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REPORT

OF THE

COMMITTEE APPOINTED TO INQUIRE INTO THE TRANSACTIONS

OF THE

MONTREAL AND BYTOWN RAILWAY COMPANY,

PREPARED BY

MR. LORANGER,

BY ORDER OF THE COMMITTEE, AND UNANIMOUSLY ADOPTED.

1856

REPORT

Of the Committee appointed to enquire into the transactions of the Montreal and Bytown Railway Company, prepared by Mr. Loranger, by order of the Committee, and unanimously adopted.

ORDERS OF REFERENCE.

LEGISLATIVE ASSEMBLY,

MONDAY, 10th March, 1856.

Resolved,—That a Select Committee composed of:

Mr. LORANGER,
Mr. POULIN,
Mr. ANTOINE A. DORION,
Mr. PRÉVOST,
Mr. LABELLE,
Mr. WILSON, and
Mr. LYON,

be appointed to enquire into all the transactions of the Montreal and Bytown Railway Company, from the date of its existence, into the state of its affairs, its resources and its means, and also, concerning the manner in which the Municipal Council of the County of Terrebonne subscribed on behalf of the Parishes of St. Martin, St. Jérôme, St. Adèle and the Township of Abercombie, a sum of twenty-six thousand pounds to the stock of the said Montreal and Bytown Railway Company; concerning the issue of Municipal Debentures in consequence of such subscription; the negotiation of such debentures, and the acts of the Company, and generally concerning all matters and things relating to that transaction, and to report thereon with all convenient speed,—with power to send for persons, papers and records.

Attest,

W. B. LINDSAY,
Clerk Legislative Assembly.

MONDAY, 17th March, 1856.

Ordered—That the petition of the Municipal Council of the County of Terrebonne, praying to be relieved from the payment of the amount of stock subscribed for by the said County, in the Montreal and Bytown Railway Company, and for which they have issued debentures—and all other petitions on the same subject, be referred to the said Committee.

Ordered—That the petition of the Honorable Peter McGill and others, rate-payers in and for the County of Ottawa, be referred to the said Committee.

MONDAY, 31st March, 1856.

Ordered—That the Return relative to Municipal Debentures of the County of Terrebonne, presented on the 17th instant, be referred to the said Committee.

FRIDAY, 4th April, 1856.

Ordered—That the petition of William Campbell and others, of the Parish of Lacorne, received this day, be referred to the said Committee.

COMMITTEE ROOM,
June, 1856.

The Select Committee appointed to enquire into the transactions of the Montreal and Bytown Railway Company, from the date of its existence, into the state of its affairs, its resources and its means, and also, concerning the manner in which the Municipal Council of the County of Terrebonne subscribed on behalf of the Parishes of St. Martin, St. Jérôme, St. Adèle and the Township of Abercrombie, a sum of twenty-six thousand pounds in stock of the said Montreal and Bytown Railway Company; concerning the issue of Municipal Debentures in consequence of such subscription; the negotiation of such debentures and the acts of the Company, and generally concerning all matters and things relating to that transaction, have the honor to present the following Report:

Your Committee, in compliance with the Order of Reference of Your Honorable House, bearing date the tenth day of March, one thousand eight hundred and fifty-six, proceeded with the enquiry mentioned in the said Order of Reference, and have examined witnesses, papers and records, as will appear by the Appendices. The following is the result of their investigation:

The Montreal and Bytown Railway Company, incorporated by virtue of an Act of the Legislature, opened their stock books during the month of March, 1853, and stock to the amount of £24,675 was taken by private individuals. The Corporation of Montreal subscribed £125,000 and the Municipality of the County of Two Mountains £62,000 to the capital stock of the Company.

On the seventh of November of the same year the Company gave Sykes, DeBergue & Co., English contractors, the contract for the completion of the Montreal and Bytown road, together with branch roads of twenty-three miles—ten miles at St. Jérôme and thirteen miles at Lachute. The sum contracted for was £770,000, sterling, payable in ten instalments of £77,000 each, the first instalment to be paid within six weeks after the signing of the contract, and the remainder according as the works advanced. The payment of this sum of £770,000 was to be made as follows: £26,000, sterling, in stock of the Company, £125,000 in debentures of the City of Montreal, £62,000 in debentures of the County of Two Mountains, and the balance £360,000 in debentures of the Company, with the condition that if the Company obtained Municipal stock for an amount greater than the stock of the City of Montreal and the County of Two Mountains, this surplus should be transferred to the contractors in the room of the debentures of the Company to make up the sum of £360,000. It was, moreover, agreed upon, that the contractors were to pay the interest upon any Municipal Debentures transferred to them until the entire completion of the Road, which was to be delivered in three years. This delay was to be extended for a further period of one year in case of war with Russia, which was then threatening Europe, should be declared. The Municipality of the County of Ottawa No. 2, likewise took shares to the amount of £33,200, and the Municipal Council of the County of Terrebonne also took shares to the amount of £26,000, being for the Parish of

St. Jérôme.....	£10,000
St. Martin.....	10,000
Abercrombie or Ste. Adèle.....	1,000
Ste. Sophie.....	5,000

£26,000

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:

about thirteen miles, caused embankments and other preliminary works to be erected near Montreal, also levelled the road at St. Rose, surveyed the road and did other works, the whole estimated at £100,000 sterling. In the month of November the road from Carillon to Grenville was ready for traffic; but that was all they did. They have since that date done no more work, and the contract is entirely abandoned. The Company are insolvent, and there is no hope of the road ever being made in virtue of the contract. The road from Carillon to Grenville is not even in operation, and has not been so during the summer of 1855, as the proprietors of the land on the road whose lands were taken by the Company, not having been paid for them, have taken them back again.

Without pretending to determine the cause which induced the contractors to abandon their contract, and which rendered the Company insolvent, Your Committee would beg leave to point out the following facts:

The Corporation of Montreal, which had made as a condition to their taking stock to the amount of £125,000, that they should be at liberty to exact from the contractors a discretionary bond, refused the one offered by the contractors, and withdrew their share in the stock. The County of Two Mountains also withdrew £62,000 of their stock, and caused the regulations by virtue of which they had taken the said stock to be repealed. The By-law of the County of Ottawa No. 1, which had also taken stock to the amount of £25,000, was never ratified. The shares which the Parishes of St. Eustache and Ste. Scholastique promised to take, to the amount of £5,000 each, became null, so that the resources of the Company to fulfil their engagement were limited to the £24,675 subscribed by private individuals; the £59,000 of shares taken by the County of Ottawa No. 2, the Parishes of St. Jérôme and others, of the County of Terrebonne, their own Debentures, and the £260,000 sterling of shares taken by the contractors.

It appears from the evidence, that the real assets of the Company, composed of the funds subscribed by private individuals and Municipalities, only amounted to the sum of £83,875, with which they had to construct a road, the cost of which was £770,000, according to the price of the contract, exclusive of the extras and the purchase of the land. Upon the amount subscribed by individuals there was but £980 of stock paid up.

It is not within the province of your Committee to comment upon a fact which has, nevertheless, attracted their attention, which is, that to construct a road as expensive as that undertaken, the Company gave it out by contract with a stock book amounting only to £246,675, and relied for the balance upon the assistance of the Municipalities, all of which, with the exception of that of Ottawa No. 2 and the Parishes of St. Martin and St. Jérôme, Abercrombie or Ste. Adèle, and Ste. Sophie, disappointed them. As regards the Debentures of these last mentioned Parishes, Your Committee are of opinion, that, having been issued with interest payable from date by the Mayor, who had no authority so to do, and in contravention of the By-laws, without prejudice to the other *moyens* of nullity which might be deduced from the facts herein above mentioned, these Parishes cannot be held responsible for the payment of the interest, before the road is completed, and there is now no appearance of the work being able to be carried on.

In conclusion, Your Committee take the liberty of suggesting to Your Honorable House that it might perhaps be desirable that the Legislature should adopt some immediate plan to place the road between Carillon and Grenville in running order, by permitting the parties interested to have possession of the road as soon as they have paid the proprietors.

The whole respectfully submitted.

T. J. J. LOBANGER.

G. B. Lyon Fellowes, Esq.,
Chairman.

MINUTES OF THE PROCEEDINGS

OF THE

Select Committee appointed to enquire into all the transactions of the Montreal and Bytown Railway Company.

Monday, 31st March, 1856:

PRESENT :

MESSRS. LORANGER,
A. A. DORION,
POULIN,
PRÉVOST,
LABELLE,
LYON.

Mr. Lyon was called to the Chair.

Read the Order of Reference.

On motion of Mr. Dorion, it was Ordered, That the Chairman do move in the House that the Return to an Address of the 5th instant for a statement of the Municipal Debentures for the County of Terrebonne, exchanged by the Government for Provincial Debentures, be referred to this Committee.

On motion of Mr. Prévost, it was Ordered, That the Chairman do move an Address for copies of all communications exchanged between the Département of the Attorney General and that of the Receiver General, in relation to the negotiation of the debentures in question, from the commencement to the present date.

On motion of Mr. Loranger, it was Ordered, That Subpœnas be issued for the appearance of the following persons to give evidence before the Committee, viz :

A. M. Delisle, Esq., President of the Montreal and Bytown Railway Company.

W. H. Hopper, Esq., Secretary of the Montreal and Bytown Railway Company, with instructions to produce the books of the Company, including the stock book and all others containing a general statement of the affairs of the Company, its liabilities, assets, &c.

A. B. Papineau, Esq., formerly Mayor of the County of Terrebonne.

J. C. Auger, Esq., formerly Secretary-Treasurer of Terrebonne.

Wm. Sykes, of Caledonia Springs.

Jean L. Beaudry, Esq., of Montreal.

Adjourned to Call of the Chair.

12th April, 1856.

PRESENT :

Mr. LYON, — *Chairman.*
MESSRS. LORANGER,
LABELLE,
PRÉVOST,
A. A. DORION,
POULIN.

Laid before the Committee, a telegraphic despatch from M. J. A. Auger, dated, "Montreal, 11th April, 1856."

Also, a letter from Sidney Bellingham, Esq., dated, Toronto, 9th April, 1856.

Ordered, on motion of Mr. Loranger, That Sidney Bellingham, Esquire, at

present at Toronto, be summoned to give evidence before this Committee on the 14th April instant.

André B. Papineau, Esquire, Mayor of the Parish of St. Martin, in the County of Laval, in the District of Montreal, appeared before the Committee, in obedience to the summons directed to him, and the following questions were put to him :

Will you please state to the Committee all you know in relation to the subject matter of this enquiry, and more particularly state

1st. What means did the Montreal and Bytown Railway Company use to induce the County of Terrebonne to take stock in the Company?

2nd. How were the By-laws binding the Parishes of St. Jérôme, St. Martin, Ste Adèle, and the Township of Abercrombie for a total amount of £26,000, passed?

3rd. How were debentures issued and exchanged for Provincial Debentures?

4th. Did you, as Mayor of the County, authorize the Company, or any other person to exchange or negotiate these debentures. In a word, please explain the nature of all transactions or negotiations relating to stock in the Company, affecting the above mentioned places?

The Committee adjourned until Monday next at 11 o'clock, A. M.

Monday, 14th April, 1856.

PRESENT :

Mr. LYON, — *Chairman.*

MESSRS. POULIN,
PRÉVOST,
LABELLE.

Mr. A. B. Papineau appeared before the Committee and requested a further delay in order to complete his answers to the above mentioned questions which were put to him.

Messrs. S. Bellingham, A. M. Delisle and Jean L. Beaudry, witnesses summoned, appeared before the Committee.

The Committee then adjourned until to-morrow at eleven o'clock, A. M.

15th April, 1856.

PRESENT :

MESSRS. LORANGER,
A. A. DORION,
LABELLE,
PRÉVOST,
POULIN.

Mr. Lyon, the Chairman, being absent, Mr. Loranger was called to the Chair, *pro tem.*

Read the minutes of yesterday.

Ordered—That the above mentioned questions be put and submitted to Jean L. Beaudry, Esq., one of the witnesses summoned by substituting, however, in the fourth question, for the words, "*Did you, as Mayor of the County, authorize the Company, or any other person, to exchange or negotiate these debentures,*" the words, "*State whatever you know concerning the affairs of the Company, and its administration?*"

Ordered—That the series of questions herunto annexed and marked A, be put and transmitted to A. M. Delisle, Esquire, a witness summoned.

Ordered—That the same series of questions be likewise put and transmitted

to Sidney Bellingham, Esquire, substituting the following question in the room of the first question. 1. *Have you been or are you employed by the Montreal and By'own Railway Company, and what has been or is the nature of such employment?*

The Committee then adjourned until 11 o'clock, A. M., to-morrow.

16th April, 1856.

PRESENT :

Messrs. LORANGER,
LABELLE,
POULIN,
PRÉVOST,
A. A. DORION.

Mr. Papineau produced and laid before the Committee his answers to the questions submitted to him, as also several letters marked A, B, C, D, E, being part of said answers.

The Committee then adjourned until 11 o'clock, A. M., to-morrow.

17th April, 1856.

PRESENT :

Messrs. LORANGER,
LABELLE,
POULIN,
PRÉVOST,
A. A. DORION.

Mr. J. C. Auger, a witness summoned, appeared before the Committee.

Ordered—That the questions which were put and submitted to Mr. J. L. Beaudry be put and transmitted to Mr. J. C. Auger.

Ordered—That the Honorable William Badgley and William C. Evans, Esquire, of Montreal, be summoned as witnesses.

Mr. Papineau appeared a second time before the Committee and answered the following supplementary questions (see evidence) and his evidence was declared to be closed.

The Committee then adjourned until 11 o'clock A. M., to-morrow.

18th April, 1856.

PRESENT :

Mr. LORANGER,—*Chairman, pro tem.*
Messrs. LABELLE,
A. A. DORION,
PRÉVOST,
POULIN.

Mr. A. M. Delisle produced his answers to the questions submitted to him and the documents marked G, H, H H, I, in support of his answers, and the Committee put the following supplementary questions to him. (See his evidence.)

Ordered—That the evidence of Mr. Delisle be translated into French for the use of the Committee.

The Committee then adjourned until 11 o'clock, A. M., to-morrow.

19th April, 1856.

PRESENT :

Mr. LORANGER,—*Chairman, pro tem.*MESSRS. PRÉVOST,
A. A. DORION,
POULIN,
LABELLE.

Mr. J. L. Beaudry appeared a second time before the Committee and answered the questions put to him as follows, (see his deposition) and his evidence was declared to be closed.

The Committee ordered the Clerk to notify the Hon. E. P. Taché, Receiver General, and C. E. Anderson, Esq., Deputy Receiver General, to appear and give evidence.

21st April, 1856.

PRESENT :

MESSRS. PRÉVOST,
POULIN.

The Committee rose for want of a quorum.

22nd April, 1856.

PRESENT :

Mr. LORANGER,—*Chairman, pro tem.*MESSRS. LABELLE,
A. A. DORION,
PRÉVOST,
POULIN.

Mr. J. C. Auger appeared a second time before the Committee and produced his answers to the questions submitted to him (see his deposition) and his evidence was declared to be closed.

The Committee then adjourned until 11 o'clock, A. M., to-morrow.

23rd April, 1856.

PRESENT :

Mr. LORANGER,—*Chairman, pro tem.*MESSRS. LABELLE,
A. A. DORION,
POULIN,
PRÉVOST.

Mr. William Sykes appeared before the Committee in obedience to the summons served upon him.

C. E. Anderson, Esq., Deputy Receiver General, appeared before the Committee and answered as follows, to the questions submitted to him (see his deposition) and his evidence was declared to be closed.

The Committee then adjourned until 11 o'clock, A. M., to-morrow.

24th April, 1856.

PRESENT :

Mr. LORANGER, — *Chairman, pro tem.*
 MESSRS. LABELLE,
 A. A. DORION,
 PRÉVOST.

Mr. W. Sykes appeared before the Committee a second time and answered as follows to the questions submitted to him: (See his deposition.)

The Committee then adjourned until 11 o'clock, A. M., to-morrow.

25th April, 1856.

PRESENT :

MESSRS. A. A. DORION,
 PRÉVOST,
 LABELLE.

The Committee adjourned for want of a quorum.

29th April, 1856.

PRESENT :

MESSRS. A. A. DORION,
 POULIN,
 PRÉVOST,
 LABELLE.

Mr. Dorion was called to the Chair in consequence of the absence of the Chairman.

Mr. Sykes appeared a second time before the Committee and terminated his evidence.

The Committee then adjourned.

2nd May, 1856.

PRESENT :

Mr. A. A. DORION, — *Chairman, pro tem.*
 MESSRS. LABELLE,
 PRÉVOST,
 POULIN.

The Hon. Wm. Badgley appeared before the Committee in obedience to the summons served upon him.

Mr. Hopper, Secretary to the Montreal and Bytown Railway Company, also appeared as a witness.

The Committee then adjourned.

3rd May, 1856.

PRESENT :

Mr. LORANGER, — *Chairman, pro tem.*
 MESSRS. A. A. DORION,
 POULIN,
 LABELLE,
 PRÉVOST.

Received and laid before the Committee, answers from the Hon. E. P. Taché to the questions submitted to him.

A series of questions in writing were then submitted to William H. Hopper, Secretary to the Montreal and Bytown Railway Company.

The Hon Judge Badgley appeared a second time before the Committee, answered the questions submitted to him and his deposition was declared to be closed. (See his deposition.)

The Committee then adjourned.

6th May, 1856.

PRESENT :

Mr. LORANGER,—*Chairman, pro tem.*

MESSRS. DORION,
PRÉVOST,
POULIN.

Mr. W. H. Hopper appeared a second time before the Committee and terminated his evidence. (See his deposition.)

Resolved, upon motion of Mr. Dorion, That the Clerk of this Committee do address a letter to the Clerk of the City of Montreal requesting him to send a copy of the By-laws of the Corporation by virtue of which the City of Montreal took stock in the Montreal and Bytown Railway Company, and also a copy of all proceedings of the Municipal Council or Committees relative to the said subscription.

The Committee then adjourned.

7th May, 1856.

PRESENT :

Mr. LORANGER,—*Chairman, pro tem.*

MESSRS. DORION,
PRÉVOST,
POULIN,
LABELLE,

Mr. Wm. C. Evans appeared before the Committee and was examined (See his deposition.)

The Committee then adjourned.

18th June, 1856.

PRESENT :

Mr. LORANGER,—*Chairman, pro tem.*

MESSRS. DORION,
PRÉVOST,
POULIN,
LABELLE.

Mr. Loranger laid before the Committee a Report which he had drafted, which was unanimously adopted.

Resolved—That the Chairman do present the said Report to the House.

MINUTES OF EVIDENCE.

[Mr. Papineau]—In answer to the questions submitted to me by the Committee appointed to enquire into the transactions of the Montreal and Bytown Railway Company, I have the honor to say, in

Answer to the 1st Question,

That that Company, in order to induce the Municipality of the County of Terrebonne to take share in the capital stock of the Company, commenced by authorizing their President, A. M. Delisle, Esquire, to write to the said Municipality, in order to obtain *their co-operation and pecuniary assistance*, setting forth to them at the same time, the advantages of such an enterprise, (see his letter of 30th May, 1853.)

The same President wrote a second letter on the 15th September, 1853, in which he expressed "his hope of being able to induce the Company to cause the "road to pass through the Village of St. Martin, and to establish a *depot* there, "which would not fail to double the value of the property there."

On the 23rd of October following he wrote to say that he had drawn up the By-law in such a manner as to cover *all difficulties with regard to the interest during the time the road was being built*; that the money would only have to be paid by the Parishes *as soon as the road should be in operation throughout its entire length*, and that then the Road would cover, not only the interest, but would, he was certain, be a source of profit to these Parishes. If you take the whole of the stock, he added, as I venture to hope you will, you can be certain that the Road will be put under contract immediately.

Besides this, several of the Directors of the Company, Messrs. Delisle, Dumas, and J. L. Beaudry made it their business to appear several times before the Municipal Council to plead the cause of this Railroad, which, according to them, was to extend commerce in so rapid and so wonderful a manner, and to open at the same time to the inhabitants of the country a vast extent of territory to be settled.

Mr. Delisle in particular, took great pains to shew that the works on the Road being conducted by Canadian Directors, whose interest it was to use economy, would be far less expensive than those of the Grand Trunk, whose Directors could not carry on the works without great outlay; that the revenues arising from the Road would be more than sufficient to pay the interest, and that the parishes might not, perhaps, be required to pay anything; that the citizens of Montreal who would do nothing without prudence and discernment, had in a body approved of a By-law authorizing the subscription of £125,000 worth of shares; that theirs was an example to follow; that the Mayors of the Municipalities taking stock, were *de facto* Directors of the Company; that the Board of Directors could not proceed to business without notifying the Mayor, in his capacity of Guardian of the interests of the Municipality; that he would never fail to oppose any measure that might be prejudicial to the Municipality; and, that after all, if it should happen that the Company did become insolvent, and that the Sheriff was ordered to levy rates, all the rate-payers would have only to combine and not to purchase the one from the other, and should even drive away any officers who would dare shew themselves either to seize or to sell; that he did not propose these means of opposition and resistance with the idea that the Municipality would ever be forced to have recourse to them, because he felt convinced that they would never have occasion to pay one single penny; that he had great pleasure in being able to state that the Company would undertake to pay all the interest until the Road should be in operation throughout its

whole extent, and the branch at St. Jérôme, as also the dépôt should be completed; with relation to the capital it was only payable in 20 years, and that within that time the Municipality might be able to dispose of their shares with profit.

It was, relying on these promises, made on several occasions before a numerous and respectable assembly, exempting the Municipality of the County of Terrebonne from payment of the interest, that the Council undertook to take stock, in opposition to a large majority of the rate-payers. This was also the reason why no provision was made for a sinking fund as prescribed by law, as it would become absolutely useless, because the Municipality would have nothing to pay, the Company having nothing but their right of legal hypothec upon the stock taken by the Municipality, otherwise the Council would never have consented to the subscription of the smallest amount.

Answer to 2nd Question.

With these promises of the Company to exempt the Municipality from all interest, as in fact they did for the first year only, we may add, that the share taken in this business by the Honorable A. N. Morin, then Provincial Secretary, and who was more interested than any other of the rate-payers on account of the extent of property he owns in the County, which he also represented, tended greatly to inspire confidence to the Councillors, for it was he who was kind enough to assist the Council by preparing and sending the draft of a By-law which underwent no amendment, which made no provision for a sinking fund, and which was adopted in preference to one presented by Mr. Delisle.

This By-law, which was passed on the 12th December, 1853, authorized the Mayor to take and subscribe stock to the following amount, to wit:

For St. Jérôme	£10,000
St. Martin	10,000
Abercrombie, (St. Adèle).....	1,000

And by another By-law, passed on the 13th March, 1854, the Mayor was further authorized to subscribe,

For Ste. Sophie, (New Glasgow)	5,000
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Total.....	£26,000
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That amongst other essential conditions of these By-laws, it is ruled and ordered, "That the Mayor be authorized to borrow from time to time and whenever it is required, the necessary sums requisite to pay the calls when required and called for, and for that purpose to issue bonds or debentures to the amount of the said shares or stock;" that another condition of the said By-laws, was, "that the interest upon the said bonds could only date or count from the date upon which the road should be completed and in operation throughout its entire extent, notice of which was to be given in the Official Gazette, and that the capital should only be payable within 20 years from date." That a further condition was, that "the Mayor should not subscribe the said shares or stock, except with the express condition to be stipulated by a formal agreement with the Company that a dépôt should be erected at the Village of St. Martin, a second at the village of St. Jérôme, with a branch line joining that village to the main line."

Were it not for all these conditions which were favorable to the Municipality, these By-laws would never have passed. These provisions, together with the subscription for the Road, constitute the whole of the By-law.

However, with regard to agreements between public corporations, it is not sufficient to regulate the amount of work to be done and the price therefor, as between individuals who would not give a lien upon their properties because they would become personally responsible. There must be security given upon

certain property or special revenues, in order to insure and guarantee the payment of the engagements contracted by the Corporations. It is for this reason that the laws regulating Municipal Loans prescribe that the By-laws for Municipal Loans shall necessarily provide for a sinking fund or a special tax to guarantee the payment of the sums borrowed.

But in the By-laws of the Municipality of the County of Terrebonne there is no provision made for a sinking fund or *special tax*, which should form an essential part in a By-law for a loan; consequently, the properties liable to be taxed have remained exempt, there has been nothing affected, and of course there is nothing to take or seize. This omission of a provision common to agreements of this nature is the reason why there is no obligation on the part of the Municipality, and necessarily causes the By-laws to be null.

In fact what would happen, if, supposing the Company to be solvent, the Municipality were to bring an action to compel them to complete their works? Would not the Company have grounds to hold that they are bound to nothing and that they need not take any steps until the Municipality shall have given them guarantees of payment or imposed a special tax; in a word until they shall have made new and complete By-laws as required by law?

At the time of the passing of these By-laws, the Council, who took cognizance of the law, which was at that time printed only in English, were under the impression that this provision, with regard to a sinking fund, was merely an optional clause, for, if they had thought that it was essential and imperative, they would never have passed any By-law whatever.

Notwithstanding this essential defect these By-laws were accepted by the Company.

Some time after, the Company as well as the Council, who were eager to see the works carried out, finding that a good deal of time would elapse during the gradual and successive issuing of the *bons*, and fearing that in the interval, difficulties might arise on the part of the rate-payers against the By-laws and the payments to be made, agreed to pass a Resolution, dated the 27th March, 1854, virtually rescinding the first By-laws, inasmuch as the new Resolution authorized the Mayor to *sign immediately* and without delay all the *bons* to a total amount of £25,000.—When laws are inconsistent and contradictory the one to the other, the one last past must be followed.—The Mayor thought that he was bound to conform himself to the last past By-law and signed and issued all the *bons* at once and without delay, and delivered them on the 1st April, 1854, to Mr. Delisle the President of the Company.

This By-law had not yet been published in the newspapers, or read at, or affixed to the church door. In addition to this, the debentures thus issued were in contravention of the By-Laws, in as much as the interest was to run from the day of their date, upon the representation that was made to the Council by the President of the Company, that debentures which only bore interest from an indefinite period, could only be negotiated at a great loss, but the capital was only to be paid within twenty years under promise of partial repayments. The President, Mr. Delisle, repeated the same promise, that the Municipality would never be troubled for this interest, and promised that the Company would take charge of it. After the delivering over of the debentures, they were no longer informed of the deliberations of the Board of the Company, who forgot the promises they had made of not adopting any measure without the Mayor being present. The Mayor was always recognised as long as the debentures were not signed. From that time it was easy to understand that the interests of the Municipality were in danger. The Mayor was authorized to reason with the Company, and they immediately excused themselves under the pretext that they were not aware who was the person that the Council had chosen to represent them at the Board of Direction.

It was for this reason and with the desire of obtaining the protection of the Government, by procuring their interference, and also, with a view to obtain a greater benefit from the Municipal Bonds, that the Municipal Council passed a resolution that was already prepared by Mr. Delisle, for the purpose of exchanging Municipal Bonds for Provincial Debentures and authorising the Mayor to sign the order prescribed by law, as soon as the bonds should be issued by the Municipality and the debentures should be in the possession of a third party. In compliance with this resolution, which was neither published nor affixed to the church doors, the President of the Company and the Mayor of the County signed jointly an order to the Receiver General, dated on or about the 31st March, 1855, requesting him to pay and deliver the Provincial Debentures or the money coming therefrom to the Agent of the Bank of Montreal at Quebec, after the Municipal Bonds should have been deposited in his hands.

That, afterwards, this joint order had been altered without the participation of the Mayor, by striking out the words "Bank of Montreal," and substituting a marginal note with these words, "Sykes, De Bergue, & Co., Contractor."

In order to induce the Mayor to sign this marginal note and cause him to approve of this innovation in the delegation, Mr. Evans, one of the Directors, went on the 31st May, 1855, to the Mayor's house, bearing a letter from the President to the Mayor, "ordering him to sign a marginal note, which it was "found necessary to make to the joint order." A marginal note which, he said was merely a matter of form, and which would explain itself, so that he refrained from alluding to it.

Nevertheless, then, as he did afterwards, on the 4th June following, at the urgent request of Mr. Delisle, the Mayor refused to sign this marginal note, and upon Mr. Delisle repeating several times to him that, "since the Mayor refused to "sign he intended to leave the document in its former state," the Mayor remarked to him, that he, Mr. Delisle, ought to be aware of the importance of a public document of such a nature, that there was no means of altering it, and that as he had by his own act made it void, it was no longer in any person's power to bring it back to its former state; that the Mayor could not allow him to touch it, but that if he wished it, he would call a meeting of the Council to deliberate upon the subject. To this Mr. Delisle objected, saying, *that it would only tend to make every thing fair*, and that he intended going down to Quebec to settle the matter with the Government. The Mayor answered that since he was convinced that the Council would refuse their assent, he, the Mayor, who was but their officer, could not do so, without being authorised by the Council; otherwise he would be guilty of a gross breach of duty. The Mayor, for his part, wrote on the 4th June, 1855, a letter to the Receiver General, informing him of this alteration in the joint order, and requesting him to suspend all negotiations thereupon until he should hear from the Council on the subject.

In answer to this letter, on the 20th June, C. E. Anderson, Esquire, Deputy Receiver General, informed the Mayor that "he is in error when he contends that "a joint order is essential to effect the exchange of Municipal Debentures, in "virtue of the 18th Vict. cap. 13; such order being required only in cases in "which the Receiver General is to raise the *money upon debentures* issued in "virtue of any By-Law, and not in the case of the exchange of debentures." As to the changing in the order of the words "Agent of the Bank of Montreal," for the words "Sykes, De Bergue & Co., Contractors," he confined himself to saying that when the party interested presented this power of attorney to a Department, he presented also a letter from the Agent of the Bank of Montreal here, authorising him to act for him in that matter, which would render the document perfectly valid if it were required.

The Mayor knows nothing further concerning this transaction. He has, however, reason to believe that the joint order was merely altered because the

Bank of Montreal refused to participate in the transactions of the Company, and that in consequence, their Agent at Quebec was never authorised to receive Provincial Debentures in exchange.

Answer to the 4th Question.

The Mayor of the County of Terrebonne gave no other power, either to the Company or to any other person than the joint order alluded to above, and which it appears was destroyed by the Company.

With a view to remedy the disastrous consequences with which the Municipality seemed threatened, the Mayor called a meeting of the Council to advise the best means to be adopted for protection, but in consequence of there being no quorum on the 23rd June, he called a second meeting for the month of July following, 1855, for the express purpose of taking into consideration the affairs of the Montreal and Bytown Railway Company. This meeting was not held in consequence of their being no quorum.

Some time afterwards, J. E. Prévost, Esq., Municipal Secretary, received two letters from the Hon. E. P. Taché, Receiver General, the first dated the 2nd, and the second the 20th of November, 1855, requesting the Municipality of the County of Terrebonne to pay the large sum of £1410, due for the payment of the interest from the 1st April, 1855, and for the reimbursement of part of the capital of the said Debentures, although there was no stipulated agreement for the immediate repayment of the capital either in the By-laws or the Municipal debentures. As regards the interest from the 1st April, 1854, the day upon which the debentures were issued, up to the 1st April, 1855, it is to be supposed that the Company paid it, as they had promised to continue to do so until the road should be completed.

(Signed,)

A. B. PAPINEAU.

Committee Room, Toronto,
16th April, 1856.

17th April, 1856.

Supplementary questions put to Mr. A. B. Papineau, and his answers thereto.

Have you ever had any connection or communication with the contractors of the Montreal and Bytown Railway Company, Messrs. Sykes and Company?

The only interview I ever had was with Mr. Sykes, who said he was the contractor or the agent for the contractors, in March, 1854, at the Municipal Council of St. Thérèse, who had met for the purpose of passing a By-law to authorize the Mayor to issue debentures. Mr. Sykes signed a document, which I did not see, promising to exempt the Company and the Parishes from the payment of the interest. His object was to induce the Council to issue debentures. The document was in English, and to the best of my knowledge had been drawn up in the Council room. I am positive in stating that there was a similar document written by Mr. Delisle, and signed by Mr. Sykes. I cannot say whether that document was given in to the Clerk and entered in the Registers, but such is my impression. Mr. Delisle, who was present, reiterated several times his assurances that the Municipalities would have nothing to pay, and that the depôts at St. Jérôme and St. Martin, as well as the branch roads, would be completed.

Was it understood that Mr. Sykes was to receive debentures in payment of his work, and did it so occur?

I cannot say so in a positive manner, but from what has been said, that the debentures were merely issued to enable the contractors to commence their works at once, I inferred that such was the case. It has been further alleged by Messrs. Delisle and Sykes, that the firm of Sykes, De Bergue and Company were very

wealthy, that there was nothing to fear with regard to them, that they were able to make advances, and that our bonds would be profitably negotiated in England. At the time that Mr. Delisle wished me to correct the order I had given to authorize the exchange of debentures, he told me that my refusal would place him in a false position with respect to the Company and the Government. I understood from his conversation that the debentures had been negotiated.

Were you aware in signing the debentures, which bore interest from date, that you were acting in contradiction to the By-laws of the Council. Did any person speak to you on that subject, and if yea, who?

I was. The question was discussed in the Council, in presence of the Councillors. Mr. Delisle contended that, if the debentures were signed without a precise date from which the interest was to run, they would be of no value, and not negotiable. It was this reason which prevailed over the objections of the Councillors, and which induced the Council and myself to sign the debentures in violation of the By-laws, and that knowingly. It was on this occasion and the same day at St. Thérèse, that the document above mentioned was signed. On that day the Council had been legally called together, and it was then that the proposition was made in the Council and carried, authorizing me to issue debentures for the whole amount. Upon this a resolution was passed and entered in the Register. There was no allusion to the interest in the resolution. The question of the interest was not the object of the resolution; there was question, however, of the interest, in a conversation which took place between us. All the Councillors agreed in saying that it was proper that the debentures should be issued with interest. I, however, was not officially authorized to issue them in that manner. The Council did not authorize me to issue them thus. I did so at all risks. It was in April following, in Montreal, at the office of the Company, that I signed and issued the debentures, which were countersigned by Mr. Joseph Cyrille Auger, the Secretary-Treasurer.

Did Mr. Auger, the Secretary-Treasurer, make the remark, before countersigning himself the debentures you gave him to countersign, that you were making him sign illegal documents?

I do not recollect.

Did any officer of the Municipality receive directly or indirectly from the Company any sum of money, promise or reward, to engage them to favor the plans of the Company?

Not to my knowledge.

Do you know what use the Company made of your debentures?

It is probable that the money coming from the debentures was expended upon the road made in the Municipality of Argenteuil.

What is the extent of road made in that Municipality?

Thirteen miles, from Carillon to Grenville.

Is the road in operation?

It was in operation during some months, but is not at present.

How many times did Mr. Sykes go to the Council?

Only once, I think.

Upon what day, and where was it, that Mr. Delisle told you that you were placing him in a false position towards the Company and the Government, by refusing to correct the order you had given for the exchange of the debentures?

It took place at the office of the Company at Montreal, on the 4th June, 1855, in presence of Dr. Nelson, one of the Directors, and other persons.

When you held the conversation you allude to in your last answer, and you understood that the debentures had been negotiated, with whom did you understand that they had been negotiated?

I understood that they had been negotiated with the contractors, as payment for their work.

Did you understand in the conversation you had with Mr. Delisle, on the 4th June, 1855, at the office of the Company, that the Municipal debentures had at that time been exchanged with the Government for Provincial debentures?

Yes, I did, because I had received a joint order to that effect. Mr. Delisle had mentioned nothing to me about that circumstance.

(Signed,)

A. B. PAPINEAU.

MONTREAL AND BYTOWN RAILROAD OFFICE,
Montreal, 30th May, 1853.

SIR,—I am requested by the Directors of this Company to address you upon a subject of the deepest interest to your County; that of the proposed Railway between Montreal and Bytown. The Legislature in compliance with Petitions that were addressed to them by your County, that of Two Mountains and the City of Montreal, have passed an Act authorising this Company to construct the said road.

A second law, authorising the Counties of Terrebonne and Two Mountains to subscribe and take share in the said work, has quite recently passed and received the Royal Sanction.

This Company was only waiting for the passing of this last Act to take active steps to build the Road in question. In obedience to the orders I have received to address myself to the said Municipalities and request their co-operation and pecuniary aid, I do so at present with the hope that your County will come forward and lend their co-operation and pecuniary assistance in furtherance of the great enterprise in question.

It would be useless within the limits of a letter to attempt to make you feel the advantage such a Railroad would be to your County and to the country in general. However, the Company are at present publishing their prospectus in which all these important points are treated at length.

As reports and rumors prejudicial to the interests of the Company have been spread about, the object of which is to try to make people believe that there are obstacles as well in the vicinity of Montreal as in the County of Terrebonne which are almost insurmountable to the construction of a Railroad, the Company, as soon as they are organized, will shew that these reports and rumors have been circulated by a rival Company interested in neutralizing our actions, and are without the least foundation.

You can easily understand that the City of Montreal would not have engaged in an enterprise offering the difficulties and obstacles which are attempted to be pointed out. In fact, the Company are of opinion that it would be desirable that the Counties of Terrebonne and Two Mountains should take steps to confer together, in order to ensure unity of action between them, and thereby realize the grand scheme in contemplation.

This Company would venture to suggest that delegates be appointed by the Municipality of Terrebonne and that of Two Mountains to confer and treat with delegates to be appointed by the Corporation of the City of Montreal.

This plan, so simple in itself, would not fail to lead to the most satisfactory results to all parties interested, and assist an undertaking which would not fail to bring the greatest advantages to all persons taking a share therein, and desiring to see it put into execution.

I have the honor to be, Sir,

Your most obedient servant,

A. M. DELISLE,

President of the Montreal and Bytown Railway Co.

A. B. Papineau, Mayor,
County of Terrebonne, St. Martin.

St. Martin, 5th June, 1855.

SIR,—I have the honor to acknowledge the receipt of your letter of the 30th May last relative to the Montreal and Bytown Railway. Be kind enough, Sir, to assure the Company of which you are the President, that I will make it my duty to present it to the Council and will exert myself to induce them to appoint two delegates to a Committee of delegates from the two Municipalities of Terrebonne, and Two Mountains and the City of Montreal, as suggested by you as being an indispensable mode of coming to an arrangement to adopt the plan in question.

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

A. B. PAPINEAU,
Mayor, M. C. T.

(Confidential.)

Montreal, 15th September, 1853.

MY DEAR SIR,—I took the liberty in the course of an address which I delivered to the electors of the County of Two Mountains, to make allusion to the County of Terrebonne which had not fulfilled its engagement with the Railroad Company which I represent.

I therefore hasten to write to you to inform you that these reproaches were not addressed to the Parishes of St. Martin and St. Jérôme whose Councillors have at all times shewn themselves to be zealous friends of improvement and progress. It is my intention at present to leave the County of Terrebonne completely without the limits of the work, by running the line near Bizard Island and then through St. Eustache. Parishes can now, by law, engage in like undertakings provided that the two Councillors of these Parishes consent thereto. The Parishes of St. Jérôme and New Glasgow are very eager to have a branch line communicating from St. Scholastique to St. Jérôme. St. Jérôme intends voting £10,000, New Glasgow £5000; and you will be called upon to hold a meeting of the Council for that purpose very soon. If St. Martin were to do as much and assist with a sum of £10,000, I think that I could induce the Company to run the Road through your Village and build you a station, which would not fail to increase the value of property in your Parish to double this amount. If you think you can enter into a similar arrangement, you must come to a decision at once and make but one job of St. Martin, St. Jérôme, and New Glasgow. This plan would treat our friends from Terrebonne, and other persons who are opposed to the undertaking, in the manner they deserve. For my part I would regret to have to leave St. Martin without the pale of the improvements.

Be kind enough to write me a line on the subject and believe me

Yours truly,

A. M. DELISLE.

A. B. Papineau, Esq.,
St. Martin.

P. S.—You are no doubt aware that, when Parishes vote in this manner, the matter ends there and there is no necessity for having the concurrence of the electors. In a like case it would perhaps be well to send round a Petition to be signed throughout the Parishes wishing to be annexed, etc.

(Confidential.)

Montreal, 23d October, 1853.

MY DEAR SIR,—It will be impossible for me to be present at St. Thérèse to-morrow on account of the holding of the Criminal Court. Mr. Papin will go as my representative, accompanied, I hope, by our good friend Mr. Beandry. I send

you a By-Law for St. Martin already framed. I do the same thing with regard to St. Jérôme, New Glasgow, and the Township of Morin. We must on this occasion uphold the character, if not of the County, at least of the Parishes whose Councillors know how to respect themselves. Let us allow the enemies of progress to wallow in the mire.

It may happen that for the moment your vote may not meet with the general approbation of an ignorant population. Nevertheless the candor and intelligence of that same population, as soon as they feel the advantages to be derived from a Railroad, will bless the days of their benefactors. Those of the Councillors who have not the energy to follow the good example you are about to shew them will cover themselves for ever with shame and confusion and will be abandoned by these same persons whose prejudices and ignorance they wish to flatter. We must make a *stroke à la Napoleon*. The Parishes, or rather the Councillors who will lend us their aid will meet with the unanimous approbation of the Press from one end of the County to the other and will shew those persons who daily insult them, that, at least, the educated class of our countrymen are the friends of progress and do not shrink from assuming responsibility when there is question of a duty towards society.

The same opportunity will not always be present. If you delay until another day, a thousand plans will be laid to thwart you and cause the measure to fail. You must feel this as well as I do and take advantage of so favorable an opportunity as the present.

I have drawn up the By-Law in such a manner as to cover all difficulties with respect to the interest during the time the road is being built,—so that with the amount which is stated in the By-law the interest is only to be paid by the Parishes at the time when the road shall be in operation, and then the road will cover, not only the interest, but will yield, I am certain, profit to these same Parishes. If you pass the whole of it, as I venture to hope you will, you can depend upon the road being given out by contract at once.

Please give my best respects to my friend Mr. Monciaux, your colleague, and shew him at the same time this letter, as I have no time to write to him.

Believe me, dear Sir,

Yours truly,

A. M. DELISLE.

A. B. Papineau, Esq.,
St. Martin.

Montreal, 31st May, 1855.

MY DEAR SIR,—Mr. Evans will call upon you to-morrow to sign a marginal note which it has been found necessary to make to the document which you signed jointly with me when we had the pleasure last winter of calling upon you. As the marginal note is merely a formal one and explains itself, I shall refrain from alluding to it. Accept, dear Sir, the friendship of him who has the honor to subscribe himself,

Your most obedient servant,

A. M. DELISLE.

A. B. Papineau, Esq.,
Mayor, &c., &c.,
St. Martin.

OFFICE OF THE MONTREAL AND BYTOWN RAILWAY,

Montreal, 30th December, 1853.

SIR,—I am directed by this Company to state for the information of the Municipality of the County of Terrebonne that it accepts the By-Laws adopted on the 12th inst., for St. Jérôme, St. Martin, and Altonville, appropriating £21,000 in

aid of this Company. I am further desirous to tender to you personally, and to the Council generally the thanks of the Company for the liberal aid given it. The Company will forthwith order a survey of the Branch to St. Jérôme, and you will please inform the Council that, as the Company were fearful that the Branch in question would exceed ten miles in length (the distance limited by their Charter), notices of an application to Parliament have been given to amend their Charter so as to be enabled to meet its engagements with your Municipality.

I have the honor to remain, Sir,

Your most obedient servant,

SIDNEY BELLINGHAM,

Secretary.

D. B. Papineau, Esq.,
Mayor of County of Terrebonne.

St. Martin, 8th January, 1854.

SIR,—I have the honor to acknowledge the receipt of your letter of the 30th May last, informing the Municipality of the County of Terrebonne that the Montreal and Bytown Railway Company had accepted the vote of St. Jérôme, St. Martin, and the Township of Abercrombie, appropriating £21,000 for the purpose of aiding the Company to carry on the works. You can be certain, Sir, that I shall not fail to submit your letter to the Council for their information.

Be pleased, also, to accept of the expression of my deepest gratitude for the liberal terms you have used towards the Council and myself personally.

I have the honor to be, Sir,

Your most humble and obedient servant,

A. B. PAPINEAU.

Mayor of County of Terrebonne.

Sidney Bellingham, Esq.,
Secretary Montreal and Bytown
Railway Company.

COMMITTEE ROOM;

15th April, 1856.

Questions submitted to Joseph-Cyrille Auger, Esq., by the Committee appointed to enquire into all the transactions of the Montreal and Bytown Railway Company.

1st. Will you please state to the Committee all you know respecting the matter they have been appointed to enquire into, and in particular, state:—what means did the Montreal and Bytown Railway Company employ, to induce the County of Terrebonne to take shares in the stock of the Company?

2nd. How were the By-Laws binding the Parishes of St. Jérôme, St. Martin, Ste. Adèle and the Township of Abercrombie for a total sum of £26,000, passed?

3rd. In what manner were the Debentures issued and exchanged for Provincial Debentures?

4th. Please state all you know concerning the business of the Company and its management. In a word, give a review of all the transactions or negotiations having reference to taking of stock in the places above mentioned.

5th. Were you formally authorized by a Resolution or By-Law of the Council to countersign the Debentures purely and simply, and as bearing interest from date, without regard to the conditions set forth in the By-laws which authorised a subscription of stock of the Company?

6th. Will you state whether any of the acts, resolutions, By-laws and deliberations of the Council posterior to the By-Laws of the 12th December, 1853, and

the 13th March, 1854, and altering those By-Laws, were published according to law?

7th. Have you any knowledge of any Act, by virtue of which the contractors bound themselves to pay the interest upon the Debentures?

By order,

J. P. LEPROHON,
Clerk of Committee.

The undersigned in answer to the questions submitted to him by the Committee appointed to enquire into all the transactions of the Montreal and Bytown Railway Company, etc., begs leave to state,

Answer to 1st question,

That on the 12th December, 1853, A. M. Delisle, Esq., President of the Montreal and Bytown Railway Company, acting for and in the name of the said Company, came, together with Messrs Dumas and Beaudry, I think, to the Village of Ste. Thérèse de Blainville, in the County of Terrebonne, the place where the Municipal Council of the said County were then holding their quarterly sittings. It was at that time that the question of aid on the part of the Parishes of St. Martin, St. Jérôme, and the Township of Abercermbie came before the Council upon two Petitions from the Parishes of St. Jérôme and St. Martin having been presented, praying their respective Councillors to be pleased to use their endeavors to obtain from the Council, authority to enter into an engagement with the Montreal and Bytown Railway Company to obtain a branch railroad as far as the village of St. Jérôme, and to cause the main line to run through or near the village of St. Martin, and to build a-dépôt there.

After a very warm debate in the Council, a motion was made, that A. M. Delisle, Esq., President of the said Company, be heard before the Council, and requested to be pleased to explain the object of the Company in demanding aid from the different Parishes in the above mentioned Municipality, and the manner in which the Company intended to put into execution the proposed plan. Upon this, Mr. Delisle gave an explanation of which the following is a *resumé*: "That the enterprise in view was quite a national undertaking and that the overseeing of the works would be exclusively in the hands of the Montreal and Bytown Railway Company. That Messrs. Sykes & Co., the Contractors for the works on the said road, were immensely wealthy, and that the proof of this appeared to him to be evident, by the certificates and letters of recommendation which those gentlemen had produced and that, in addition to this, they had already shewn in England and elsewhere the active and skilful manner in which they conducted their undertakings. That the City of Montreal itself was so fully persuaded of the happy results that would attend this enterprise, that it came forward generously and voted the sum of £125,000, and that nothing further ought to be required to induce the Municipalities interested in the carrying out of the works of the Montreal and Bytown Railway Company, to vote such sums of money as they, in their wisdom, should think fit to favor such an undertaking. That further, the Municipalities who would consent to subscribe to the capital fund of the said Company, would be represented in the Board of Directors of the said Company by their Mayor, who would be an *ex-officio* Director and who, consequently, would have an opportunity of defending the interests of their respective Municipalities, if they were compromised. That, further, the Company had made such arrangements with the Contractors as to oblige the latter to receive at par and in lieu of payment, debentures which the different Municipalities might issue at par, they paying for and in acquittal of the said Municipality the interest upon

the said debentures until the road from Montreal to Bytown, as well as the branch roads, should be completed and in operation throughout their whole extent and notice thereof should be given in the Official Gazette. Further, that in case there should be any breach of contract on the part of Contractors, the Company had obtained sure guarantees, as appeared by the contract signed and produced before the Council, and that by that means there was no doubt but that sooner or later the road would be finished, but that supposing the worst to happen, the Municipality of the County of Terrebonne or any of the Parishes therein, by subscribing to the capital stock of the Company, would not in any case be placed in a worse position than almost all the Municipalities of Upper Canada, who were not afraid to issue debentures in order to carry out those enterprises which are the source of their present prosperity, and that it was more than probable that they would never be able to fulfil their engagements and that they could never be forced to do so. In fine, Mr. Delisle concluded by earnestly requesting the Parish of St. Jérôme and others, to subscribe, the more so, as they had an example shewn them by the Honble. A. N. Morin who was kind enough to draw up himself the By-law for that purpose.

Answer to 2nd question.

That in the end, the Council after having deliberated, passed on the same day the By-laws engaging the following Parishes to take stock in the Montreal and Bytown Railway to the following amount, to wit :

St. Jérôme.....	£10,000
St. Martin.....	10,000
Stc. Adèle or Abercrombie.....	1,000
	£21,000

That on the 13th March, 1854, at one of the quarterly meetings of the Council upon the motion of the Councillors of the Parish of St. Sophie or Lacorne, the Council unanimously adopted By-laws similar to those of the Parishes above mentioned for Stock to the amount of 5,000

Making in consequence a total of.... £26,000

for which the Council had agreed to the issue of debentures subject to the conditions provided in the By-laws herein above mentioned.

That on the 27th March, 1854, at a second special meeting legally called of the Council of which due notice had been given, and at which the majority of the members composing the said Council were present, the Council authorised the Mayor to sign immediately or as soon as possible, debentures for the total amount of £26,000. Mr. Delisle being then present together with Wm. Sykes, one of the partners in the firm of Sykes, De Bergue & Co., who was then acting for and in the name of the said firm gave the Mayor of the Municipality a document dated Ste. Thérèse, the 27th March, 1854, certified by him (Mr. Delisle) to be a true and authentic copy of the original deposited in the archives of the said Montreal and Bytown Railway Company, by which it appears that the said W. Sykes *ès qualité* contracted to make and finish the branch road from St. Jérôme to the village of that name, at the same time as the line from Belle Rivière to Montreal over a distance of ten miles, as shewn on the map of the said Montreal and Bytown Railway Company, upon the same conditions as he was previously bound by the contract between the latter and the last mentioned Company, provided always that the Company should obtain an amendment for that purpose from the Provincial Legislature. That this document is the one now produced by Mr. Delisle before the Committee.

Answer to 3rd question.

It was then that Mr. Papineau, Mayor of the County of Terrebonne, directed me in my capacity of Secretary-Treasurer of the Municipality of the County of Terrebonne, to repair to the office of the Montreal and Bytown Railway Company and then and there to meet him and countersign the aforesaid debentures. I went there twice for the purpose and it was only on the 1st April, 1854, that I saw Mr. Papineau who had come and had already signed all the debentures, with the exception I think, of those of Abercrombie, which Mr. Delisle was getting ready. Having taken up one of the debentures and looked over its contents, I remarked that they bore interest from the day of their date (1st April, 1854,) and that the said interest was to be paid quarterly by the Municipality. It was then that I called the attention of Mr. Papineau to the fact and remarked that he had signed these debentures without having observed that they were in direct contradiction to the By-laws of the Municipality in date of the 12th December, 1853, and the 13th March, 1854, which provide that the said debentures should not bear interest except from the day on which the Montreal and Bytown Railway line and its branch as far as St. Jérôme should be finished and completed throughout its whole extent, and notice thereof given in the "Canada Gazette." To this Mr. Papineau replied: That he was well aware of the fact and was no way ignorant of the course he was pursuing in signing the debentures, but that he had before him a guarantee on the part of the Montreal and Bytown Railway Company by which the Company promised to pay the interest to the satisfaction of the above mentioned By-law, and upon my hesitating to countersign the said debentures, he ordered me to do so immediately and that he would take the whole responsibility upon himself, and that I had nothing to fear on my part. It was for this reason that, at his request, I countersigned the debentures and coupons, protesting, however, at the same time that such was not the intention of the Council.

With regard to the exchange of the debentures of the Municipality of the County of Terrebonne for Provincial debentures, I have no knowledge whatever, except that at the time the exchange took place, I received a letter from the Company, requesting me to repair a second time to Montreal and bring with me copies of all the By-laws and Regulations relating to the Montreal and Bytown Railway Company together with a statement of the liabilities of the Municipality, and also a copy of the Valuation Rolls of the Parishes concerned, which I did on the 23rd March, 1855, after having made several trips to Montreal for that purpose.

Answer to 4th question.

I declare that I know nothing concerning the affairs of the Montreal and Bytown Railway Company, or their management.

In answer to the latter part of this question, I beg leave to state, that on the 12th June, 1854, at a quarterly meeting of the Council, held in the Village of Ste. Thérèse, the Mayor laid before the Council all the documents which he had received from Mr. Delisle, in his quality of President of the Montreal and Bytown Railway Company, which were deposited in the archives of the Municipality of the County of Terrebonne, after having been numbered, endorsed, and signed by me, to wit:

No. 1. Meeting of the Directors of the Montreal and Bytown Railway Company, dated the 17th December, 1853, at which the By-laws of the Parishes of St. Jérôme, St. Martin, Ste. Adèle, and the township of Abercrombie were adopted.

No. 2. Meeting of the same Directors, dated the 30th March, 1854, at which, in addition to having already accepted the By-laws of the Parishes of St. Jérôme, St. Martin, and Ste. Adèle, voting the sum of £21,000, the said Company

further accepts the By-law of the Parish of Ste. Sophie, voting the sum of £5,000.

Further, that it is resolved, that the Company enters into the same agreement towards the Municipality of the County of Terrebonne, as Messrs. Sykes De Bergue & Co. already made with the Montreal and Bytown Railway Company, concerning the branch road to St. Jérôme.

No. 3. Letter from A. M. Delisle, Esquire, President of the Montreal and Bytown Railway Company, dated 1st April, 1854, to A. B. Papineau, Esquire, Mayor of the County of Terrebonne, enclosing also, the documents above numbered, (1. and 2.)

No. 4. Receipt from A. M. Delisle, Esquire, *ès-qualité*, dated 1st April, 1854, to A. B. Papineau, Esquire, *ès-qualité*, for 100 debentures of £100 each, with *coupons* at the foot of each, being the subscription of St. Martin.

No. 5. Receipt from the same persons, of the same date, for 100 debentures, of £100 each, being the subscription of the Parish of St. Jérôme.

No. 6. Receipt from the same, to the same, for 10 debentures, of £100 each, being the subscription of the Township of Abercrombie.

No. 7. Receipt from the same, to the same, of 50 debentures, of £100 each, being the subscription of the Parish of Ste. Sophie.

Upon complaint made to the Council by the Mayor, that he had not yet been notified by the Montreal and Bytown Railway Company to assist at the deliberations of the Board of Directors of the said Company, I received an order from the Council to write to the President, Mr. Delisle, who, in reply said, that the Company had not yet been placed in a position to notify him, that it was the business of the Municipality to authorise the Mayor to take part in the deliberations of the said Board of Directors, and to give notice thereof to the said Company before the Board could invite him to assist. It was for this reason that at an extraordinary meeting of the Council, lawfully convened, it was *Resolved*, "That the Mayor of the County of Terrebonne be authorised to represent the Municipality of the County of Terrebonne, at the Board of Directors of the Montreal and Bytown Railway Company."

At last, on the 12th March, 1855, at a quarterly meeting of the Council, it was *Resolved*, "That the Mayor be authorised to join the holders of debentures of the Municipality of the County of Terrebonne, to have them exchanged for Provincial Debentures or money."

Answer to 5th question.

No.

Answer to 6th question.

I believe not.

Answer to 7th question.

I was not aware of the existence of any contract other than that produced and explained by the Councillors in my presence.

J. C. AUGER.

COMMITTEE ROOM,
15th April, 1856.

Questions submitted to Alexander M. Delisle, Esquire, of the City of Montreal, by the Committee appointed to enquire into all the transactions of the Montreal and Bytown Railway Company.

1st. Are you the President of the Montreal and Bytown Railway Company and how long have you acted as such?

2nd. Who are the actual Directors of the Company; what persons have been Directors since the Company has been in existence, and who is the Solicitor of the Company.

3rd. Will you state what are at present, and what have been the salaries of the Directors, the President, Vice-President, Secretary, Solicitor, and other Officers of the Company?

4th. What was the capital of the Company authorised by its Charter?

5th. How many shares were taken in good faith, and by persons known to be solvent, in the capital stock of the said Company, and how many were taken by the Municipalities? In short, what was the amount of stock taken in good faith in the Company?

6th. Will you state whether the surveys, maps, plans, and books of reference required by law, of the proposed road, took place, and were made, and on what day they were terminated; also, whether copies of them were deposited, and when, in the Office of the Clerk of the Peace of the Districts and Counties through which the road passes, as also in the Office of the Provincial Secretary?

7th. Will you state whether the works on the road were given out by contract? when? to whom? and what was the price agreed upon?

8th. Will you state at what distance from the Village of St. Jérôme the road is traced?

9th. What is the length of branch roads allowed by the charter of the Company?

10th. Will you state if the works on the said road were commenced, and on what day, if they were, upon what part of the road, if they are extensive, and in what do they consist?

11th. Did not the Company agree with the Municipality of Terrebonne, to make a branch road to, and erect a dépôt in the Village of St. Jérôme, and did you not know, in making the said contract, that the Company was undertaking a contract that never could be performed, and which was not sanctioned by the charter of the Company, which specified that no branch should be made over that extent of road?

12th. What was the amount of shares taken by persons recognised to be solvent, when you gave out the construction of the railroad by contract?

13th. How many instalments upon the shares were there called for? How many were paid, and what proceedings were adopted with regard to the defaulting shareholders?

14th. Did the Directors of the Company make an annual statement of the affairs of the Company?

15th. Did the Directors always give regular notice of their meetings in the *Canada Gazette*?

16th. Will you state whether the Company received Municipal Bonds from the County of Terrebonne; to what amount; whether the Company disposed of the said Bonds, in what manner, and in whose favor?

17th. Did not the Company agree to pay the interest upon the said Municipal Bonds, until the road and its branches should be in operation? Did they fulfil their contract, if not, why not?

18th. In what condition were the affairs of the Company when you exchanged the Municipal for Provincial Debentures?

19th. Did you not know at the time, that the Company was insolvent, or on the verge of being so?

20th. Were you not under the impression, and even convinced, that the Company was insolvent when you negotiated these debentures?

21st. Were not the goods of the Company sold by Sheriff's Sale? What was the sum produced from the sale?

22nd. In short, will you set forth to the Committee a statement of the affairs of the said Company, shewing its receipts, expenditure and remaining stock; all the acts and actions performed since its existence?

22rd. At what time were the Municipal Debentures exchanged for Provincial Debentures?

24th. What became of the Provincial Debentures received in exchange?

25th. Were not some of the officers of the Municipality of Terrebonne paid by the Company; what amount did they receive from the Company, directly or indirectly; if such be the case, please give the names of the said officers?

26th. On what day were the Municipal Debentures deposited in the office of the Receiver General, and on what day did you receive in exchange for them Provincial Debentures that were only temporarily issued; on what day was the exchange of these temporary Debentures for the Provincial Debentures which you negotiated, effected?

By order,

J. P. LEPROHON,
Clerk of Committee.

Answer to 1st question.

I am and have been since a charter was obtained, in 1853.

2nd. The provisional directors were, William Workman, Benjamin Holmes, Jean Louis Beaudry, John Leeming, Benjamin H. Lemoine, Charles Hersey, Theodore Hart, Nicholas Sparkes, Joseph Aumond, Sydney Bellingham, Esquires, and myself.

The Company was organized in November 1853, and the following gentlemen were elected directors, viz.: William Workman, William C. Evans, Henry Judah, Haviland L. Routh, Jean Louis Beaudry, Norbert Dumas, Benjamin H. Lemoine, and myself.

In 1854 the directors elected were, William Workman, Jean Louis Beaudry, Benjamin H. Lemoine, William C. Evans, Norbert Dumas, Henry Judah, H. L. Routh, and myself.

In 1855 the directors elected were, William Workman, William C. Evans, Benjamin H. Lemoine, Henry Judah, Norbert Dumas, J. Egan, J. C. Lacroix, and myself.

In 1856 the directors elected were, William Workman, William C. Evans, Benjamin H. Lemoine, Norbert Dumas, W. Badgley, Alexander Morris, and myself.

The Mayors of Municipalities who had subscribed over £5000, were also directors. The solicitors of the Company were Messrs. Badgley and Abbott, and the former gentleman continued as such until his appointment to the Judicial Bench last year—since that time Mr. Abbott has acted as such alone.

3rd. The Chairman was voted one thousand pounds per annum, the Secretary and Treasurer six hundred, the Engineer seven hundred and fifty, and the messenger one hundred pounds per annum. All these salaries were discontinued in 1855. After the resignation of Mr. Bellingham as Secretary and Treasurer, his place was filled by a young gentleman, at a salary, I believe, of £100 a year.

The officers were paid but a small portion of their salaries the first year, and as regards myself, irrespective of the salary voted me, which I did not receive, I am considerably out of pocket for advances made for the Company.

4th. Six hundred thousand pounds with power to issue bonds if required.

5th. In the absence of our Secretary who is summoned to attend and produce the books of the Company, I cannot speak with certainty upon this subject, but when he appears, he will be able to answer this question with more precision.

I am not aware that any subscribers to the Stock of the Company at the time of their subscription were not solvent.

The amount voted by Municipalities in aid of the undertaking were :—

The City of Montreal	£125,000
The County of Two Mountains.....	62,000
The County of Terrebonne.....	26,000
Ottawa No. 2.....	33,200
	£246,200

The above Municipalities accordingly entered their subscription on the Stock book of the Company.

I would add that the Municipality of Ottawa No. 1, passed a By-law granting aid to the Company to the extent of £25,000, which was sanctioned by the vote of the people, but the Council, although held by law to do so, never finally confirmed the By-law after its approval by the Municipal Electors, and, consequently did not subscribe for any stock, although pledged to do so.

Whilst on this subject, I would observe that the Company made and executed a contract with Messrs. Sykes, DeBergue and Co., an English firm, reputed to be very wealthy contractors, by which those gentlemen engaged to construct the whole of the road from Montreal to Bytown, including two branches, one to St. Jérôme and the other to Lachute, for the sum of £770,000, sterling, payable as follows, viz. :

In stock of the Company.....	£260,000
In bonds of the Company.....	350,000
In Municipal Bonds.....	150,000

Sterling..... £770,000

Thus it will be seen that, under the contract entered into, it was only necessary that £150,000 sterling of stock should be subscribed to ensure the success of the undertaking, and that the stock subscriptions of the Company exceeded that amount. I beg to hand in a copy of the contract which will better explain the whole matter.—(Marked F.)

The contractors also undertook to cash debentures of the Company to the extent of £45,000 currency, for the purchase of land for roadway, stations, and for all other expenses of the Company, including those of the Directory, and this in consideration of receiving two instalments on account of their contract, as will appear by their letter of the 16th May, 1854, copy of which is herewith filed.—(Marked G.)

6th. Yes, they were all made, completed, and subsequently filed in the office of the Provincial Secretary, and that of the Clerk of the Peace as required by law early in the spring of 1854.

7th. The contract I have just handed in will afford all the information desired by this question.

At the time the contract was made the County of Terrebonne had not yet voted any aid to the road, although £100,000 had been offered by the Municipal Council to promote the undertaking, and no branch could have been built without aid from the County. In contracting, therefore, the Company could only stipulate with the Contractors to construct this branch to St. Jérôme in the event of the Company demanding it, and this, of course, was contingent in aid from the County.

A survey of the branch to St. Jérôme was subsequently executed for the contractors by Mr. Archibald McDonald, Civil Engineer, who can furnish the information required as to distance. I believe he still holds all the plans and surveys, but they were never handed in to the Company by the contractors.

9th. Ten miles.

10th. The contractors after agreeing upon the conditions of the contract with

the Company in the fall of 1853, and before the contract was signed were eager to commence operations as the fall was setting in, and they were permitted to do so.

They commenced operations between Carillon and Grenville, and received every encouragement from the people, who permitted them to work in their lands. The contract was signed on the 7th November, 1853, and resulted the following season in the completion of thirteen miles of Railway, equipped with the necessary rolling stock.

A large number of ties were laid along the line of the road, and a considerable amount of rock excavation at Ste. Rose, and earth cutting and grading at Montreal, was performed. All this had been preceded by a survey of the entire route from Montreal to Bytown—such survey being executed on both sides of the Ottawa to determine the most advantageous and profitable route. The whole of the work above mentioned was estimated at over £100,000 (one hundred thousand pounds.)

The contractors were brought to a stand by a variety of circumstances. By the contract, in case a war in Europe occurred (and one was threatening when the contract was made) which would necessarily affect the money market, the contractors were to be allowed an extra year to complete their works. The war did occur, and, as every one knows, so influenced the money market as to affect and paralyse contractors reputed to be of the most wealthy and opulent class in England. Messrs. Sykes, De Bergue & Co., assigned this as a reason for suspending their operations under their contract. One of the contractors, Mr. James Sykes, and the head of the firm, was lost in 1854 on his way to Canada, in the ill fated steamer Arctic. His brother, Mr. William Sykes, another partner, has been since the summer of 1854 unable to do anything in consequence of serious illness. Added to all this, the Grand Trunk Company, or rather, their leading officers, assumed in the same year the Charter of the Vaudreuil Railway Company, and immediately promulgated their intention of constructing a rival railroad on the south side of the Ottawa. This proceeding immediately caused distrust in the Montreal and Bytown Railroad. In the absence of any charter, the surveys of the line to Bytown were commenced and executed by this rival Company. The Municipalities who had subscribed for stock in the Montreal and Bytown Railroad Company became alarmed, and petitioned the Legislature against this projected line. Notwithstanding all these events, Mr. De Bergue sent out agents to Canada who held out the strongest hopes that this interruption would only be temporary and that the works would be resumed.

11th. The Company did pledge itself to this, but could not, in the absence of any plans and surveys, know whether St. Jérôme was more than ten miles from the main line. The Councillors themselves from St. Jérôme were not very clear upon that point; but before making any engagement with the Municipality, the contractor was bound to complete the road to that point, as will appear by the document herewith filed, (*marked H.*)—being a letter in the handwriting of Mr. William Sykes, addressed, on behalf of the firm of Sykes, De Bergue & Co., to me as President of the Company, dated at Ste. Thérèse, March 27th, 1854—and a copy of which was at the same time left with the Municipal Council, then in session. I did not know that it was impossible to effect what the Company agreed to do.

12th. I think this question is answered by my answer to the fifth question.

13th. Three instalments were called, but only one was partially paid in. The books of the Company will shew what was paid in. No steps were adopted against defaulting shareholders.

14th. The Directors of the Company made an annual report to the stockholders, and submitted their books, but nothing more.

15th. They gave the notices required by law.

16th. The Company received debentures from the County of Terrebonne, in full payment of its stock subscription to the amount of £26,000, and handed them to the contractors on the 1st of May, 1854, as appears by the contractors' receipt, herewith filed, marked H H, and pledged themselves to use their best endeavours to get them converted into Government Debentures, in case the Consolidated Municipal Loan Fund Act of Upper Canada should be extended to Lower Canada.

17th. Yes; and the Company had bound the contractors by the contract to pay that interest, which they did for some time, and this was fully explained by me to the Municipality before they issued their debentures to the Company. The contractors continued to pay the interest until the debentures had been converted, and having subsequently failed to do so, the Company could not do it.

18th. Everything had been suspended, as I have stated before; but the contractors still held out to us the prospect of resuming their works. The Government Debentures were obtained in fulfilment of the pledge made to the contractors on the delivery to them of the Municipal Debentures.

19th. I did not. From the representations made to me by Mr. De Bergue, one of the contractors, I was led to believe that the works would be resumed.

20th. This is answered by my last answer.

21st. It was not; and no sale of the property ever took place.

22nd. The books of the Company, when produced, will afford all this information

23rd. I am unable to speak positively as to the dates; but I am under the impression that it was in the course of the month of May. Mr. Evans, one of the Directors, who was authorized, about the middle of May, to receive the debentures at the office of the Receiver General's Department, will be better able to give this information

24th. They were handed back to the contractors, and I produce their receipt for the same, marked I. I would observe that, in all the proceedings connected with the matter, the Company acted under the instructions and advice of their Solicitors, Messrs. Badgley & Abbott, by whom all legal documents were prepared.

25th. Mr. Auger, the Secretary of the Municipality, furnished the Company with copies of various documents, and came to Montreal with the Mayor of the County to sign the debentures, which detained him some time. For this he received some trifling remuneration, possibly four or five pounds.

26th. My answer to the twenty-third question answers this one.

18th April, 1856.

(Continuation of Mr. A. M. Delisle's evidence before the Committee.)

27. When were the works on the road suspended?

To the best of my knowledge in the Autumn of 1854.

28. Were the contractors still carrying on their works when the Municipal Debentures of Terrebonne were exchanged for Provincial Debentures, and when these debentures were handed to the contractors?

They were not doing any work on the road.

29. Are the contractors considered by the Company as having completely failed in their contract, and is there any prospect that they will be able to resume the works?

Although the contractors give us to understand that they intend to resume their works, I consider that they have failed in their contract and have lost all hope of the resuming it.

30. Have the Company any means to carry on the works, and if such be the case, please explain what are they?

I do not see any, unless the City of Montreal pays the amount of stock they subscribed, and the Corporation have pledged themselves to the Company to do so if we can find contractors who will resume the works.

31. What were the resources of the Company on the 1st April, 1855, and upon what could they depend to complete their works?

They could count upon their subscriptions generally. Everything, however, was suspended and no person would pay. They relied also upon the promise the contractors had made that they would continue their works.

32. How many instalments were the shareholders called upon to pay?

Three instalments were called for.

33. Were there any suits brought against the Company previous to the 1st April, 1855, or since that period, and if so, state how many?

Previous to the 1st April, 1855, there was brought one suit for a mere trifle, which was paid immediately. Since that period there are three suits pending, two of which are for the payment of lands purchased by the Company, and the third, one brought by an Engineer of the Company for the recovery of his salary.

34. Was any transfer of rolling stock or of any portion of the property of the Company made over to you or to any other party in the spring or winter of 1855, and state when?

In the month of May, 1855, the land owners between Carillon and Grenville, who had not been paid for their lands, would not permit the road to be run without being paid, and certain gentlemen in that locality, interested in the running of the road, called upon the Company offering to satisfy the parties for their lands if the Company would place the proceeds of the road at their disposal, and afford them a guarantee against loss. Messrs. Montmarquet, Cushing and Jones, agreed to become security to the land owners to ensure the running of the road on the following conditions, viz:

1st. A mortgage was to be given to the land owners to the amount of their claims on the land taken by the Company. 2nd. Bonds of the Company to the amount of such claims were to be deposited with those gentlemen, to be returned to the Company so soon as the claims had been discharged. 3rd. The earnings of the road, after deduction of running expenses, were to be paid over to Messrs. Montmarquet, Cushing and Jones, to satisfy the sums due for land damages and fencing, to the extent, I believe, of about £4000. It was agreed also that a sum of about £1040, advanced by myself and certain other Directors, should first be paid. It was then feared that as the rolling stock might be seized in the hands of the contractors and of the Company, means should be adopted to secure those three gentlemen against loss and ensure the running of the road.

For this purpose it was agreed that the contractors should make over the rolling stock to the Company, and the Company, afterwards to me, by a transfer and sale, in trust for the Company and redeemable in three years, for the amount then due me, to which was to be added the said sum of £1040 due to the said Directors, making in all, so far as my memory serves me, over £3000. A Resolution was accordingly passed authorizing our Vice-President, William Workman, Esq., to execute to me the necessary deed of transfer and sale, and instructions were given to have the required instrument prepared.

Mr. Montmarquet returned home with instructions to receive, in my name, a delivery of the said rolling stock, which was done.

In the meantime the execution of the deed of transfer, for some cause or other, was delayed a few days, although the transaction was looked upon as complete.

Shortly afterwards Messrs. Montmarquet, Cushing and Jones declined to carry out the proposed arrangement, and as the reasons which had suggested it

no longer existed, Mr. Workman and myself determined to do nothing further in the matter, and the said deed of transfer and sale was never executed. The said rolling stock was not, either, made over to any party.

35. What was the object of such transfer, and why is the road not running?

The object of the transfer is explained in my preceding answer. The road is not run because the owners of land will not allow it to be done, and I fear much that some undue influence is presently exercised to keep matters in that state, in order that the road may be brought to a sale and purchased by interested speculators.

35½. Have you in your possession or under your control, any debentures, either Provincial or Municipal, and if so, to what amount?

The contractors' agent, Mr. Chamberlain, some time in the month of September last, I believe, placed to my order in the Bank of Montreal, at Montreal, Provincial Debentures to the extent of £1700, but which could only be obtained six months afterwards, when certain moneys borrowed by the contractors, upon a large amount of those debentures, had been paid.

The money, after deduction of charges, was to be applied to the discharge of liabilities of Messrs. Sykes, DeBergue & Co., to Mr. Augustus Heward, Mr. Allbright, Mr. McDonald, (Civil Engineer,) Mr. Hopper, and in payment of Mr. Cockburn, the Company's Engineer, Mr. Boucher, and Mr. Rousseau, of their claims against the Company; so far as the same would extend.

The money was to be employed as follows:

To Mr. Augustus Heward.....	£200
“ Mr. Cockburn.....	500
And between all the others.....	500
The balance of £500 was to be employed in fencing along the line of the road between Carillon and Grenville, and returned if not used.....	£00

£1700

Do you know whether any lands were purchased for the road between Grenville and Carillon and whether they were paid for?

No land was purchased or paid for with the exception perhaps of one or two lots. The proprietors of lands allowed the Contractors to open the road before there was any question about the cost of the road.

Do you know whether the Contractors were sued and whether the materials of the road were seized and sold to satisfy judgments brought against them and if such be the case, please state when the said materials were sold?

I am not aware of the fact.

To how much did the preliminary disbursements incurred by the Company amount, that is to say, the expenses incurred exclusive of the contract made by the Contractors for the construction of the road?

The books will shew; it is impossible for me to speak from memory.

Were there any expenses incurred to obtain the vote of the electors in favor of the By-law of the Corporation of Montreal to subscribe to the capital of the Company the £125,000 you have spoken of?

Yes.

In what did they consist and to how much did they amount?

I cannot state the precise amount, but there were expenses incurred to pay the carters for driving the voters, and other expenses. This appears in the books of the Company.

Were similar expenses incurred in the other Counties which subscribed to the capital of the Company?

Yes, expenses of a similar nature were incurred in all the other Counties.

When there was question of coming to an agreement with Messrs. Cushing and Montmarquet to open the road between Carillon and Grenville, was it not then proposed and was it not at that time the wish of the Company to annul the contract with the Contractors?

I do not recollect any thing about it. I, however, do not believe it either.

Was there ever at any time question amongst the Board of Directors of annulling the contract made with the Contractors?

There may have been some conversation about it between the Directors, but there was no proposal to that effect made in the office.

Did the Company give the Mayor of Terrebonne a document guaranteeing to pay the interest on the Debentures, in order to induce him to sign the said Debentures with interest from their date?

No.

Was the deed between the Company and the Contractors shewn to the Municipal Council of Terrebonne before the Municipal Debentures were signed in favor of the Company?

Yes.

When the question of taking the Terrebonne Debentures was raised, did you make any objection to the Mayor concerning Debentures which would only bear interest on the conditions mentioned in the By-law, and what were the arguments which you urged to induce him to sign Debentures bearing interest from their date?

Yes. I represented to the Mayor that Debentures which would not bear interest would be almost useless to the Company, and that, as the Contractors had engaged to pay all the interest, I thought there would be no risk in making them bear interest.

Did the Company, at a meeting of the Board of Directors, accept of the conditions exacted in the By-law of the Municipality of the County of Terrebonne for the issuing of their Debentures?

Yes.

A. M. DELISLE.

DOCUMENT G.

SIR,—We have the honor to acknowledge the receipt of your letter of the 19th instant, enclosing a certified extract of proceedings had at a meeting of the Directors of the Montreal and Bytown Railway Company, on the 18th instant, by which the Company agree to pay us two instalments on our contract, and to place in our hands debentures of the Company to the amount of forty-five thousand pounds currency, (£45,000), on the condition that we furnish the Company the necessary funds as they may be required, for the purchase of lands for road way, stations, and all other expenses of the Company, including those of the directory. In answer we beg to state that we hereby bind and oblige ourselves to furnish the Company, as they may require them, the necessary funds for the purposes above mentioned, to the extent of the amount placed in our hands for that purpose.

Your obedient servants,
(Signed,) SYKES, DE BERGUE & CO.

A. M. Delisle, Esq.,
President Montreal and Bytown Railway Company.
Montreal, 15th May, 1854.

DOCUMENT H.

ST. THERESE, 27th March, 1854.

SIR,—I do hereby agree to construct the St. Jérôme Branch of the Montreal and Bytown Railway, should the same exceed ten miles in length, providing you furnish me with the right of way, and pay me proportionately for the excess beyond the ten miles included in the written contract between us.

Further I hereby undertake that this branch shall be completed and opened simultaneously with that portion of the main line lying between Belle Rivière and Montreal.

I have the honor to be, Sir,

Yours obediently,

For SYKES, DE BERGUE & CO.

(Signed)

WILLIAM SYKES.

A. M. Delisle, Esq.,

President of the

Montreal and Bytown Railway Company.

DOCUMENT H. H.

MONTREAL, 1st May, 1854.

Received from the Montreal and Bytown Railway Company, three hundred and thirty-two debentures, of the Municipality County of Ottawa, of eighty-two pounds, four shillings, sterling each; also two hundred and sixty debentures of the Municipality County of Terrebonne, of eighty-two pounds, four shillings, sterling each.

For SYKES, DE BERGUE & CO.

(Signed,)

GEORGE HAGUE,

332. County of Ottawa, a.....£82 4 0 £27290 8 0 Stg.

260. County of Terrebonne, a..... 82 4 0 21372 0 0 "

£48662 8 0 "

DOCUMENT I.

Received from A. M. Delisle, Esq., President of the Montreal and Bytown Railway Company, the following debentures at 20 years from 1st April, 1855, issued under authority of 18 Vict., c. 13,—the Lower Canada Municipal Loan Fund Act.

Say in exchange for debentures of the Municipality of the County of Terrebonne.

Nos. 1 a 51....51 debentures,

" 312 a 351....40 "

91 a.....£250 Cy. each, £22,750.

County of Ottawa No. 2,

Nos. 52 a 151....100 debentures,

" 352 a 374.... 23 "

123 a.....£250 Cy. each £30,750

No. 375 a 376....2 a 100..... 200

£53,700

For the following debentures issued by the Municipalities as above under the authority of certain By-laws, approved by the Honorable Executive Council.

Say County of Terrebonne.....£22,000
 " County of Ottawa, No. 2..... 30,800

£53,700

Which last mentioned bonds were deposited by us with you for the purpose of conversion under the said Act.

(Signed.)

For SYKES, DE BERGUE & CO.
 GEORGE HAGUE.

Montreal, 23rd June, 1855.

Having taken communication of the foregoing receipt, I hereby ratify and confirm the act of George Hague in signing it for the firm of Sykes, De Bergue & Co. in liquidation.

(Signed.)

C. DE BERGUE,
 by J. M. CAMBERLAIN.

25th June, 1855.

On this day, the seventh of December, in the year of our Lord one thousand eight hundred and fifty-three, before us, 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,

Appeared Joseph Butler, of Sharningley, in the County of York, in the Kingdom of England, Gentleman, by his Attorney, William Sykes, of Montreal aforesaid, Esquire, Railway Contractor, as such duly constituted and appointed under and by virtue of a certain Power or Letter of Attorney, bearing date and executed before Elijah Strickland, subscribing witness thereto, the fourteenth day of November, one thousand eight hundred and fifty-three, and deposited by the said William Sykes in the office or notariat of Isaac Jones Gibb, one of the undersigned Notaries, by *Acte de dépôt* thereof, bearing date the second day of December instant month, who declared to us said Notaries as follows:

Whereas, prior to the execution of a certain contract and agreement, made and entered into by and between James Sykes of Sheffield, in the County of York, in England, and Charles De Bergue of Manchester, in England aforesaid, and the said William Sykes, carrying on trade as Railway Contractors in Canada, under the firm of "James Sykes & Company," of the first part, and the Montreal and Bytown Railway Company, a body politic and corporate, of the second part, for the construction by the said James Sykes & Company of the Montreal and Bytown Railway, bearing date and executed before the said I. J. Gibb and his colleague, Notaries Public, the seventh day of November of the present year, one thousand eight hundred and fifty-three, it was agreed and understood by the said contracting parties, that he, the said Joseph Butler, should, together with William Anthony Matthews, in the said contract mentioned, be and become sureties (*cautions*) of the said Railway Contractors for the due fulfilment of the said contract and agreement,—

And whereas the Power of Attorney hereinbefore mentioned not having arrived in time to admit of the said Joseph Butler becoming a party to the said contract as was originally intended,—

And whereas it is right and desirable to effectuate and carry out the said agreement in regard to the suretyship of the said Joseph Butler,—

Now therefore these presents and we the said Notaries witness that the said Joseph Butler, represented and acting as aforesaid by his Attorney, did and hereby does declare to have had and taken communication of the aforesaid contract and agreement for the construction of the said Montreal and Bytown Rail-

way; and being fully satisfied with all and every the acts, deeds, undertakings and engagements therein entered into and made by and on the part of the said contractors, and the promises and obligations made and entered into on the part of the said Montreal and Bytown Railway Company, and generally with all and singular the covenants, stipulations, provisos and agreements as set forth, mentioned and expressed in the said contract and agreement, doth by these presents, as far as he may, approve of, ratify and confirm the same and every part thereof, as well as the specification thereunto attached; and in pursuance of the above recited understanding and agreement, he the said Joseph Butler doth by these presents declare to have become bound, as by these presents he doth bind and oblige himself unto and towards the said Montreal and Bytown Railway Company, as surety (*caution*), with the said William Anthony Matthews, jointly and severally, of and for the said Railway Contractors, renouncing the right and benefit of division and discussion, *fidei-jussio* and all other rights accorded to sureties, the said Montreal and Bytown Railway Company hereof accepting, by Alexander Maurice Delisle, Esquire, in his capacity of President thereof, for the due, faithful and punctual performance by the said contractors of the whole of the works by them undertaken in and by the said contract and agreement, at the times and in the manner therein mentioned and set forth, and the due fulfilment and execution of all and every the covenants and conditions, clauses, stipulations, provisos and agreements by the said contractors entered into, assumed and undertaken in and by the said contract and agreement, without any exception or reserve whatsoever on the part of the said Joseph Butler.

Done and passed at the said City of Montreal, in the office of Isaac Jones Gibb, one of said Notaries, under the number fifteen thousand one hundred and sixty-four, and signed by the said parties hereto, with and in the presence of us said Notaries, also hereunto subscribing, these presents having been first duly read and the Corporate Seal of the said Company affixed by the said Alexander Maurice Delisle, in his said capacity of President thereof.

(Signed,)

JOSEPH BUTLER,
WILLIAM SYKES, Attorney,
A. M. DELISLE,

Pres't M. & B. Railway Co.
I. J. GIBB.

(Signed,) JOHN C. GRIFFIN, N. P.

A true copy of the original hereof remaining of record in my office.

I. J. GIBB, N. P.

On this day, the seventh of November, in the year of our Lord one thousand eight hundred and fifty-three, before us, 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,

Came and appeared William Sykes, at present residing in the said City of Montreal, herein acting as well for himself as for and on behalf and as the Attorney of his copartners, James Sykes, of Sheffield, in the County of York, in England, and Charles De Bergue, of the City of Manchester, in the County of Lancaster, in England aforesaid, carrying on trade as Railway Contractors in Canada, under the firm of "James Sykes & Company," hereinafter called the contractors, as such Attorney duly constituted and appointed, to wit, by the said James Sykes, under power of attorney, bearing date and executed before two witnesses, the thirteenth day of September, one thousand eight hundred and fifty-three, and by the said Charles De Bergue under power of attorney, bearing date and executed before

two witnesses, the fourteenth day of October, one thousand eight hundred and fifty-three, which said powers of attorney are deposited of record in the office of I. J. Gibb, one of said Notaries, by *Actes de dépot*, bearing even date respectively herewith, of the first part; and the "Montreal and Bytown Railway Company," a body politic and corporate, incorporated under and by virtue of an Act of the Parliament of the Province of Canada, passed in the sixteenth year of the reign of Her Majesty Queen Victoria, intituled, "An Act to incorporate the Montreal and Bytown Railway Company," and so incorporated for the purpose of making a Railway at their own costs and charges on and over any part of the country lying between any part of the City, Parish or County of Montreal, by the North-east end of the Mountain, and through the Counties of Terrebonne and Two Mountains and any part of the town of Bytown, in the Province of Canada, hereinafter called and designated "The Company," acting by Alexander Maurice Delisle, of the said City of Montreal, Esquire, President of the said Company, duly and specially authorised for all and every the intents and purposes hereof by a Resolution passed at a Meeting of the Directors of the said Company, held on the twenty-second of October last past, of the second part, which said parties did declare to have stipulated, covenanted, contracted, promised and agreed, and by these presents do stipulate, covenant, contract, promise and agree to and with each other in manner and form following, that is to say,

The contractors, for themselves, their heirs, executors and administrators, for the considerations hereinafter mentioned, covenant and agree with the Company and their successors, in manner following, that is to say,

That they, the contractors, shall and will at their own expense in all things forthwith begin and well and effectually and according to the directions from time to time and in all particulars to the satisfaction of the principal Engineer for the time being charged with the oversight of the said works, and who shall be appointed by the Company, construct and complete for the transit of locomotive steam engines and any other description of moving power usually used and applied on lines of like nature, and of all carriages and wagons drawn or propelled thereby, in a substantial and workmanlike manner, as a single line, the whole and every part of the Railway from a point at or near Viger Square, in the City of Montreal, together with a branch to the Cross or Hochelaga Bay; the said Railway to be constructed on and over any part of the country lying between the said point by the northeast end of the Mountain of Montreal and through the Counties of Terrebonne and Two Mountains to any part of the town of Bytown, in the Province of Canada, mentioned and referred to in the specification hereunto annexed and forming part hereof, in the manner in the said specification described, and according to the plans, sections and drawings to be hereafter made, drawn and prepared by the contractors, which shall be approved of by the Company or by their Engineer in Chief, and also according to the provisions, and subject to the terms and conditions of the said specification, and also shall and will at their own expense begin and well and effectually construct and complete for the transit of locomotive steam engines and any other description of moving power usually used and applied on tramways of like nature, and of all carriages and wagons drawn or propelled thereby, in a substantial and workmanlike manner, as single tramways, the two several tramway branches following; to wit, firstly, a branch tramway from the line of railway to a point or terminus at or near the village of St. Jérôme, provided the said branch tramway does not exceed ten miles in length; and secondly, a branch tramway from the said line of railway to the village of Lachute, the whole in the manner in the said specification detailed and described, and according to the several provisions relating to the said tramway branches and subject to the special terms and conditions relating thereto in the said specification contained, and also according to the plans, sections and drawings to be hereafter from time to time furnished by the contractors, but subject to approval of engi-

neer in charge on the part of the Company. And also, that in and about the works, matters, and things hereby contracted for or agreed or required to be done as hereinbefore mentioned, and for the complete execution of the same, the contractors shall and will at their own expense find and provide all necessary materials, utensils and implements, labour and workmanship, including rails, chairs, spikes, keys, points, switches and crossings, and all materials for the masonry, stone and brick work, bridges, culverts, ditches, drains, fences, occupation and all other gates, to, against and across the Railway, and ballast and broken stone and every other article and thing, (except the land for the railway stations and bridges and works, and all expenses connected with the purchase in any manner of such land,) whether or not the same be correctly or incorrectly described or mentioned herein; and also that in and about such works, matters and things, they, the contractors, will use and employ the best material of every kind and such as the engineer for the time being in charge of the said works shall approve of; and also that they, the contractors, shall and will at their own cost and expense provide and supply the Company with the engines and tenders, carriages and wagons and plant for the stocking and working of the Railway of the kind and number in the said specification hereunder written mentioned, and shall and will build and provide in a good and substantial manner to the satisfaction of the said engineer for the time being, and according to plans and drawings to be furnished by the contractors, the buildings for terminal and way stations and sheds and other conveniences in the said specifications set forth and of the description also therein contained: And it is hereby agreed that the said railway and tramway branches and works shall be completed so as to be ready for traffic and shall be delivered over to the Company on or before the expiration of three years from the date hereof, but with power to the Company if they shall think needful to extend the time by a certificate in writing, if they shall deem it necessary or expedient; and in case of default in completing the same, within the time first mentioned, or such extended period as the case may be, the contractors shall forfeit the sum of one thousand five hundred pounds for each calendar month of excess, to be deducted out of any moneys payable to them under this contract, or to be paid by them to the Company as the case may be: Provided, that if the delay in completion shall arise from any cause or causes not attributable to the contractors, such penalty shall not attach; and if the contractors should suffer any delay from the land not being furnished to them by the Company to enable them to prosecute their contract, then and in such case the contractors shall be allowed a corresponding time to such delay for the completing of their said contract over and above that now given for its fulfilment, and that in case any difference or dispute in that respect shall arise between the contractors and the Company, the same shall be settled by arbitration as hereinafter provided; And provided also, that the said time for completing of the said Railway, tramways, and works, and the attaching of the said penalties, shall be subject to the stipulations hereinafter contained with regard to a monetary derangement in Great Britain; and it is hereby further agreed, that if at any time during the progress of the said works, or within twelve months after their completion or delivery over as aforesaid, it shall appear to the said engineer for the time being, that any part of the said works has been executed unsoundly or not of the best materials, or in any respect not according to the said specifications, plans and drawings, then on notice thereof being given by the said engineer to them in writing, the contractors shall cause the said works to be taken down and re-executed properly and with the best materials, and to his entire satisfaction, with extra charge, and that in case the contractors shall not comply with the said notice within fourteen days after the same shall have been given or left them in writing at their principal office in Canada, it shall be lawful for the Company to take down and remove such works, to re-execute them and to pay all expenses attending the same, and the amount so paid may be deducted

by the Company out of any money then due or thereafter becoming due from them to the contractors, or shall be paid by the contractors as the case may be. And also it is agreed, that the contractors shall pay interest at the rate of six *per centum per annum* to the Company upon all payments made to the contractors during the progress of and until the completion of the Railway and works, but in consideration thereof, the contractors, during the progress of, and until the said Railway and branches and works are delivered up and completed to the said Company as aforesaid, shall be entitled to and shall receive to their own use, profit and advantage, all moneys which may in any manner arise or be derived from all tolls, fares and revenues of the road, (after the deduction therefrom of the current expenses) from the working of the Railway or of any section or sections of the said Railway or of the said branches and which may be completed before the expiration of the said three years from the date hereof, or before the expiration of such extension of time as aforesaid; Provided always, that whereas the said City of Montreal hath subscribed for four thousand shares in the stock of the said Company, and hath by By-laws agreed to issue Debentures for a sum not exceeding one hundred and twenty-five thousand pounds currency, to defray the cost of the said stock and to pay the interest thereon; and whereas the Municipality of the County of Two Mountains hath subscribed under a By-law passed for that purpose, for two thousand shares in the capital stock of the said Company, and hath resolved to issue debentures of the said Municipality to defray the payment of the said shares and the interest thereon, to a sum not exceeding sixty-two thousand pounds: And whereas other Municipalities may make like provisions for the payment of stock to be subscribed for by them and of the interest thereon; it is therefore agreed and expressly understood by and between the parties hereto, that such debentures of the City of Montreal, and of the Municipality of the County of Two Mountains aforesaid, or of any other Municipality or Municipalities which shall or may take and subscribe for stock in the said Company and provide for the payment of the interest thereon shall be paid and delivered as hereinbefore provided to the contractors at par, and the contractors shall not be bound or liable to pay interest on the amount of such debentures so paid to them, the foregoing stipulation as to payment of interest or advances notwithstanding: And payment of interest on the amount of such debentures made by the said Municipalities shall be credited by the contractors to the Company.

