

By the regulations authorizing these shares, provision was made, that the Debentures, which were to be issued from time to time in payment of the instalments upon the shares subscribed according as they came due, should only bear interest from the day on which the road and its branch to St. Jérôme, where it was agreed that a *depot* should be built, should be in operation and completed throughout its entire length, the capital to be payable only in twenty years. The reason of this restriction as to the date of the day from which the interest should run was on account of an understanding which took place between the Company and the Municipality, that, not only the interest should not be claimed during the period of the construction of the road, but that even when it should be in operation, not only it would pay the capital, but would also give large profits. During the month of March following, that is, in 1854, the Council, by a resolution which does not appear to have been published, authorized the Mayor to issue Debentures to the amount they had subscribed, that is, for the sum of £26,000. On the first of April the Mayor issued the said Debentures, and they were countersigned by the Secretary-Treasurer. Instead, however, of limiting the interest to run from the day upon which the road and the branch road to St. Jérôme should be in operation, he made the interest upon them payable semi-annually from the day of their issue, that is, from the first of April, 1854, and handed them over to the President of the Company. On the first of May, 1854, these Debentures were given to the Contractors, together with those issued by the County of Ottawa No. 2, for £33,000. The President gave these Debentures over to the contractors for account of the amount of the contract, and the latter negotiated or deposited them in the payment of their debts. A year after having given the Debentures, the Mayor gave also to the President a joint order, addressed to the Receiver General, requesting him to pay to the Agent of the Bank of Montreal at Quebec the monies arising from these Provincial Debentures, by virtue of the Act to establish a Consolidated Municipal Loan Fund. Wm. C Evans, Esq., of Montreal, deposited these Debentures in the office of the Receiver General at Quebec from day to day between the sixteenth of May, 1855, and the end of the same month, for the purpose of obtaining Provincial Debentures in exchange. He also produced the joint order mentioned herein above, together with a power of attorney from William Gunn, Manager of the Bank of Montreal, authorizing him to receive Provincial Debentures on behalf of the Bank. The Deputy Receiver General, however, being of opinion that the joint order was of no use, inasmuch, as by law, the exchange of Debentures could, in his opinion, be effected without this order, returned it to Mr. Evans, and gave him in exchange for these Municipal Debentures, Provincial Debentures to the amount deposited, that is, £22,700 for the County of Terrebonne, and £30,800 for the County of Ottawa No. 2. This exchange of Municipal Debentures was made at first for temporary Debentures without *Coupons*, but some days afterwards the temporary Debentures were sent back to the Deputy Receiver General, and he on his side issued Provincial Debentures with *Coupons*. The interest due upon the Municipal Debentures from the first of May, 1854, to the first of May, 1855, that is, the interest due before the exchange was effected was paid by the contractors, but in the month of November, 1855, and in the month of April last, the Government demanded from the Municipal Council of the County of Terrebonne one year's interest at six per cent. and two per cent. on account of the capital. It was upon this demand that the inhabitants of the Parishes interested therein, addressed themselves to Your Honorable House, praying for the Enquiry you have charged Your Committee to make.

In order sufficiently to appreciate the merits of their Petition, and to inform Your honorable House of the transactions of the Company, we must go back to the period of the contract between the Company and the Contractors. Immediately after receiving the contract, the contractors commenced their work, and during the season of 1854 they constructed the road from Carillon to Grenville, a distance of: