly and justly returned to his keeping.

Now, gentlemen, are you of opinion that the conduct of your Servants in Kingston is deserving of commendation, or, on the contrary, do you think that they had not the interests of the institution before their eyes, when they thus wantonly insulted a man whose only offence was in having faithfully discharged a mission, which, at their own request, he had undertaken?

The officers of other Banks, *who had no uncovered accounts in England*, were pressing for the Receiver General's Exchange, but on the part of these men discontent exists, after they had very unexpectedly obtained Government Exchange to the amount of £35,000, Sterling, and on terms decidedly more favorable, as regards the terms of payment than had been obtained by the other Banks. Were you to ask me the cause of this professed discontent, I could not answer the question. It is true that I have heard reasons assigned by others, but they are so truly contemptible, that I will not repeat them. The whole affair is an enigma to me, and at present, I shall not hazard a reason for the extraordinary manner in which my feelings from the first have been sported with, leaving it, in the meantime, to them to explain the cause of offence, of which I am ignorant.

I should consider myself humiliated, were I longer to continue in a situation, which might subject me to a repetition of the treatment I have recently experienced, and but for the advice of friends, in whose judgment I have much confidence, I would not have entered the office after the receipt of the Minute of the Board, and why I did enter it again, I may possibly explain to you hereafter.

I have now, gentlemen, laid before you a plain statement of the circumstances which led to my resignation of your Office in this place, and I appeal to you, whose position as stockholders, invests you with the attributes of judges in this matter, whether the treatment I have received at the hands of the

Managers of the Head Office at Kingston, is such as I had a right to expect, and whether the studied insult which was put upon me, was a seemingly reward for the successful negotiation of a large and beneficial transaction.

In placing the matter before you I rely with confidence, that your sense of right, your acknowledgement of the proprieties which should regulate conventional intercourse, and your perception of the true interests of the Institution will prompt you to show your Directors, that you are not prepared to sanction such high-handed arbitrary conduct.

It is true that owing to the extent of the business done at the out-offices and Agencies the Bank is in a fair position, but will that position be maintained, or will that harmony, so essential to the successful working of any undertaking, be expected to exist between the Agents and the Parent Office, if they are to be exposed to such treatment as I have received, and if the Directors, including their organ, are to be allowed to insult with impunity, for his share in a negotiation, undertaken at their solicitation, entered upon in his private capacity, carried out to the best of his ability and proving most profitable to the Bank, a man who, they cannot but say, has served you faithfully for a long series of years? In appealing to you, gentlemen, I feel confident that at a fitting season you will award me justice, and in doing so you will but perform an act of the merest duty, and at the same time promote the best interests of the Bank, by exhibit-

ing your determination to exert a wholesome and prudent check upon those who may, for the time, be entrusted with the direction of your affairs.

In conclusion, I have the satisfaction of informing you that the Office I have just vacated is in a perfectly sound condition, the notes under discount (amounting to £42,000) will I believe all be paid without the loss of a shilling, and until two or three days ago there was not a note in suit, and I held but two bonds and mortgages, both perfectly good, and which will, doubtless, be paid within a short time. The losses of the Office have been exceedingly trifling, and in mentioning this fact I cannot refrain from stating that although a very large amount of business has been done with the farmers of this District, not a loss to the extent of a farthing has been sustained by transactions with them. In taking leave, for ever, of my official connection with your Institution, I may say, that I am unconscious of having lost or offended a customer, and I feel that I may therefore ask you, to give me credit for having endeavored to manage the Office with the view of subserving your interest, and that of those who favored me with their business.

I am,

With much respect

Your obedient servant,

JAMES MORRIS.

Brockville, 19th Sept., 1850.