And in consideration of the premises and of the observance and performance by the contractors of the several covenants and conditions, provisions and stipulations on their part herein, and in said specification contained, the Company do hereby for themselves and their successors covenant with the contractors, their executors and administrators, as follows: That they the contractors duly performing all things on their part and behalf to be performed and done, the Company their successors and assigns shall and will pay to the contractors, their heirs, curators, executors or administrators, at their office in Montreal, the sum of seven hundred and seventy thousand pounds, of sterling money, in ten even and equal instalments of seventy-seven thousand pounds said sterling each, the first whereof shall become due and be payable at the said Company's office in Montreal, within six weeks after the execution of these presents, and the other and remaining instalments of ten per centum each, shall be paid as the works advance upon the production by the contractors of certificates from the chief engineer aforesaid, of the value *pro ratu* of the work done, of the locomotive, and other stock provided and supplied by the contractors during the period preceding and then intervening from the payment of the last instalment thereof: And it is hereby agreed that the engineer aforesaid shall be bound to deliver such certificates on being required to do so, and that if for the space of fourteen days after being so required by and on behalf of the contractors he shall refuse or neglect to deliver any such certificate, the account furnished by the contractors of the work executed or stock supplied for

the period in respect of which such certificate is required, shall for the purpose of the payment thereon, be received and taken in place of such certificate, and payment shall be made thereon as upon a certificate for the same amount; Provided that no certificate nor account uncertified shall be finally binding upon the Company as an account, but the whole shall be subject to revision on the final completion of the work and all intermediate payments shall be deemed to have been payments on account: And it is further agreed, that notwithstanding the foregoing distribution of payments, yet the Company shall pay to the contractors in London, advances to the extent of ninety per centum upon the amount expended thereupon by the contractors upon all rolling stock, rails or other materials of what description soever, for the Railway shipped by the contractors and put on board at Liverpool or any other port for the purposes of this contract; Provided always, that to entitle the contractors to receive such advances they shall produce and furnish to the Company or their legally constituted agent or agents in London aforesaid, invoices and Bills of Lading of such shipments and policies of insurance thereupon, provided also, that such advance or advances shall, to a like or proportional amount, represent or stand in lieu of the next instalment which then may be or which would or shall become due thereafter in manner as aforesaid: And it is hereby further agreed that the said sum of seven hundred and seventy thousand pounds sterling, the cost of the construction of the Railway and completion thereof by the contractors, and to be paid in and by even and equal instalments as aforesaid, instead of being wholly paid in money shall be paid to the contractors in Bonds of Municipalities and shares in the capital stock of the Company, which shares shall at the time of their transfer to the contractors be acknowledged to have been paid in full, and in money or debentures of the Company in manner following, that is to say: That inasmuch as the City Council of the City of Montreal, and the Municipality of the County of Two Mountains have respectively subscribed for stock in the capital stock of the said Company, and whereas it is probable that the Municipalities of the County of Terrebonne and of other Counties or certain Parishes on the line of the Railway or interested therein will take stock or otherwise aid the Company, the said Company without guaranteeing the fulfilment by the said City Council and the other Municipalities of their promises, but pledging themselves to every exertion to secure the largest possible amount of Municipal aid, do promise and agree to pay the said sum of seven hundred and seventy thousand pounds sterling, for the construction of the said Road, to the contractors, as follows: the sum of two hundred and sixty thousand pounds sterling, in the stock of the said Company, the sum of one hundred and fifty thousand pounds sterling, by transferring and paying to the contractors the Municipal Bonds of the said City of Montreal and of the said Municipality of the County of Two Mountains, bearing interest at the rate of six per cent. payable half yearly, and the balance or remaining sum of three hundred and sixty thousands pounds sterling, the Company undertake and promise to pay to the Contractors as aforesaid in the Bonds or Debentures of the Company; but should aid in the shape of stock or loans or otherwise, be obtained from the Municipalities along the line of the Railway by the Company, to a greater extent than that already granted, the Bonds of such Municipalities bearing interest as aforesaid, or the amount of aid contributed by such other Municipalities to the Road in whatever shape, shall be paid to the contractors by the Company in lieu of a like amount of the said sum of three hundred and sixty thousand pounds, sterling money, of the bonds of the Company, such debentures of the Company shall bear interest at the rate of six per centum per annum, payable half yearly in London, and redeemable twenty years after date; Provided always, that if at any time after loss of premium on debentures incurred by the said contractors in consequence of the said City Council or the said Municipality of the County of Two Mountains substituting money for debentures in payment for shares in the Capital Stock of the Company, the amount of such loss of premium shall be made good by the Company to the contractors in stock or debentures of the Company.

And further it is also agreed between the said contractors and Company that the said bonds, debentures and shares shall be issued to the contractors and paid to them by the Company proportionally as the work advances, and in the manner hereinbefore provided for and agreed upon, and such shares and debentures shall from time to time be registered on the books of the Company in the names of the contractors, and it is hereby further agreed by and between the said parties hereto that the length of the said Railway and of the said tramway branches shall be estimated for the purposes hereof at one hundred and ten miles of Railway and twenty-three miles of tramway branches : And it is further agreed that there shall be no deduction made from or augmentation allowed to the said principal sum of seven hundred and seventy thousand pounds, sterling, so agreed to be paid to the contractors by the Company as aforesaid, unless the excesses or diminution of the length of the Railway and branches above or beneath the said estimated length of Railway and branches shall be found to exceed two and a half per centum on the aggregate of the said estimated length, and it is also agreed by and between the parties hereto that should such excess of length as aforesaid exceed two and a half per centum as aforesaid, then and in that case the Company shall pay to the contractors the sum of six thousand five hundred pounds, sterling, per mile, for each and every mile of such excess beyond the one hundred and ten miles, exclusive of the said two and one half per cent in extent upon the Railway, and the sum of twelve hundred pounds sterling per mile for each mile of excess, as aforesaid, upon the branch tramways, and in case the diminution of length shall exceed two and a half per centum upon the said estimated length, then and in that case the Company shall deduct from the said principal sum of seven hundred and seventy thousand pounds, sterling, so to be paid to the contractors by the Company, as aforesaid, a like sum of six thousand five hundred pounds, sterling, for each mile or diminution in aggregate length, within or less than the said one hundred and ten miles of the main line, and a like sum of twelve hundred pounds, sterling, per mile for each mile of such diminution in length, as aforesaid, within twenty-three miles of the aggregate on the said tramway branches.

And it is further agreed that the gauge of the road shall be determined upon by the Company, provided always, that if the Company neglect or refuse to determine the gauge within the space of five months from the date hereof, then and in that case it shall be competent for the contractors, and they are hereby empowered to determine the gauge of the road ; and such determination shall, upon notification thereof in writing by the contractors, be binding upon the Company : And the Company do further agree with the said contractors that they will, from time to time, when and as required, acquire and purchase and deliver possession to the contractors of all such land as the contractors shall require for the construction of the said Railway, tramways, stations and works : And it is hereby further agreed that should, after the execution hereof, an European or other war occur or ensue, and the monetary market of Great Britain be affected or deranged thereby, then and in that case the contractors shall be at liberty, and they are hereby empowered to suspend the construction of the Railway branches and works so long as they shall consider necessary and until the re-establishment of peace shall enable the contractors to resume their operations : Provided such suspension of the works shall not cause a delay of more than one year beyond the period specified for the completion of their contract. And it is hereby further agreed between the said parties hereto that if any dispute or difference whatever shall arise between them upon or as to this contract, or the wording or construction thereof, or any clause, matter or thing therein contained, or as to the plans, sections and drawings, or any of them, or as to any of the works, matters and things hereby contracted for or mentioned herein, or any alteration in the said works, matters or things, or upon or as to the amount or value, state, quantity, quality, price or condition of any of such works, matters or things, or as to any other matter whatsoever, whether of fact, discretion or opinion, every such dispute

and difference from time to time shall be and the same is hereby agreed to be left and referred to the absolute determination and award of one person named by and on the part of the Company or their successors, another on the part of the said contractors, and a third by the two so named, before entering on the business of reference; and the decision of such three persons, or of any two of them, shall be final and conclusive, and against it there shall not be in any manner or on any account any appeal whatsoever: And the said Company do hereby for themselves and their successors, covenant with the said contractors, their heirs, executors, curators and administrators, and the said contractors for themselves, their heirs, executors, curators and administrators, do hereby covenant with the said Company and their successors that they the said parties respectively shall and will stand to, abide and be bound by, obey, perform, fulfil and keep the award and determination of such referees or any two of them, as aforesaid, and that the submission hereby made may at the option of either of the said parties hereto be at any time dealt with so as to make such award binding in the Courts of original Civil Jurisdiction in Lower Canada, or in any Court of Law of Record in Upper Canada: And it is also understood and agreed that the said tramway to St. Jérôme will only be constructed if the said Railway Company desire it.

And at the making and passing of these presents appeared and intervened William Anthony Matthews, of Sheffield, in the County of York, in England, aforesaid, Esquire, merchant, Mayor of the Borough of Sheffield, aforesaid, by his Attorney William Charles Evans, of the said City of Montreal, merchant, as such duly constituted and appointed under power or letter of Attorney, bearing date and executed before one witness, the seventh day of October, one thousand eight hundred and fifty-three, which said Letter of Attorney is deposited of Record in the office of said Gibb by *Acte de dépôt*, bearing even date herewith, who, after having had and taken communication of the foregoing contract and agreement, declared to have become bound, and doth hereby bind and oblige himself unto and towards the said Montreal and Bytown Railway Company, as surety, (*caution*) of, and jointly and severally with the said James Sykes and Company, to and in favor of the said Company, party hereto of the second part, and accepting thereof by the said President, for the due and faithful performance of the said works by them hereby undertaken at the times and in the manner before stipulated and agreed upon, and the due execution and fulfilment by the said James Sykes and Company of all and every the covenants, clauses and conditions hereinbefore set forth.

And for the execution of these presents and of every the premises, the said parties have made election of domicile at the office of said Isaac Jones Gibb, in the said City of Montreal, where, &c.

Done and passed at the said City of Montreal in the office of said Gibb, under the number fifteen thousand and sixty-five, and signed by the said parties hereto, with and in the presence of us said Notaries, also hereunto subscribing these presents, having been first duly read, and the corporate seal of the said Railway Company having been first affixed to these presents by the said Alexander Maurice Delisle in his said capacity of President thereof.

Signed,

WILLIAM SYKES,
JAMES SYKES,
WILLIAM SYKES, Attorney,
CHARLES DEBERGUE,
WILLIAM SYKES, Attorney,
A. M. DELISLE,

President Montreal and Bytown Railway Co.

W. A MATTHEWS,
by his Attorney
W. C. EVANS.

I. J. GIBB, N. P.

[L. S.]

(Signed,) JOHN C. GRIFFIN, N. P.

A true copy of the original hereof remaining of record in my office. Witness my hand and seal Notarial.

[L. S.]

I. J. GIBB, N. P.

Specification for the Montreal and Bytown Railway.

1. The location of the line shall be carefully selected, and be governed by the following general rules: 1st Cost of construction. 2nd. Amount of Municipal aid. 3rd. Well founded traffic lists.

2. The line shall be a single track Railway, with suitable passing places.

3. The line where located, through "bush land," shall be cleared of all timber on the chartered breadth of roadway allowed to the Company.

4. The rails for the main line and its ridings shall be of rolled iron, weighing 63lbs. per lineal yard, merchantable quality.

5. The chairs shall be of wrought iron, and shall be of 12lbs. weight each, and shall be placed at every joint of the rails.

6. The fastenings of both the rails and chairs to the ties and to each other shall be wrought iron.

7. The ties shall be of timber, say of red tamarack, or of other wood of equally approved character. They shall not be more than 2' 3" apart, and shall be all 9 feet in length; those at the joints of the rails shall be half sections of logs at least 12" in diameter, the intermediate ones shall be half sections of logs at least 9" in diameter.

8. The entire length of the line shall be covered with ballast and boxing equally distributed to the amount of 4000 cubic yards per mile, which shall consist of strong coarse gravel and round mixed, or of broken stone and sand mixed together; if of the latter, the stones shall be broken until they will pass in any direction through a two inch ring. This ballast shall, in the first place, be laid to an average depth of 15 inches by an average breadth of 13 feet over all the line, under the proposed sleepers or ties. The balance provided for shall be packed and dressed as ordered by the Engineer.

9. The Railway shall be carefully laid in strict conformity with the grades and curves which shall be laid out by the Engineer.

10. No gradient shall exceed 57 feet per mile on the main line.

11. No curve shall have a less radius than 1200 feet on the main line.

12. In any cuttings or embankments found necessary, to make the line in conformity to these provisions, the following directions to be implicitly adhered to:

13. The embankments shall all be 15 feet wide on the top or formation level, and shall have slopes of 1½ horizontal to 1 perpendicular, which slopes shall all be fairly dressed, covered with surface soil, and sown at proper seasons of the year with a mixture of grass and clover, and every pains to be taken to insure a good sward and consequently check the ravages of frost and broken weather thereon.

14. The cuttings, if through earth, clay or gravel, shall have similar slopes dressed and finished in same manner. They shall be at least 24 feet wide, at rail level, but if the cuttings shall be through rock, they may have the same bottom level, with slopes of 2½ to 1, and need not be dressed, soiled and seeded.

15. The drainage of the line shall be secured in the most effectual manner possible, and nothing shall be neglected either in connection with the cuttings or embankments to secure the drawing of all rain or other surface waters, or all springs tapped by the cuttings, to the proper outfalls.

16. Outfalls, such as open or covered drains or culverts, shall be constructed in all places necessary to insure perfect drainage. These drains or culverts shall

be of stone, if their situation and nature of the foundation on which they are to be placed shall warrant same.

17. All present existent roads shall be provided with suitable crossings and cattle guards, which is understood also to include all notice boards and other regulations required by Act of Parliament.

18. Accommodation crossings for farms shall also be provided.

19. The line shall be fenced throughout with round and sufficient timber of cedar, or with boards or wire, at the option of the contractors.

20. All bridges over rivers shall have abutments and piers of stone. Piers in deep water shall have foundations of cob-work and stone laid dry, and shall be constructed in the most substantial and durable manner. The masonry above water shall be laid in good lime mortar with level beds and vertical joints, with a proper proportion of headers and stretchers, and it is expressly stipulated and declared that the substructure shall be prepared of sufficient width and breadth to receive, if required, a double trackway. The superstructure of all bridges shall be of wood and iron.

21. The Tramway Branches shall be of the same character and quality as the Rawdon and Industry line.

22. Passing places and ridings shall be provided on the main line in all places which shall be hereafter agreed upon, and this contract shall include a length of three miles.

23. Terminal Stations at Montreal and Bytown shall be constructed of brick or stone, covered with zinc or slate; shall consist of booking offices, porters' rooms, waiting rooms for ladies and gentlemen, with suitable retiring rooms, water closets and urinals, passengers' platform duly covered over, also suitable goods sheds and engine houses, capable of holding each eight engines, and carriage sheds. The Montreal Station to be provided in addition with board room, Secretary's office, Engineer's office, Superintendent's office and refreshment rooms. The goods sheds to be provided with platforms, cranes and all other necessary appliances.

24. Road Stations, twelve in number, shall be constructed at various places to be agreed on on the main line, and shall be of wood, stone or brick, at the option of the contractors; to consist of a house with two upper and two lower rooms for Station Master, with outbuildings, suitable goods sheds and other conveniences, with booking offices and shed for general passengers complete, with urinals, &c., also ladies reception room, with water closet, &c.

25. A superior brick and fire proof Station shall be built at St. Andrews, with all outbuildings and sheds of superior dimensions and accommodation both for passengers and goods, and with a carriage shed and water and fuel appliances.

26. At least five of the above twelve Road Stations shall be fitted, in addition to the two termini Stations and the one at St. Andrews, with suitable water and fuel appliances.

27. A Steamboat Wharf, with a goods shed shall be constructed at Grenville, with a Railway track leading to it from the main line.

28. The following *plant* shall be furnished of the best and most approved character and kind.

Five Express Locomotive Engines and Tenders.

Five Freight do do

Ten First Class Passenger Carriages.

Twenty Second Class do

One hundred and fifty in all of Goods and Lumber Wagons.

Five Snow Ploughs.

Ten Hand Carts.

Ten sets of repairing tools.

(Signed)

WILLIAM SYKES,

"

JAMES SYKES,

Per

WM. SYKES, Atty.

"

CHARLES DE BERGUE,

Per

WM. SYKES, Atty.

"

G. J. COCKBURN,

Engineer,

Montreal and Bytown R. R.

Specification referred to in Contract and Agreement between James Sykes and Company and the Montreal and Bytown Railway Company, bearing date and executed before I. J. Gibb and his colleague, Notaries, this seventh day of November, one thousand eight hundred and fifty-three.

In test veritatis.

(Signed)

A. M. DELISLE,

Presid't Montreal and Bytown Railway Co.

"

WILLIAM SYKES,

"

JAMES SYKES,

Per

WM. SYKES, Atty.

"

CHARLES DE BERGUE,

Per

WM. SYKES, Atty.

"

W. A. MATTHEWS,

By his Attorney, W. C. EVANS.

(Signed) JOHN C. GRIFFIN, N. P.

" I. J. GIBB, N. P.

A true copy of the original hereof remaining of record in my office. Witness my hand and Seal Notarial.

I. J. GIBB, N. P.

Answers of Mr. Bellingham, to questions submitted to him by the Committee.

1. Yes, I was after the organization of the Company asked to discharge the duties of the Secretary and of Treasurer to the Company, having first of all been elected a Director, and I was formally appointed to those offices, and I continued to hold them to the period of my election as member for the County of Argenteuil, in July, 1854, when I informed the Company by letter that I must decline holding any office in the Company, inasmuch as I did not consider it compatible with my position as member of the Assembly to be officially connected with any Railway Company, whose affairs might be brought before the House when seeking an amendment to their Charter, and I therefore did cease to hold any office in the Company simultaneously with my becoming a member of the House.

2. The first elected Directors of the Company were stated in the recorded proceedings of the Company at your command, to whom were added the Mayors of those Municipalities who subscribed stock in sums exceeding £5,000, as provided for in the Railway Clauses Consolidation Act. The Company's legal advisers were Messrs. Badgley and Abbott.

3. The salary voted the President was one thousand pounds per annum, the Company's Engineer seven hundred and fifty pounds per annum, the Secretary and Treasurer six hundred pounds per annum, but only a portion of these salaries were paid, the balance remaining yet unpaid.

4. £600,000 Stock with power to increase its Capital, (the Railway Clauses Act, page 29; Shareholders.)

5. I believe every share was subscribed for in good faith;—reference to the Stock Book will supply the exact amounts subscribed by individuals.

6. The plans were executed and deposited with the authorities in strict conformity with the provisions of the Railway Clauses Consolidation Act.

7. The works were given by contract and a copy of that contract is deposited for the information of the Comitée.

8. The survey of the Branch line to St. Jérôme was executed by Archibald McDonald, Esquire, Civil Engineer of St. Andrews, for the contractors, and I believe he holds the documents connected with that survey. He can supply accurate information in reply to this question.

9. The charter authorised branches ten miles long.

10. The works were commenced before the contract was signed because a number of skilled workmen arrived in Canada for service under the contractors, and they employed them first at Grenville. The contractors were induced to do so, because the people were most anxious to see the works commenced; those works were continued after the contract was signed and resulted in the completion of thirteen miles of railway, equipped with rolling stock and worth £7,000 per mile—the preparation of all the ties for fifty miles of railway—the earth excavation near St. Eustache and Montreal, and the survey of the entire line of railway from Montreal to Bytown, the survey being executed on both shores of the Ottawa in order to ascertain the best route. The works executed by the Contractors and the timber prepared for the works must have caused an expenditure of £100,000.

The contractors were suddenly brought to a stand because the County Two Mountains, and the City of Montreal withheld their stock subscription and thus destroyed the credit of the enterprise. From the first day Messrs. Sykes, De Bergue & Co., appeared in Canada as Railway Contractors, they were exposed to the unceasing hostility of the Grand Trunk Company. As one proof I cite the fact, that with the intention of casting distrust over the Montreal and Bytown Railway Company, the Grand Trunk Company acquired the control of the Vaudreuil Railway Company, and without any charter made a survey of a Railway line on the South Shore of the Ottawa, from L'Orignal to Bytown; such acts necessarily inspired distrust as to the construction of the Montreal and Bytown Railway by Sykes, De Bergue & Co., the contractors, as the Grand Trunk Company were then reputed to be very opulent, and they enjoyed Government aid to the extent of £3,000 per mile for all the work they constructed.

11. The contract now before you will explain that the contractors undertook to construct the branch to St. Jérôme, and there is no doubt that the road would have been built had the County of Two Mountains and the City of Montreal fulfilled their stock obligations; as a proof of the popularity of the enterprise, I may state the fact, that for sixty miles of the route, that is from Grenville to Bytown, almost all the landed proprietors made a free gift of the roadway, and many of them subscribed liberally for their means on condition that the Railway traversed the north shore of the Ottawa; no other instance can be found I believe in Canada where the right of way has been so generously given by landed proprietors.

12. The stock book will supply a list of those who subscribed, and all subscribed as far as my knowledge extends in perfect good faith. In my last answer I have explained the state of feeling in favor of the road, and that feeling of anxiety to promote the enterprise was founded upon an impression that the lands in Ottawa now worth little more than 20s. per acre, would if connected by Railway with Montreal, become worth 100s. per acre.

13. While I was connected with the Company one instalment was called in and paid with the exceptions of Two Mountains and Montreal and a few pri-

vate subscribers. Those who subscribed between Grenville and Carillon had counter claims for roadway taken.

14. The accounts of the Company were rendered while I was connected with the Company.

15. As far as my knowledge extends, yes, I made it a point to request especially the attendance of the Directors, frequently calling upon them personally to request their attendance, though I had addressed them notices to attend.

16. The Company received the debentures of the County of Terrebonne to the extent of _____ and handed them to the contractors, taking their receipt for the same.

17. The contract bound the contractors to provide for the payment of the interest on the municipal debentures then received, and I have no doubt they would have fulfilled the obligations they assumed in the contract, but for the causes already set forth; apart, however, from those disabling causes, the chief contractor, James Sykes, perished in the Arctic Steamer, while on his route hither with means to proceed with the works, and his death broke up the locomotive factory which the contractors became connected with in Montreal by advancing thereto some fifteen thousand pounds, the entire of which sum became unavailable as well as claims for work done on the Brockville and Ottawa Railway and on the St. Andrews Railway in New Brunswick. Besides these reasons William Sykes, another of the Contractors and the one on whom devolved the superintendence and directions of the works, fell ill while arranging for the construction of the Arnprior Railway, and his malady utterly prostrated him, depriving him of the power to protect his own interest as a copartner after his brother's death.

18. The affairs of the Company were in a good state and if the County of Two Mountains and the City of Montreal pay their stock subscriptions, there is nothing to prevent the works being resumed and the road built.

