

APPENDIX I.
MEMORANDUM OR MINUTE
OF 20TH MAY, 1843.

It is looked upon that the fixing the period at which Debentures shall be issued for the payment of the back interest on the investment of the private Stockholders, namely, when the tolls to be received at the Canal shall annually amount to £30,000, was intended to give the said back interest when the tolls on the Canal shall be sufficient to pay the interest on the sum expected to be expended in the construction of the work, the costs of management and repairs, the interest on the Debentures issued for the principal sum invested by the private Stockholders and the interest on the Debentures for the back interest.

The calculation appears not to be far wrong under the estimate of expenditure in the year 1839, but subsequently and before the passage of the late Act, a much larger expenditure was found to be necessary, and consequently if Debentures were to issue when the tolls on the Canal annually amounted to only £30,000, the interest on the Debentures to be issued for the back interest would be borne upon the Provincial revenue, contrary to the intention of the Legislature.

Mr. Merritt now proposes an alteration in the Law for the benefit of the private Stockholders, which would make the £117,000 of Debentures which were intended as a repayment of the principal investment of the private Stockholders payable in England, instead of in this Province, the rate of interest payable in England to be 5 per cent per annum.

To this proposal the Government do not think it just to the public interests to accede, unless upon the principle that the interest on the Debentures for back interest shall be no burden upon the public revenue.—To enable them to be borne, on the revenues of the Canal it is now calculated will require an annual amount of tolls of £45,000, Provincial currency, leaving the income from real estate and hydraulic privileges to meet the estimated cost of management and repairs after the completion of the Canal.

It is therefore not thought expedient to move in the amendment of the Law as proposed by Mr. Merritt, unless the issue of the Debentures for the payment of the back interest shall be postponed until after the completion of the Canal, and until the tolls of one year shall amount to forty-five thousand pounds currency.