19. I never regarded the Company as bankrupt, and if the section of the line which was built between Carillon and Grenville partly with the funds of the Counties of Terrebonne and Ottawa was permitted to be worked, that section of road would realize enough to pay the interest annually due upon the debentures of the above named Counties, and as all parties are most solicitous to see the road at work and earning money, the only remedy is either to empower the landed proprietors between Carillon and Grenville, or William Sykes the contractor, to work the road under certain limitations, or for the Board of Works to assume the control, if one of these courses be not pursued the road will fall into ruin, the traffic between Montreal and Bytown diverted from the Ottawa, and the Municipalities left to contest with the Government the extent of their liability to pay the interest on the debentures.

20. Decidedly not.

21. I cannot say.

22. A reference to the books will supply all this information.

23. In the Spring of 1855.

24. I understood that the contractors not wishing to dispose of the municipal debentures at a depreciation, borrowed money upon them awaiting an alteration in the law, which would extend to Lower Canada the benefit of the municipal loan fund; when that law became operative, application was made in the mode prescribed by the Statute, and by the parties who were alone authorised to make the application, and they obtained the exchange of the debentures. I presume that those parties who apply for the interest on the coupons can state what has become of the debentures and how they acquired them.

25. I paid no employee of the Municipality of Terrebonne, so far as my memory serves me.

26. I never paid any municipal debentures to the Receiver General.

SYDNEY BELLINGHAM.

COMMITTEE ROOM,

13th April, 1856.

Answers of J. L. Beaudry, Esq., to the questions put to him by the Committee. Would you please inform the Committee of what you know with regard to the subject matter of the present enquiry, and in particular, state: What were the means used by the Montreal and Bytown Railway Company to induce the County of Terrebonne to subscribe to the capital of the Company?

When the Act of Incorporation was obtained to construct a road between Montreal and Bytown, the Company was organized without delay, and the Directors did everything in their power to induce the Municipalities to subscribe to the stock of the Company. This induced the County of Terrebonne to make a By-law authorizing the Mayor to take shares in the Company; this By-law was submitted to the vote of the electors and rejected. Up to that period I had used my endeavors to engage the Municipality to take shares, but after the By-law had been rejected I no longer meddled with the matter.

In what manner were the By-laws binding the Parishes of St. Jérôme, St. Martin, Ste. Adèle and the Township of Abercrombie for a total amount of £26,000, passed?

I know nothing of their transactions.

In what manner were the Debentures issued and exchanged for Provincial Debentures?

I was one day notified to be present at a meeting of the Directors at which Messrs. Papineau and Auger were present, and signed the Terrebonne Debentures; I think they were handed over to the Company, and then paid by the Company to Sykes, DeBergue & Co. A short time afterwards, I ceased to be a Director, and know nothing about the exchange of the Debentures of the County of Terrebonne for Provincial Debentures.

State what you know of the affairs of the Company and its administration.—In a word, give a description of all transactions or negotiations affecting the places mentioned above with regard to stock?

When the Company was organized, there were 942 shares subscribed by persons from Montreal, Bytown and Carillon, etc., 4,620 shares by Sykes, DeBergue & Co., and 300 by William Sykes (in trust,) making altogether 5,862 shares subscribed, amounting to £146,550. An instalment of ten per cent. was called for and made payable at the City Bank of Montreal, amounting to £14,655, and according to a book which I have seen in the hands of Mr. Hopper, the present Secretary, there has only been paid £945 upon this instalment. During the time I was a Director, there was no account book kept. I produce the list of subscriptions to the capital stock of the Company.

What was the reason you resigned as a Director of the Company?

During the Spring of 1854 I perceived that there were some secret transactions amongst the Directors, and I then ceased to take any active part in the management of the business.

Were the Directors always notified of the meetings of the Directors?

For my part I was always notified, but I do not think that the Mayors of Counties were always notified.

Do you know the reasons for which the Corporation did not issue the debentures?

During the Summer of 1854, I perceived that the works did not proceed with vigor, as the contractors had promised, and I commenced to have some doubts as to the means of the contractors, and the want of funds which ought to have been furnished to the Company for the purchase of lands, induced me to believe that the resources of the contractors could only be raised by means of debentures from the Municipalities. It was at that time in a conversation I had with Mr. Peltier,

who was the Solicitor of the Council, that I promised to inform him of anything which might take place affecting the debentures of Montreal in the interest of the City, and at last I thought it my duty to tell him that it would not be prudent to issue debentures, and they in fact were not issued. It is, indeed, true that the President and several of the Directors of the Company very often applied to the Council to obtain debentures, but Mr. Peltier had told me that he would not advise the issuing of debentures before knowing my opinion on the subject. I was often solicited by the Directors of the Company to join them in trying to influence the Council, but always refused.

At the time the debentures of the County of Terrebonne were issued, was it not a notorious fact that the contractors were insolvent, and in consequence, unable to go on with the road?

At that period, I think, as I have said before, that they depended for their means upon the money they should procure from debentures, but it was not, to my knowledge, a notorious fact that the contractors were insolvent and unable to complete the work. If I had been consulted by the Mayor of Terrebonne before the Terrebonne Municipal debentures were issued, I should have advised him not to issue the debentures for the whole amount as he has done.

What was the extent of road made by the contractors, and what was the amount expended by them, do you think, for the works of the Company?

I think that the extent of railroad finished is twelve miles. I did not visit the road, although requested several times to do so, but I think that the amount expended by the Company is far less than that certified by the engineer of the Company, and I am of opinion that an *expertise* would shew that the amount so certified is far less than that expended by the Company.

What was the amount of the sums of money paid to Sidney Bellingham, Esq., by the Company?

I think, according to what I have heard from the present Secretary, that he received the whole amount of his salary during all the time he remained in charge.

When did the Directors find out that the contractors were insolvent?

Although there were doubts expressed by the Directors during the winter of 1854, they, however, never told me that they considered the contractors to be insolvent. They had fears that, unless they could obtain debentures from the Municipalities, they might not be able to finish the undertaking.

How much do you think was really paid altogether (money and debentures) by the Company to the contractors?

I think that the contractors only received the Municipal debentures of Ottawa and Terrebonne, but that they, the contractors, furnished money to the Company.

Was it not a notorious fact, during the autumn of 1854, that the Company and the contractors had not the means of making the road?

That was my impression, and I heard several persons express the same opinion. I also believe that money was paid to two of the Councillors of the Montreal Council to induce the Municipalities of the Companies to subscribe to the stock of the Company.

List of Subscribers to the Stock of the Montreal and Bytown Railway Company

Anderson, Evans & Co.....	40 shares,	£1000	0	0	
William Abbott.....	2	"	50	0	0
H. D. Ackert.....	4	"	100	0	0
John Ackert.....	1	"	25	0	0
J. L. Beaudry.....	16	"	400	0	0
Sydney Bellingham.....	40	"	1000	0	0
J. A. Berthelot.....	4	"	100	0	0
C. S. Burroughs.....	1	"	25	0	0

Joseph Bourret.....	2	parts	£50	0	0
Chas. E. Belle.....	1	"	25	0	0
J. U. Beaudry.....	1	"	25	0	0
Lambert Bleau.....	1	"	25	0	0
James Barclay.....	4	"	100	0	0
David Beattie.....	2	"	50	0	0
C. C. Brigham.....	4	"	100	0	0
Wm. Byrne.....	1	"	25	0	0
Louis Belinguet.....	2	"	50	0	0
T. Bouthillier.....	4	"	100	0	0
J. B. Brousseau.....	1	"	25	0	0
Jos. Brown.....	1	"	25	0	0
Honorable William Badgley.....	12	"	300	0	0
Maurice Cu villier.....	5	"	125	0	0
John Carter.....	1	"	25	0	0
Lemuel Cushing.....	12	"	300	0	0
Asa Cook.....	2	"	50	0	0
Levi Clarke.....	1	"	25	0	0
G. W. Cameron.....	3	"	75	0	0
John A. Cameron.....	5	"	125	0	0
Ewan Cameron.....	1	"	25	0	0
Jas. E. Campbell.....	1	"	25	0	0
Anthony Cullen.....	4	"	100	0	0
M. Cullen.....	2	"	50	0	0
A. M. Delisle.....	40	"	1000	0	0
Made. De Montenach.....	8	"	200	0	0
Norbert Dumas.....	12	"	300	0	0
A. A. Dorion.....	1	"	25	0	0
J. W. Des Jardine.....	1	"	25	0	0
Duncan Dewar.....	2	"	50	0	0
Wm. M. Dole.....	2	"	50	0	0
Samuel Dawson.....	2	"	50	0	0
J. B. Deslourer.....	1	"	25	0	0
Wm. Dunning.....	8	"	200	0	0
Wm. C. Evans.....	12	"	300	0	0
John Egan.....	20	"	500	0	0
John Fraser.....	4	"	100	0	0
C. G. Forbes.....	240	"	6000	0	0
P. Finnegan.....	1	"	25	0	0
George Jobert.....	2	"	50	0	0
Hypolite Guy.....	2	"	50	0	0
Hugh Gorman.....	4	"	100	0	0
Simon Gallagher.....	1	"	25	0	0
André Gallipot.....	1	"	25	0	0
Chas. Berczy.....	12	"	300	0	0
Haldimand Bros.....	1	"	25	0	0
E. & C. Hudon.....	2	"	50	0	0
Hamilton & Thompson.....	20	"	500	0	0
James Hogan.....	3	"	75	0	0
Aug. Heward.....	8	"	200	0	0
E. S. Howell.....	1	"	25	0	0
Ernest Idler.....	1	"	25	0	0
Henty Judah.....	40	"	1000	0	0
Pierre Jodoin.....	12	"	300	0	0

Edward Jones.....	2	parts	£50	0	0
Col. Johnson.....	20	"	500	0	0
George Kames.....	4	"	100	0	0
Arthur Keenan.....	1	"	25	0	0
P. R. Lafrenaye.....	2	"	50	0	0
B. H. Le Moine.....	12	"	300	0	0
Thomas Loranger.....	1	"	25	0	0
C. A. Leblanc.....	1	"	25	0	0
J. C. H. Lacroix.....	12	"	300	0	0
James Laurin.....	1	"	25	0	0
D. Masson.....	4	"	100	0	0
J. W. & R. Masson.....	4	"	100	0	0
Finlay McMartin.....	2	"	50	0	0
Wm. McMillan.....	4	"	100	0	0
Jos. McPike.....	1	"	25	0	0
Wm. McFarlane.....	1	"	25	0	0
P. McPhaul.....	1	"	25	0	0
Angus McDonald.....	2	"	50	0	0
S. C. Monk.....	2	"	50	0	0
J. Mallen.....	1	"	25	0	0
Alex. Morris.....	12	"	300	0	0
St. Luc Madore.....	1	"	25	0	0
A. E. Montmarquet.....	12	"	300	0	0
D. Maclean.....	5	"	125	0	0
John Noyes.....	1	"	25	0	0
John Ostell.....	5	"	125	0	0
Owen Owens.....	1	"	25	0	0
John O'Donnell.....	1	"	25	0	0
Delimere O. Perrault.....	4	"	100	0	0
Joseph Papin.....	1	"	25	0	0
Hubert Paré.....	4	"	100	0	0
Amable Prévost.....	2	"	50	0	0
J. A. Parkins.....	20	"	500	0	0
Edward Pridham.....	4	"	100	0	0
D. B. Papineau.....	4	"	100	0	0
M. H. Palmer.....	3	"	75	0	0
Augustin Perrault.....	4	"	100	0	0
H. L. Routh.....	20	"	500	0	0
George Rheinart.....	4	"	100	0	0
Mary Richards.....	4	"	100	0	0
Hypolite Roy.....	1	"	25	0	0
Joseph Robillard.....	1	"	25	0	0
M. Roch.....	1	"	25	0	0
William Sykes, in trust.....	300	"	7500	0	0
Henry Starns.....	4	"	100	0	0
Henry St. Jean.....	1	"	25	0	0
Robert Simpson.....	4	"	100	0	0
John Stephens.....	4	"	100	0	0
John Starrs.....	1	"	25	0	0
H. H. Sauvé.....	1	"	25	0	0
Aimé Sénécal.....	1	"	25	0	0
Madame St. Julien.....	4	"	100	0	0
John Scharf.....	1	"	25	0	0
Thomas Scharf.....	1	"	25	0	0
Wm. Scharf.....	1	"	25	0	0

Hugh Taylor.....	12	parts	£300	0	0
J. M. Taylor.....	2	"	50	0	0
E. C. Tuttle.....	4	"	100	0	0
Ronald Trudeau.....	4	"	100	0	0
Robert Turnbull.....	2	"	50	0	0
Stephen Tucker.....	2	"	50	0	0
Jacques Viger.....	2	"	50	0	0
Wm. Workman.....	40	"	1000	0	0
John Wanless.....	1	"	25	0	0
Chas. Wales.....	2	"	50	0	0
John Wardropp.....	10	"	250	0	0
William Sykes.....	4620	"	115500	0	0
	5862		£146550	0	0
1st Instalment, 10 per cent.....			£ 2355	0	0
5867 shares.....			146675	0	0
Paid by subscribers, on 1st instalment.....			945	0	0

COMMITTEE ROOM,
2d May, 1856.

The Honorable Judge Badgley,

Questions submitted to the Hon. William Badgley by the select Committee appointed to enquire into all the transactions of the Montreal and Bytown Railway Company.

Will you please state to the Committee whatever you know in relation to the exchange of the Debentures issued by the Municipality of the County of Terrebonne in favour of the Montreal and Bytown Railway Company for Debentures of the Municipal Loan Fund of Lower Canada and in particular, please state :

1st. Whether these Municipal Debentures were negotiated after having been issued by the Municipal Council of Terrebonne ?

2nd. When were they exchanged and to whom did they belong at the time of the exchange ?

3rd. What became of the Debentures guaranteed upon the Municipal Loan Fund received in exchange for Municipal Debentures ?

4th. Whether the By-law authorising the Municipality of the County of the Lake of Two Mountains to take shares in the Montreal and Bytown Railway Company, was declared to be null by the Superior Court at Montreal, when, and for what reasons ?

By order,

J. P. LEPROHON,
Clerk of Committee.

At the formation of the Montreal and Bytown Railroad Company, my partner, Mr. Abbott, and myself, were appointed its Solicitors, and gave our professional assistance by advice or in the preparation of the legal documents required by the Company. We had no part whatever in the management or direction of its affairs. From our profession and connection we were made aware that those Municipal Debentures came into the possession of the Company, and that they were subsequently converted into Loan Fund Debentures under the provisions of the Act of last year which we advised upon the facts stated to us did not exclude them from its beneficial operation.

1st. I am not aware of their negotiation after their concession by this Municipality. When required to advise upon their conversion under the statutes, we were informed that they were under the control of the Company.

2nd Upon my judicial appointment early in 1855 and my consequent departure from Montreal and residence at Quebec, I ceased to take any further active interest professionally for the Company, and cannot say when the conversion took place or who holds them at this time. This information will be readily obtained from other sources.

3rd. I am not aware.

4th. For the reason given in the second answer above I am not aware of the nature of the legal proceedings adopted or whether they were adopted at all, or what was their result with reference to that Municipal By-law.

W. BADGLEY.

[*Translation.*]

The undersigned has the honor to answer as follows to the questions submitted to him by the Committee appointed to enquire into the transactions of the Montreal and Bytown Railway Company.

1st. What amount of Municipal Debentures of the County of Terrebonne were exchanged for Debentures guaranteed upon the Municipal Loan Fund of Lower Canada? When and with whom were they exchanged? Whether were they so exchanged with or without the authority of the Municipal Council of Terrebonne?

The amount of Municipal Debentures of the County of Terrebonne exchanged for Debentures guaranteed upon the Municipal Loan Fund of Lower Canada is £. 3,500. These Debentures were exchanged towards the latter part of last Session. It was at a time at which I was exclusively engaged with my Parliamentary duties. The exchange was effected through the intervention of my Deputy, Mr. Anderson. Mr. Evans duly authorised by Mr. Delisle, the President of the Company, is the person who deposited the Municipal Debentures of the County of Terrebonne and who received in exchange Debentures issued upon the guarantee of the consolidated Municipal Loan Fund of Lower Canada. The exchange was effected without the authority of the Municipal Council of Terrebonne although the authority was produced at the time of the exchange, as Mr. Anderson did not deem it then to be necessary. This authority is still, nevertheless, in the archives of my office.

2nd. Whether you received a letter from the Mayor of Terrebonne, dated June 4th, 1855, and was it before or after the receipt of the said letter that the Debentures were exchanged?

A letter from the Mayor of Terrebonne bearing date the 4th June last was received in my office. The Debentures had been exchanged before the letter was received.

E. P. TACHÉ.

Receiver General.

Receiver General's Office,
Toronto, 3rd May, 1856.

COMMITTEE ROOM.

23rd April, 1856.

C. E. Anderson, Esq., Deputy Receiver General, appears before the Committee, and answers as follows:

Are you not Deputy Receiver General?

I am.

Have you any knowledge of the exchange of Debentures issued by the Municipal Council of the County of Terrebonne, in favor of the Montreal and Bytown Railway Company for Provincial Debentures under the Municipal Loan Fund Act?

I have.

Who applied to the Receiver General's Office for the exchange, and to whom were the Provincial Debentures delivered?

Mr. W. C. Evans, one of the directors of the Company acting for the Company.

On what day were the Municipal Debentures deposited at the office of the Receiver General; and on what day were the Provincial Debentures delivered?

The Municipal Debentures were deposited at the Receiver General's Office from time to time, from the 16th to the end of May; and the exchange was made as the others were deposited. But on the 16th May application was made for the exchange of the whole, and I believe £16,000 was exchanged on that day?

Did you examine the Municipal Debentures before the exchange was effected; and did you examine if they were in accordance with the By-laws of the Municipal Council?

I did not examine if they were according to the By-laws, not considering it as a part of my duty, but that of the law officers of the Crown.

Do you know if these Municipal Debentures were communicated to the law-officers of Crown before the exchange, and was any report of the law officers of Crown made to your department on the subject of these debentures?

They were not examined by the law officers of the Crown; and no report was made with regard to the Debentures.

Did you examine at the time, if the By-laws and Debentures provided for a sinking fund?

I did not, but as the By-laws had been submitted to the law officers of the Crown, recommended to Council for approval, and approved; I could not otherwise believe but that they were in accordance with the Municipal Loan Fund Act of Lower Canada; I have never seen a Debenture bearing on the face of it any special provision for a sinking fund; and did not look for it in those presented for exchange. The Debentures presented were in the usual form.

Did you in December, 1855, or January, 1856, write to Mr. Anger as secretary of the Municipality of Terrebonne to demand from the Municipality payment of the interest on the Terrebonne Debentures then in the hands of the Receiver General?

The usual circular was sent from the Department to the Treasurer of the Municipality calling for the interest about falling due, which duty is pointed out by the Act.

Was there at the same time any demand made for the payment of any portion of the capital and what portion?

Interest was demanded at eight per cent, two per cent. of which, after deducting proportion of expenses in carrying out the Act, was to be appropriated as a sinking fund for the redemption of the capital.

What was the reason why the payment of interest was demanded at the rate of eight per cent., when the debentures contained a promise to pay only six per cent.?

That being the course followed on all previous occasions, and as I understand it, sanctioned by the Act.

When the Municipal Debentures of the County of Terrebonne were exchanged, did you not ask to the party presenting the same an order or authority from the municipality to make such exchange?

I did not in first instance.

Was there not such an authority presented to you at the time, and did you not object to the form or to the manner in which this order was made?

Such an authority was presented in the first instance, but I considered that under the Act the holders had the right to get them exchanged without it, provided the Debentures had not been sold, or negotiated.

Was such an authority presented to you at any time either before or after the exchange; if so, state when or for what purpose?

It was presented by Mr. Evans; in the first instance he deemed it necessary, I, at the time thought otherwise, and he took it back with him.

Was it not understood when Mr. Evans took back this authority that an alteration would be made in the name of the party authorized to receive the provincial debentures, and that the document would be returned to the department?

It was not so understood at the time he took it away.

Was any such understanding come to at any time before or after the exchange?

Yes, in the end of May the Receiver General having been absent, returned to Quebec, I laid the whole transactions before him, when he was not satisfied and expressed a desire that the joint authority should be furnished also; I went to Montreal, saw Mr. Evans, and had it completed in what I considered a satisfactory state, and brought it back to the Department. But I have never looked upon it that the debentures were exchanged on that joint authority, it is merely on record to shew that the Municipality seemed desirous of the exchange.

Had all the debentures been exchanged at the time you got the joint authority you speak of?

They had all been exchanged, so far as my memory serves me.

Where is now the joint order in question, and why was it not communicated to the House with the other papers having reference to exchange of the debentures?

It is of record in the office, and I was under the impression that it had been; if such is not the case I will supply it immediately.

At the time you got the joint order in Montreal, did you go to Mr. Papineau with Mr. Evans to have some alteration made in the same?

I did not, I never saw Mr. Papineau in my life to my knowledge.

Did you request Mr. Evans or Mr. Delisle to have some alteration made in the joint order, and what was the nature of such alteration?

I suggested to Mr. Evans that inasmuch as the debentures had been delivered to him on the part of the Company, it would be desirable that the joint order should be in his name.

Can you state how long this joint order has been in the department?

After the exchange of the debentures had taken place I again returned the joint power to Mr. Evans, not considering it necessary, and I again got it from him within a month from this date, and it is now of record in the office. I returned it to him the second time in the month of June 1855, after having been informed by the Crown Law Department that it was necessary for the exchange.

When you returned for the second time the joint order to Mr. Evans, was that immediately or long after you had been to Montreal to get the same?

A month or six weeks after.

Did Mr. Evans exchange some debentures of the County of Ottawa for Loan Fund Debentures, at or about the same time that he exchanged the said Terrebonne debentures?

He did.

Were not these debentures exchanged upon the joint order of the Mayor of Ottawa, and of the Company of the Montreal and Bytown Railway?

They were not.

Was Mr. Bellingham with Mr. Evans when he applied for the exchange of said debentures?

He seemed interested for the Company in the matter, and was frequently in the office with Mr. Evans on the subject.

Who first applied to have the Terrebonne debentures exchanged?

Mr. Evans.

Did you not at first refuse to make the said exchange, on the ground that all the documents were not regular, and if so, state what was the irregularity complained of?

Not to Mr. Evans; previous to his application I pointed out to Judge Badgley, who was then, I believe, the Attorney of the Company, that affidavits were necessary to shew that the debentures had not been sold or negotiated. I do not recollect of any other irregularity at the time.

Did Mr. Evans or Mr. Bellingham, before or at the time of the exchange, state to you that they or either of them had any personal interest in the said debentures, or were proprietors of the same?

Neither of them; had they stated so I could not have exchanged them as they would then have been in third hands, that is, sold or negotiated.

Was the interest on the Loan Fund Debentures given in exchange for the Terrebonne debentures, paid when due to the holders thereof, and by whom?

The interest was paid at maturity by the Government, I have every reason to believe.

At the time of the last payment who were the holders of the said Loan Fund Debentures, and to whom was the interest paid?

I do not know, but I will furnish the Committee with the information.

Will you give us the date or dates of the circulars demanding the payment of the interest from the Municipality?

I now furnish the Committee with a copy of the said circulars.

Were not the Municipal Debentures of Terrebonne originally exchanged for Municipal Loan Fund Debentures without coupons, and if so were not the latter afterwards exchanged *de novo* for debentures with coupons, and please state when, and who held them when this last exchange took place?

They were so exchanged originally, and the debentures without coupons were afterwards exchanged for debentures from steel plates with coupons, in accordance with understanding expressed in receipt of 16th May, 1855, from Mr. Delisle, on receipt of the temporary debentures without coupons; the said receipt is filed with the Committee.

The holders of the debentures without coupons, or rather I should say, the parties who presented them for exchange for debentures with coupons, were as under:

W. H. Hopper, J. M. Chamberlain, C. A. Smith, W. E. Cassels, Moss and Bros., D. L. Macpherson.

C. E. ANDERSON,
Deputy Receiver General.

(Copy.)

We the undersigned, André Benjamin Papineau, Mayor of the Municipality of the County of Terrebonne, duly authorized to the effect of these presents, under and by virtue of a resolution of the Council of said Municipality, passed on the 12th day of March, instant, a copy whereof is hereunto annexed, and the Montreal and Bytown Railway Company, acting herein by Alexander M. Delisle, Esquire, President, being the holder of certain bonds issued respectively under and by virtue of certain By-laws of the said Municipality, passed on the 12th day of December, 1853, authorizing the taking of stock in the Montreal and Bytown Railway Company, on behalf of the Parishes of St. Martin and St. Jérôme, and the Township of Abercrombie in the said Municipality, and of a certain other By-law of the said Municipality, passed on the 13th day of March, 1854, authorizing the taking of stock in the said Railway Company, on behalf of the Parish of Ste. Sophie in the said Municipality, do hereby jointly order and require Her Majesty's Receiver General, of and for the Province of Canada, to pay over to the agent of the Bank of Montreal, at Quebec, the money to be raised or the debentures to be issued upon the credit of the Consolidated Municipal Loan Fund for Lower Canada, in lieu of the debentures issued under said By-laws respectively.

In witness whereof, we have respectively signed these presents, this thirty-first day of March, one thousand eight hundred and fifty-five.

(Signed,)

A. B. PAPINEAU,
A. M. DELISLE,

President, Montreal and Bytown Railroad.

BANK OF MONTREAL,

Quebec, 16th May, 1855.

SIR,—Having been appointed to exchange some Municipal Debentures in this City, I hereby authorize W. C. Evans, Esquire, to act for me.

WILLIAM GUNN,
Manager.

The Hon. the Receiver General,
Quebec.

RECEIVER GENERAL'S OFFICE,

Toronto 2nd April, 1856.

SIR,—I have the honor to inform you that under the Consolidated Municipal Loan Fund Acts of Upper and Lower Canada, the Municipality of the County of Terrebonne is bound to pay into the hands of the Receiver General, the sum of £940 being 6 months' interest ending 1st July, 1856, at 8 per cent. per annum, on £23,500, currency, loaned under provisions of said Acts to said Municipality. I have therefore to request that you will be pleased to deposit the said amount to my credit in the Agency of the Bank of Upper Canada, if there is one in your locality, and if not, in any other Chartered Bank, and transmit deposit certificate of same to this Department.

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

E. P. TACHÉ,
Receiver General.

To J. E. Prévost, Esquire,
Treasurer,
County of Terrebonne, St. Jérôme.

I also beg to inform you that interest at the rate of six per cent. on the interest due by your Municipality on the 1st of January last, is charged from the 1st April, instant, until paid.

E. P. TACHÉ.

RECEIVER GENERAL'S OFFICE,

Toronto, 26th November, 1855.

SIR,—I have the honor to inform you that under the Consolidated Municipal Loan Fund Acts of Upper and Lower Canada, the Municipality of the County of Terrebonne is bound to pay into the hands of the Receiver General, the sum of £1410, being nine months' interest ending 1st January 1856, at 8 per cent. per annum, on £23,500, currency, loaned under provisions of said Acts to said Municipality. I have therefore to request that you will be pleased to deposit the said amount to my credit in the Agency of the Bank of Upper Canada, if there is one

in your locality, and if not, in any other Chartered Bank, and transmit deposit certificate of same to this Department.

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

E. P. TACHÉ,
Receiver General.

To J. C. Anger, Esquire,
Treasurer,
County of Terrebonne.

COMMITTEE ROOM,
3rd May, 1856.

Mr. Hopper.

Questions submitted to William H. Hopper, Esquire, by the Special Committee appointed to enquire into all the transactions of the Montreal and Bytown Railway Company :

1 Are you the Secretary of the Montreal and Bytown Railway Company, and since when ?

2. Have you in your possession the books of the Company, and can you give to the Committee a list of the Directors and of the Shareholders of the Company, and the amount of shares each shareholder holds ?

3. Who have been the President and Secretary of the Company since its formation ?

4. Was there a salary given to the President and to the Secretary of the Company, and what was the amount of such salary ?

5. How many calls of the subscribed stock have been made, and what calls have been paid either in full or in part ; and what proceedings have been adopted against defaulting shareholders ?

6. What was the whole amount received in money from the shareholders, and how was the amount expended ?

7. Can you state what portion of these £930 has been paid by the officers of the Company out of the salary they received from the Company ?

7½. Did the contractors receive any money from the Company ?

8. Will you give a statement of the affairs of the Company, shewing its assets and available means and its indebtedness as far as you are aware of it ?

9. When were the works on the Montreal and Bytown Railway suspended ?

10. Have they been resumed since, and is there any prospect that the Company or the contractors will resume the works ?

11. Are you aware that the Municipality of the County of Terrebonne issued debentures in favor of the Company, and that the said debentures have been taken by the Company in payment of stock ; and if so, state what was the amount of such debentures ?

12. Will you give the Committee a copy of the entries made in the books of the Company in reference to such debentures ?

13. Were these debentures paid over to the contractors, and when ?

14. Were they subsequently exchanged for Municipal Loan Fund Debentures ; and if yea, state when and what entries have been made in the books of the Company respecting the negotiations of said debentures, and of their subsequent exchange for Municipal Loan Fund Debentures ?

15. Who were the holders of the Municipal Debentures at the time they were exchanged for Municipal Loan Fund Debentures ?

16. Who made the exchange ; what has become of the Municipal Loan Fund Debentures ?

17. Were the Municipal Loan Fund Debentures ever mentioned in the books of the Company, and were they ever in the possession or the property of the Company?

18. Do you know personally anything about the exchange of the Municipal Debentures issued by the County of Terrebonne, and what has become of the proceeds thereof?

19. Have the proceeds of the Municipal Loan Fund Debentures, received in exchange for the Terrebonne Debentures, been employed for works made since they have been exchanged?

20. Were not the finances of the Company in an embarrassing state in the month of May, 1855, when the Terrebonne Debentures were exchanged for Municipal Loan Fund Debentures?

21. Had not the Directors at that time resolved to transfer to the President the rolling stock of the Company, and will you produce a copy of such a resolution?

21½. What did the sum of £3,204 10s. 4d. sterling, mentioned in the resolution produced with your answer 21, as being due to Mr. Delisle, consist of?

22. Has the Company been sued by its creditors, and is there any judgment rendered against it?

23. Were the debentures of Terrebonne exchanged in pursuance to any decision of the Board of Directors, and produce a copy of the minutes?

24. Are the contractors considered unable to meet their engagement?

25. What were the resources of the Company on the first of April, 1855; on what could the Directors reckon to complete the works?

26. Have the lands purchased for the purposes of the road been paid for?

27. Did the Company receive any money from the contractors; what amount, and for what object?

28. Was there any money expended to secure the votes of the tax-payers in Montreal, Terrebonne, Lake of Two Mountains, or Ottawa, in favor of the By-laws passed by these Municipalities to enable them to take stock in the Company; and if so, state what sum in each respective municipality, and how that sum was expended?

29. Was there any money expended by the Company for the election of any member of the Legislature or of any municipal officer in any of the above municipalities?

30. Were the Directors authorized, either by Stockholders or by the Company, to increase the capital fund over six hundred thousand pounds?

31. What was the amount of private subscription exclusive of the contractors?

32. Are you aware of any person holding Ottawa and Terrebonne Debentures besides the debentures exchanged?

33. Will you give a statement of the indebtedness of the Company, the amount they have received either in Municipal bonds or money, and the amount of work done upon the road, and the amount expended?

By order,

J. P. LEPROHON.

Clerk of Committee.

Replies to questions submitted by Special Committee on affairs of Montreal and Bytown Railway Company, to Wm. H. Hopper, Secretary of said Company.

1. Yes, since April, 1855.

2. Yes, and submit herewith a list of the Directors of the Company since its formation. Also, list of the shareholders of the Company and amount of shares held by each.

3. A. M. Delisle, Esq., has been the President of the Company since its formation. Sydney Bellingham, Esq., Adelard Boucher, and myself, have severally acted as Secretary.

4. The salary voted to the President by the Board was £1,000 currency per annum; (per Resolution of Board, 9th Nov., 1853, salary to be £1,000 for the year ending March, 1854); to Sydney Bellingham, when Secretary, £600, currency; to A. Boucher, £150 per annum, he having been Clerk in the office and acted temporary; my salary not fixed by the Board, it being agreed that I should be remunerated according to the time I required to devote to the Company's service. The President named my salary for past year at £300, currency.

The President received on account of his salary.....	£166	13	4
And subsequently expended, in cash, for the Company.	284	4	8
S. Bellingham received.. .. .	795	2	8
A. Boucher received.....	56	5	0

and Wm. H. Hopper never received one shilling, but expended on account of the Company from his own funds £111 6s. 11d. in protecting the property of the Company, &c.

The balances due to the parties above named appear on the books of the Company:

Say to A. M. Delisle.. .. .	£2438	5	8
S. Bellingham.....	104	17	4
W. H. Hopper.....	243	13	5
A. Boucher.....	62	10	0

5. Three calls have been made, the first call paid in part, and no proceedings adopted against defaulting shareholders. Nothing paid on other calls.

6. The whole amount of money received from shareholders was £930, and its expenditure accounted for with books of the Company now on the table.

7. The contractors received no money, but were paid in

Municipal Debentures.....	£59,200
Railway Company's Bonds.....	80,300
And Certificates of paid-up Stock.....	70,475

£209,975

7½. Yes; A. M. Delisle, £100; S. Bellingham, £100; Mr. Badgley, Solicitor of the Company, £30.

8. The balance sheet submitted shews the position of the Company's affairs.

The indebtedness of the Company, as far as I am aware of, is there shewn with the exception of an amount in dispute claimed by

G. H. Ryland, Registrar.....	£612	10	0
And amount of fees for Montreal Court House.....	475	0	0

I should also mention an amount claimed by J. L. Beaudry, Esq., of £300; payment of which was positively declined by the Directors. I hand in the three above named accounts.

9. I am not aware of the date, it being previous to my connection with the Company, to wit, in April, 1855.

10. No; and I cannot see any prospect of the works being presently resumed.

11. Yes; and the amount of debentures received from the Municipality of Terreboune was £26,000, currency.

12. The following is the entry made in the books of the Company in reference to said debentures :

1st May, 1854.

“ Sykes, DeBergue & Co., Dr.

“ To instalment account on debentures.

“ For the following debentures handed over to Messrs. Sykes, DeBergue & Co., as per Resolution of Board of Directors, 18th April, 1854, per receipt of this date :

“ Municipal Debentures, County of Terrebonne, for and	
on behalf of Parish of St. Martin.....	100 deb. £10,000
of St. Jérôme.....	100 “ 10,000
of St. Sophie.....	50 “ 5,000
Township of Abercrombie.....	10 “ 1 000

£26,000 ”

13. Yes ; on the 1st May, 1854.

14. Yes ; they were exchanged for Municipal Loan Fund Debentures. No entry made or required, as when the Municipal Debentures were received, they were paid over to the contractors, Messrs. Sykes, DeBergue & Co., and charged to their account.

15. The contractors were the holders ; but I have reason to believe that parties made advances on them—who were represented by Wm. C. Evans, Esq., of Montreal, and J. M. Chamberlain, of London, England, Solicitor to C. DeBergue, one of the contractors.

16. The exchange was effected by W. C. Evans, Esquire, acting for the Company—and I know not what has become of the debentures received in exchange.

17. The Municipal Loan Fund Debentures were never entered in the books of the Company, and were never their property.

18. Temporary Provincial Debentures (without coupons) were in the first instance issued—and those I subsequently, at the request of Mr. Evans, took to Quebec, and received in exchange debentures with coupons attached, which debentures I returned Mr. Evans, and I know not what became of them afterwards.

Mr. J. M. Chamberlain, of London, England, handed D. Davidson, Esq., of Montreal, £9250, in debentures, for the purpose of disposing of the same, and remitting to Mr. Finnie, in England, £6464 16s. 11d.,—to whom the Municipal Debentures, to the amount of £9250, had been pledged to secure the last sum,—paying £500, in debentures, to G. J. Cockburn, Engineer of the Company, on account of his salary ; £200 to A. Heward, of Montreal, and £500 to be applied, when required, to the fencing of the Road. Some other small sums were to have been paid to the Clerk and Messenger of the Company, as also a sum of £40 which I paid for the honor of the contractors. The remittance to Finnie was made, and I believe Messrs. Cockburn and Heward paid the discount on debentures (some 12 per cent.,) and interest, I believe absorbs the rest.

19. No.

20. Yes. In consequence of the failure of the contractors to proceed with the works.

Had the works continued the subscription of the City of Montreal for	£125,000
And of the Lake of Two Mountains	62,500

£187,500

would have been available, as also aid from Ottawa Division No. 1. £	25,000
St. Eustache	5,000
St. Scholastique	5,000

21. Yes. Copy of Resolution herewith, it was subsequently considered unnecessary, and was not carried out.

21½. It consists of salary due to Mr. Delisle, cash paid by him for office rent, fuel, &c., and £1,090 16s. 10d. for which he, with the other Directors, became individually liable to the City Bank.

22. Yes, three Suits and one Judgment rendered in favor of George F. Cockburn, Engineer of the Company, for £1134 2s. 8d., in April, 1856.

23. Yes, and copy of minutes herewith submitted.

24. Yes.

25. The contractors were bound to take in stock £260,000, sterling, and in Company's debentures £360,000, sterling, and had the work proceeded, the means as stated in my reply to question No. 20, would have been available.

26. No.

27. Yes; £2057 13s. 8d.; which was applied, together with the amount received from shareholders, to payments, as shewn by balance sheet. The contractors, on receiving their second instalment, bound themselves to provide funds for the right of way, and also for all expenses of the Company.

28. Yes.

Expenses incurred in legal assistance, carters for bringing voters, writing posting placards, &c. :

For City of Montreal.....	£60	0	10
Terrebonne.....	43	2	2
Lake of Two Mountains.....	291	7	3
Ottawa Division No. 2.....	139	5	1
	<u>£533</u>	<u>15</u>	<u>4</u>

I herewith produce copy of entries in the books of the Company, in reference to above.

29. There was never any money, as far as I can trace, expended by the Company for the election of any member of the Legislature, or for any Municipal officer.

30. Not that I am aware.

31. Twenty-four thousand six hundred and seventy-five pounds, currency.

32. I only know of £1300 in the hands of British North American agent for a party in England, as yet unconverted; but there are others. There is a considerable amount yet unconverted.

33. The Company are indebted to the City Bank and individuals per list, £5,716 13s. 8d.

Amount in dispute:

G. H. Ryland.....	£612	10	0
Montreal Court House....	475	0	0
J. L. Beaudry.....	300	0	0

The Company have expended £59,200, currency.

In debts of Municipalities of Terrebonne and Ottawa	930	0	0
Also amount received from stockholders.....	930	0	0

For which they have received the road and stock between Carillon and Grenville, estimated at contract price, at £104,949 13s. 4d.

W. H. HOPPER.

List of Directors of the Montreal and Bytown Railway Company :

Elected by Stockholders on 8th November, 1853 :

A. M. Delisle,	Hy. Judah,
Wm. Workman,	H. L. Routh,
Wm. C. Evans,	Jean Louis Beaudry, and
Norbert Dumas,	B. H. Lemoine.

Re-elected by Stockholders, 13th March, 1854.

Elected by Stockholders, on 3rd April, 1855 :

A. M. Delisle,	Henry Judah,
Wm. Workman,	Norbert Dumas,
Wm. C. Evans,	John Egan, and
B. H. Lemoine,	J. C. H. Lacroix.

Elected by Stockholders, 31st March, 1856 :

A. M. Delisle,	B. H. Lemoine,
Wm. Workman,	J. C. H. Lacroix,
N. Dumas,	Wm. C. Evans, and
Alex. Morris,	Hon. Wm. Badgley.

Mem.—Mr. Morris has written me declining the appointment, as he requires to be absent the present year, and the Hon. Wm. Badgley verbally informed me that he could not act.

There has been no meeting of Directors yet held to replace the above gentlemen.

TORONTO, 6th May, 1856.

List of Stockholders, Montreal and Bytown Railway Company, on 5th May, 1856.

Date of Subscriptions,	Name.	No. of shares.
8th October 1853....	Andersen, Evans & Co.....	8 shares.
	William Abbott.....	2 "
	H. D. Ackert.....	4 "
	John Ackert.....	1 "
	George N. Allbright.....	40 "
	Samuel H. Anderson.....	52 "
4th May, 1853.....	J. L. Beaudry.....	16 "
17th October, 1853...	J. A. Berthelot.....	4 "
18th " " "	Chas. S. Burroughs.....	1 "
18th " " "	Joseph Bourrett.....	2 "
19th " " "	Charles E. Bell.....	1 "
19th " " "	J. U. Beaudry.....	1 "
5th November, 1853..	Lambert Bléau.....	1 "
	James Barclay.....	4 "
	David Beattie.....	2 "
	C. C. Brigham.....	4 "
	William Byrnes.....	1 "
	Louis Berlinguet.....	2 "
11th November, 1853..	Tancrède Bouthillier.....	4 "
14th " " "	Jean B. Brousseau.....	1 "
14th " " "	Joseph Brown.....	1 "

10th December, 1853	Hon. Wm. Badgley.....	12 parts.
18th October, 1853	Maurice Cuvillier.....	5 "
5th November, 1853	John Carter.....	1 "
	Lemuel Cushing.....	12 "
	Asa Cooke.....	2 "
	Levi Clarke.....	1 "
30th November, 1853	George F. Cockburn.....	4 "
	Patrick Gosgrove.....	1 "
	G. M. Cameron.....	3 "
	John A. Cameron.....	5 "
	Ewan Cameron.....	1 "
14th November, 1853	James E. Campbell.....	1 "
	Anthony Cullen.....	4 "
	Michael Cullen.....	2 "
4th May, 1853	A. M. Delisle.....	40 "
	Mme. DeMontenach (transferred)	8 "
17th October, 1853	Norbert Dumas.....	12 "
18th " "	A. A. Dorion.....	1 "
18th " "	J. U. DesJardins.....	1 "
	Duncan Dewar.....	2 "
	William M. Dole.....	2 "
	Samuel Dawson.....	2 "
14th November, 1853	J. B. Deslorier.....	1 "
	William Dunning.....	8 "
22nd October, 1853	John Egan.....	20 "
14th October, 1853	Wm. C. Evans.....	975 paid up.
19th " "	John Fraser.....	4 shares.
	C. J. Forbes.....	240 "
	Patrick Finnegan.....	1 "
	Gabriel Jobert.....	2 "
	Pierre Leandre Fortier.....	12 "
31st October, 1853	Hypolite Guy.....	2 "
	Hugh Gorman.....	4 "
	Simon Gallaher.....	1 "
	Andre Gallipot.....	1 "
8th October, 1853	Charles Herzy.....	12 "
18th " "	Haldimand Brothers.....	1 "
31st " "	E. & C. Hudon.....	2 "
	Hamilton & Thompson.....	20 "
	James Hogan.....	3 "
11th November, 1853	Augustus Heward.....	8 "
15th " "	E. J. Howell.....	1 "
14th " "	Ernest Idler.....	1 "
18th October, 1853	Pierre Jodoin.....	12 "
	Edward Jones.....	2 "
10th March, 1854	Charles C. Johnson.....	20 "
	Richard Jones.....	4 "
	George Kames.....	4 "
	Arthur Keenan.....	1 "
18th October, 1853	P. R. Lafrenaye.....	2 "
11th May, 1853	B. H. LeMoine.....	12 "
19th October, 1853	Thomas Loranger.....	1 "
31st " "	C. A. LeBlanc.....	1 "
31st " "	J. C. H. Lacroix.....	12 "
	Francis Laurin.....	1 "

31st October, 1853....	Damasse Masson.....	4 shares.
5th November, 1853..	Wolfréd Masson.....	4 "
	Finlay McMartin.....	2 "
	William McMillan.....	4 "
	James McPike.....	1 "
	W. MacFarlane.....	1 "
	Patrick MacFarlane.....	1 "
	Angus MacDonald.....	2 "
11th November, 1853..	S. C. Monk.....	2 "
11th " " "	Isidore Mallen.....	1 "
16th " " "	Alex. Morris.....	12 "
	St. Luc Madore.....	1 "
	A. E. Montmarquet.....	12 "
	D. M. MacLean.....	5 "
	John Noyes.....	1 "
31st October, 1853....	John Ostell.....	5 "
	Owen Owens.....	1 "
	John O'Donnell.....	1 "
8th October, 1853....	DeLinière O. Perrault.....	4 "
19th " " "	Joseph Papin.....	1 "
31st " " "	Hubert Paré.....	4 "
31st " " "	Amable Prévost.....	2 "
	J. A. Perkins.....	20 "
	Edward Pridham.....	4 "
	D. B. Papineau.....	4 "
	M. H. Palmer.....	3 "
10th November, 1853..	Augustus Perrault.....	4 "
22nd October, 1853....	H. L. Routh.....	20 "
	Mary Richards.....	4 "
14th November, 1853..	Hypolite Roy.....	1 "
14th " " "	Joshua Robillard.....	1 "
16th " " "	Michel Roch.....	1 "
31st October, 1853....	J. G. Rheinardt.....	4 "
8th October, 1853....	Wm. Sykes, (in trust).....	300 "
14th " " "	William Sykes.....	40 "
8th November, 1853..	Fleurie St. Jean.....	1 "
	Robert Simpson.....	4 "
	John Stephens.....	4 "
	John Starrs.....	1 "
	H. H. Sauve.....	1 "
14th November, 1853..	Aimé Senecal.....	1 "
16th " " "	Madame St. Julien.....	4 "
	John Scharf.....	1 "
	Thomas Scharf.....	1 "
	William Scharf.....	1 "
	Sykes, De Bergue & Co.....	2786 paid up.
	Do.	92 shares.
17th October, 1853....	Hugh Taylor.....	12 "
8th " " "	Thomas M. Taylor.....	2 "
31st " " "	E. C. Tuttle.....	4 "
5th November, 1853..	Romuald Trudeau.....	4 "
	Robert Turnbull.....	2 "
	Stephen Tucker.....	2 "
10th November, 1853..	Jacques Viger.....	2 "
11th May, 1853.....	William Workman.....	12 "

12th April, 1856.

The Montreal and Bytown Railway Company, Dr.

To the Registrar for the County of Montreal.

For Registering 8800 debentures, under Act 16 Vic., cap. 103, viz :

	£	s.	d.
360 delivered to the Messrs. Sykes on 25th instant.....	22	10	0
360 Certificates of Registration at 2s. 6d. each.....	45	0	0
To 2640 debentures of £100, sterling, each.....	165	0	0
To 2640 Certificates of Registration at 2s. 6d. each.....	380	0	0
To 800 debentures of £250 each.....	50	0	0
To 800 Certificates of Registration at 2s. 6d. each.....	100	0	0
	<hr/>		
	712	10	0

Montreal, 1854.

The Montreal and Bytown Railway Company, Dr.

To J. L. Beaudry,

To my expenses incurred to obtain the Charter and to obtain the votes of the different Municipalities granting debentures to the Company, and for my services to the Company during the year 1853, £300.

Montreal, 8th March, 1854.

Montreal, 30th August, 1854.

Sydney Bellingham, Esq., Secretary and Treasurer, of the Montreal and Bytown Railway Company, Dr.

To G. H. Ryland, Esq., Registrar for the County of Montreal.

To Government tax for the erection of the Montreal Court House, on the registration of three thousand eight hundred debentures of the said Company, on the twenty-third day of May last, at 2s. 6d. each, £475.

Meeting, 14th May, 1855.

DIRECTORS PRESENT :

A. M. DELISLE,
 W. WORKMAN,
 B. H. LEMOINE,
 WM. C. EVANS, and
 MAYOR OF MONTREAL.

Resolved, on motion of Mr. Lemoine, seconded by Mr. Evans,

That inasmuch as the Company is indebted to A. M. Delisle, Esq., in the sum of three thousand two hundred and four pounds ten shillings and four pence, for cash advances made and liabilities personally incurred by him for the benefit of the Company, and otherwise, and that it is expedient that he should be secured from loss on account of such debt, that the rolling stock and plant delivered to this Company by the contractors be transferred to him as security for his said claim by a sale, with a clause authorizing the Company to redeem within three years, on payment of the amount to be secured with interest, and that the Vice President be authorized to execute a deed, on behalf of this Company, in accordance herewith.

True extract.

W. H. HOPPER,
 Secretary.

Montreal, 15th June, 1855.

At a meeting of Directors held on this day were present :

A. M. DELISLE, President,
 W. M. C. EVANS,
 J. C. H. LACROIX,
 B. H. LEMOINE,
 DR. NELSON, Mayor,
 HENRY JUDAH.

Absent—W. Workman and N. Dumas.

The minutes of last meeting were read and confirmed.

The President informed the Board that the sum of £47,360 sterling, in bonds of the Municipality of Ottawa, No. 2, and Terrebonne, delivered to the contractors, Messrs. Sykes, De Bergue and Company, under authority of a resolution of this Board of the 18th April, 1854, on account of their contract, that they had lately called upon the Company to join in obtaining the conversion of a portion of such bonds under the Act 18 Vic. ch. 13, to wit: the sum of £53,700 currency, and had placed them under the control of the Company upon the express condition only that they should be converted, and the debentures received from Government returned to the representatives of the said contractors in lieu of such bonds. That in conformity with this understanding of the desire of the Directors, he had done so, as President and on behalf of the Company, and that already the sum of £37,750 currency had been converted and returned to the representatives of the said contractors, and the balance was in process of conversion:

Resolved,—That the acts and proceedings of the President, with reference to the said conversion and return of the said bonds and debentures, be and the same are hereby ratified, approved and confirmed, and he is hereby authorized to continue his assistance in converting the balance.

True extract.

W. H. HOPPER,
 Secretary.

PRELIMINARY EXPENSES.

1853.

Part of Answer to Question No. 28.

Sept. 10.—	For expenses incurred connected with the Montreal City By-law, being payment to carters for bringing up voters, writing, posting placards, &c., &c.....	£49	0	10
“ 19.—	For expenses incurred in connection with the Two Mountains By-law, being travelling expenses in bringing up voters, printed forms, posting placards, legal assistance, &c.....	234	12	4
Oct. 3.—	For check No. 506, payment to Lafleur and Benoit for services rendered in connection with Montreal By-law.....	11	0	0
“ “	For check No. 7, paid S. Bellingham for expenses incurred by him on his visits to St. Andrews, Lachute, and St. Benoit, previous to confirmation of By-law.....	10	0	0
“ 10.—	For expenses incurred in connection with Two Mountains By-law, being legal assistance, carters, telegraph, &c.....	24	18	11
Nov. 8.—	For check No. 12, to provide for necessary expenditure attendant upon municipal voting, Ottawa County, carters bringing up voters, placards, &c.....	25	0	9

Nov. 9.—For check No. 13, in favor of S. Bellingham, expenses incurred by him in visiting Petite Nation, Lochaber, Buckingham, Aylmer and Bytown	15	0	0
Dec. 5.—For check No. 14, in favor of S. Bellingham, being expenses incurred by him, 15 days, to Bytown and back, for Bytown and Pembroke Railway	12	9	7
“ 19.—For expenditure by S. Bellingham for Ottawa County By-law, being for carter, nine days, hire in visiting Aylmer and 1854. Petite Nation, and personal expenses	10	18	6
Jan. 11.—For check No. 23, being for petty expenditure incurred in connection with the By-law for County of Two Mountains..	9	6	0
“ 13.—For check No. 24, on account of legal assistance procured in connection with By-law of Two Mountains.	12	10	0
“ 14.—For expenditure at St. Andrews	0	15	0
“ 24.—For legal assistance and other necessary expenses incurred with reference to Municipality Ottawa County, No. 1, and personal expenses of Secretary	75	17	0
Mar. 21.—For check No. 52, being travelling expenses of President to Terrebonne, Ottawa and Two Mountains.	17	2	2
“ “ For check No. 53, paid by order of President, for legal assistance.	20	0	0
April 12.—For check No. 55, balance of travelling expenses of John Starrs	5	5	0
	£533		15 4

24th April, 1856.

Mr. William Sykes appears before the Committee and answers as follows:

Were you one of the partners of the firm “Sykes, DeBergue & Co.,” who undertook the construction of the Montreal and Bytown Railway; or were you ever employed by that firm to superintend the construction of said work; and state what were your relations to the said Company? how long you have been so employed; and what part you took in the Contract for making such Railroad?

I was one of the co-contractors, and had charge of the construction of the said Railway. I signed the Contract, a copy of which has been produced to the Committee by Mr. Delisle, both for myself and as Attorney for James Sykes and Charles DeBergue.

Did you ever go with Mr. Delisle before the Municipal Council of the County of Terrebonne; and was it there stated by you or by Mr. Delisle in your presence, before the issuing of the debentures by that Municipality, that the Municipality would not be called upon to pay the interest on said debentures until the work was completed, because the Contractors, Sykes, DeBergue & Co. had promised and were bound to pay such interest?

I attended a meeting of the Municipal Council of the County of Terrebonne, in March, 1854, with Mr. Delisle; I made no statement whatever, for the payment of the interest on the debentures to be issued by the Municipality; the proceedings were carried on in French, which I did not understand. The only thing I was required to say there, was, that in the case the St. Jérôme branch of the road was more than ten miles in length, which was the length the contract provided for, the contractors would construct the whole of it upon the same condition as the first ten miles contracted for, and that it should be opened simultaneously with the main line to Montreal. I gave a writing to that effect. I am certain the writing embraced the first portion of my statement, and I believe it did the second also.

Was it then stated in your presence, that if the condition that the interest would run only from the time the road was completed, was inserted in the debentures, these debentures could not be negotiated and would be useless?

I cannot say that any such statement was made.

Did you know at the time, that the terms of the By-laws of the Municipality authorising the issue of such debentures, only authorised the issue of debentures with interest, payable from the time the road was completed?

I did not know that such was a condition of the By-laws. My understanding was, that Mr. Delisle had an agreement with the Municipality, that they should issue a sufficient amount of debentures to cover the stock subscribed; and, also the interest on the amount of such stock, until the completion of the road, as for example,— if the parish of St. Martin subscribed for eight thousand pounds of stock, the Municipality would issue debentures for a couple of thousands more to meet the interest during the construction of the road. The contract provided that the interest should be paid by the contractors.

Were the debentures issued by the Municipality of Terrebonne paid over to the contractors by the Company, in payment of, and on account of the sums due them as per contract?

Yes, the Municipal Debentures in question were paid over to the contractors by the Company in lieu of their own debentures for a similar amount, which we had agreed to take under the contract, that is: these Municipal Debentures were given in lieu, and deduction of the sum of £360,000 sterling of the Company's bonds as mentioned in the contract.

What amount of the Terrebonne and Ottawa Debentures was so paid over to the contractors, and when was that done?

The contractors received from the Company, on the 1st of May, 1854, following amount of debentures, to wit:

332. Ottawa Debentures.....	£33,200	0	0	cy.	=	£27,290	8	0	stg.
260. Terrebonne do	£26,000	0	0	cy.	=	£21,372	0	0	stg.
						<u>£59,200</u>	<u>0</u>	<u>0</u>	<u>0</u>
									stg.

When were the works on the said Railroad begun, and when were they interrupted?

The surveys were commenced in August or September, 1853; and the works were commenced in January, 1854. The portion of the work from Carillon to Grenville was made and opened for traffic in October, 1854, though not quite finished yet. There was no work done after October, 1854, with the exception of building a carriage shade, which was finished about the 1st February, 1855. No work has been made since on the road. In the spring 1855, orders were given to put up the fences along the twelve miles of the road between Carrillon and Granville; but the contractors were prevented from so doing by the proprietors of lands crossed by the railway, and had not been paid or indemnified for it. The land was to be paid by the Company according to the contract. The proprietors of the lands also refused to let us run the trains for traffic. In July, 1855, I made another attempt to work the portion of the road which was furnished, and after making arrangements with a certain number of the proprietors of the lands, which took about five or six weeks, I was dispossessed of the rolling stock, by an order from the Court, issued at the instance of the Company. This order preceded any judgment against the contractors.

Were the works begun on any other portion of the road, and when were these works suspended?

The works were also begun in Montreal in May or June, 1854. Works were also begun in the neighbourhood of St. Martin and St. Eustache in the course of the

summer. They were suspended immediately after the news of the loss of my brother, which happened in September, 1854, and the news reached me in October.

What extent of road has been completed, and what has been the amount of money laid out by you for the confection of the works on said railway?

No portion of the road is absolutely completed; but the works made of the different portions of road would be equal to about twenty miles of road. I believe the amount laid out by the contractors about £72,000.

What amount either in money or Municipal Debentures have you received from the Company?

We received no money from the Directors of the Company. We have received Municipal Debentures of the Counties of Ottawa and Terrebonne to the amount of £59,200 currency, 2819 shares in the stock of the Company, and the Company's Debentures to the amount of £49,900 sterling; as the whole appears more fully by the statement marked Z, herewith annexed.

What was the cause of the suspension of the works?

The cause of the suspension was the want of money, caused from the refusal by the City of Montreal, and from the County of Lake of Two Mountains, to issue debentures for the amount of stock it was stated in the contract they had respectively subscribed for.

Do the contractors intend to resume the work, and say when?

I am prepared to resume the work as soon as the payments are made at the terms of the contract.

Do you still entertain the hope of fulfilling your contract with the Company?

In point of time it is impossible, but as to construction, there is no difficulty if the Company fulfil their obligation.

Did you and the other contractors, subscribe, either jointly or individually, a large amount of stock, and under what circumstances did you do so?

For myself and the other contractors we agreed to take about £260,000 sterling of certified paid up stock as part payment of our work. As to my subscription of stock, Mr. Delisle informed me that they were about £117,000 deficient in making up the amount of stock authorised to be raised under the act of incorporation; and unless their stock-book was filled up they could not claim the payment of the subscriptions by the City of Montreal, or the Municipality of the County of Two Mountains. But if I would allow my name to be put down for the deficiency they would undertake I should not be called upon for payment. But that the various Municipalities who had promised subscriptions should on their payment have this stock made over to them by my executing a transfer in the form provided for by the Act.

All persons willing to take stock for payment of their land (and they were represented as numerous) were to be paid in same manner.

Mr. Delisle gave me a letter at the time which I believe embodies the above statement, if it does not, it conveys that I shall not be called upon for payment of this stock.

Was the stock taken by the Municipality of Terrebonne and Ottawa subscribed for after the balance of the stock in the Company had been so taken by you?

Yes.

Did you ever transfer to the said Municipalities any portion of the stock you had taken?

I did not transfer any.

Did the contractors part with any of the Debentures issued by the Municipality of Terrebonne before the first of February, 1855?

I am not aware that any part of the Municipal bonds the contractors received from the Company were absolutely made over; but an amount of £38,000 sterling was transmitted to my brother in England, of which about £32,000 were pledged

to a party who has to make advances upon them from time to time to the amount of sixty-six per cent; my brother being at liberty to sell these Debentures to refund the amount borrowed. The balance of the Municipal Debentures was held by Mr. W. C. Evans of Montreal to be used by me for the payment of accounts as I might require. It was not, however, expected that those Debentures could be used unless an Act was passed to authorize the negotiation of those Debentures for Municipal loan fund Debentures to be issued by the Provincial Government.

Did you get from Mr. Evans any advances on the Debentures deposited with him, and did you make any purchase or get any money from him while he had those Municipal Debentures?

We got no advance of money on those Debentures from Mr. Evans. We made some small purchases from the firm of which Mr. Evans is a partner to the amount of £ ; but not on the faith of those Debentures. We got no money from them except proceeds of bills drawn by me on the firm in England, which they purchased; but I do not believe I have sold them any such bill after the Municipal Debentures were deposited with Mr. Evans.

What was the amount of Debentures deposited with Mr. Evans?

It was the difference between what was taken by me or my brother in England, and the amount issued by the Municipalities of Ottawa and Terrebonne.

Have you any knowledge of the exchange which was made of the Municipal Debentures of Terrebonne and Ottawa for Provincial consolidated Loan Fund Debentures?

No, I have no knowledge of it; except that some time about the month of May, 1855, I heard some parties were exchanging the Municipal Debentures; but no one communicated with me on the subject.

Will you examine the document marked I. produced by Mr. Delisle, being the copy of a receipt from Sykes, DeBergue & Co., per George Hague, ratified by G. M. Chamberlain, and will you state if you were a party to the transaction and who were Messrs. Hague and Chamberlain who signed the same?

I did not know that such a document as this was given, I am not a party to it, and George Hague and G. M. Chamberlain exceeded their power in signing such a document, neither of them holding a power of attorney from me. Chamberlain was the Attorney for De Bergue, as I understood; Hague was the book-keeper of the Company here in Canada; at the time of signing the contract with the Company I deposited with Gibb, a notary at Montreal, the power of attorney which I held, and which constituted me the sole for Sykes, De Bergue & Co. I subsequently gave a power of attorney to Hague, but it never authorised him to sign the document now shown to me.

Are Mr. Chamberlain and Mr. Hague in the country?

Chamberlain is gone back to England; Mr. Hague, I believe, is some where in Upper Canada.

Did you ever get in your possession any of the Municipal Loan Fund Debentures exchanged for the Terrebonne and Ottawa Debentures?

No, nor any part of their proceeds.

Was the property of the contractors and the materials they had for the road taken by the creditors, and if so, state when?

Between the 1st of August, 1855, and 1st of April, 1856, a good many executions were issued against the contractors. There was at least twenty, most of them were for small sums of £6 5s., and under, and the highest not more than £150; the reason was the contractors could not get payment from the Company.

What of the Company's bonds have you received from the Company?

We have received £66,000, of which, we returned £16,100, as mentioned in a letter of which I now file a copy, marked "B.B."

What is, in your opinion, the cash value of the works done by the Contractors for the Montreal and Bytown Railway Company?

I value the works at about £80,000 sterling, including the materials supplied; for I consider that the works done are equal to 20 miles of road, and I would have been willing to take £4,000 sterling, cash, per mile, to make the road.

What sum were you entitled to receive from the Company, under your contract, for the works done?

We were entitled to receive two instalments, equal to £169,580 sterling; this was more than the value of the works done, as stipulated in the contract, because by the agreement, we were entitled to receive a portion of the payment in advance. Part of this sum of £169,580 sterling, to wit — £20,000 sterling, were to be paid in bonds from the City of Montreal, and £12,500 sterling, in bonds from the County of Lake of Two Mountains, no part of which we have received.

Were the prices stipulated in your contract with the Company, made any higher on account of the mode of payment than they would have been, if the payments had been cash payments as the works progressed? And what proportion would have the cash payments borne to those agreed upon in the contract?

The prices in the contract were decidedly greater than they would have been, if the payments had been in cash. In consequence of the mode of payment, I added fifty per cent. to the valuation of the works; that is, for every hundred that I considered the works were worth, I charged hundred and fifty pounds.

WILLIAM SYKES.

(Copy.)

MARKED BB.

Filed by William Sykes, 24th April, 1856.

MONTREAL, 15th December, 1854.

A. M. Delisle, Esquire,

President of the Montreal and Bytown Railway Company.

SIR,—We have the honor to acknowledge receipt of your favour of yesterday, calling our attention to letter of Mr. Wm. Sykes, engaging to give the City Council of Montreal security that will be satisfactory to them, and informing us that a deposit of £25,000 currency, in the bonds of the Company, as collateral security, would overcome all difficulties, and obtain payment of the city stock subscription; requesting we will therefore place such amount of bonds at your disposal.

In reply, we beg to state that the total amount of such bonds in our possession here, is £16,100 sterling, representing currency at the ordinary exchange rate of £19,588 6s. 8d. These bonds we are willing to place in the hands of the Company for the purpose above referred to, provided we receive an engagement that should we at any time require such bonds for negotiation, and notify to that effect, a similar amount of bonds of the same description shall be returned to us; also, that no interest shall be claimable on account of such bonds, that the interest *coupons* shall not be presented for payment.

On receipt of your acknowledgment embodying this engagement, we shall have pleasure in handing over the bonds.

We are, sir,

Yours, respectfully,

(Signed,)

SYKES, DEBERGUE & CO.,
Per G. HAGUE.

Statement of the various payments made by the Montreal and Bytown Railway Company, to Sykes, DeBergue, & Co., on account of the contract between said parties.

May 1st, 1854—332 Ottawa Debentures..	£33,200 cy.	=	£27,290	8	0	st.
“ “ —260 “ Terrebonne..	26,000 cy.	=	21,372	0	0	st.
			<u>£59,200</u>	cy.		<u>£48,662</u>
						8 0 st.
May 4th, 1854—2819 Stock Certificates..	£70,475 cy.		£57,390	9	0	st.
May 25th, “ —360 Company's Mortgage Debentures....			36,000	0	0	st.
July 21st, “ —300 “ “ “ “			30,000	0	0	st.
						<u>£66,000</u>
						0 0 st.

Credit by 161 Company's Debentures returned to President of the Railway Company—see our letter 16th December, 1854.....	£16,100	0	0	st.
				<u>£49,900</u>
				0 0 st.

Summary in sterling money.		£	s.	d.
Municipal Debentures.....		48,662	8	0
Stock certificates.....		57,390	9	0
Company's Mortgage Debentures.....		49,900	0	0
		<u>£155,952</u>	17	0
				st.

NOTE.—In reference to the above I have to remark, that the large nominal sums under the denomination of certified paid up stock and Company's Mortgage Debentures have hitherto been and still remain absolutely valueless as negotiable securities, in consequence of the ground upon which the line and works have been constructed not having been purchased by the Railway Company in terms of the contract.

In reference to the amount under the denomination of Municipal Debentures my knowledge is of a limited character; I am aware that about £38,000 sterling, was transmitted to England (for the purpose of negotiation by my brother,) about May, 1854; from letters I have received from him at various times up to August, 1854, I have reason to believe, that in the character they stood, as simple Municipal Bonds, and in the then stringent state of the money market, they were absolutely unsaleable—but in anticipation of some Canadian Legislation whereby they might be exchanged for bonds bearing a Government guarantee, my brother succeeded in obtaining advances to the extent of 66 per cent. by hypothecating £32,000 sterling of them.

This it will be seen would place at our disposal a sum of about £21,300 stg., which, to the best of my belief was the very outside of all we acquired in cash upon these securities.

In answer to a former question I have stated the balance between the amount of these debentures received by us and the amount transmitted to England, were deposited in the hands of W. C. Evans, Esquire, for use by me as occasion might require, and to cover any agreement they were liable to in regard to Messrs. Rogers & Co., for rails; at this time I believe Rogers' agreement would have required over £3000, sterling. I find by reference to one of my brothers letters, he had given an

order on W. C. Evans, Esquire, for £5000, sterling, of this to be paid Messrs. Rogers & Co., on account of rails, they having agreed to take the same at par.

Since then these debentures have been exchanged for the Lower Canada Municipal Loan Fund Debentures; but of the amount so exchanged, and the application of surplus sums, over and above what the original debentures were hypothecated for, I am unable to give this Committee any account.

My brother was lost in the "Arctic," 27th September, 1854, since which time I have been very sparingly informed of what has been doing, and since March, 1855, I have received no communication whatever from the Railway Company, with the exception of the declaration which accompanied the seizure by the Sheriff's officer at their instance of the rolling stock from me in September last.

Although as stated above, that I am unable to say how any portion of the proceeds arising from the conversion of these debentures was actually expended, I have strong grounds for believing that about £9000 sterling has been appropriated in an improper manner, to relieve Mr. James Sykes, Mr. W. C. Evans, and Mr. W. A. Matthews of an engagement relative to the Messrs. Kinmond's Locomotive manufactory at Montreal.

The history of this transaction is, in my estimation, of importance to be fully known to this Committee, as being so materially blended with the disposal of the funds acquired from said Debentures; and also as accounting for an alleged explanation of Sykes, De Bergue & Co.'s losses which have been so freely commented upon.

This history is briefly as follows: Shortly after my arrival in Canada and to the best of my recollection about July, 1853, Mr. W. C. Evans introduced to me by letter the Messrs. Kinmonds, and also spoke to me on the subject of taking an interest in their locomotive works. At the first conversation on this subject I was not inclined to enter into the speculation, but he pressing the matter and saying that the Kinmonds being in pecuniary difficulties he thought it a good opportunity to assume a business, which with their prospects of Railways in Canada must become remunerative to a considerable extent. He further proposed, that if I on the part of my brother would become responsible for one-third of the advances necessary to put the concern in a creditable position; he would undertake, for himself and partners, to become responsible for another one-third, and he on the part of W. A. Matthews of Sheffield (whose confidence and power of attorney he professed to have) would be responsible for the remaining one-third. On these conditions I entered into the matter and gave drafts on my brother in favor of Anderson, Evans & Co. (who opened in their book a separate account in my name as trustee for James Sykes and others) and who continued to make advances thereupon to the Kinmonds until these drafts amounted to about £9000 sterling.

About July, 1854, at a time when I was very seriously ill, and under the care of Drs. Sutherland and Crawford, I was surprised and alarmed by some communication from our book-keeper, Mr. George Hague, which, notwithstanding my illness, prompted me to make immediate enquiries of their purport—when my alarm was further increased on learning that at the instigation of Mr. W. C. Evans he had made the entries of transactions with the firm of Anderson, Evans & Co., in our books in such a manner as to make the firm of Sykes, De Bergue, & Co., appear as debtors for this amount instead of keeping the account in my name as trustee for James Sykes, W. C. Evans, and W. A. Matthews.

This manner of altering the position in which I stood in regard to the firm of Anderson, Evans & Co., showed a balance of a considerable amount in their favor against Sykes, De Bergue & Co., and Mr. Evans pressed me to give him an order on the Chairman of the B. and O. Railway Company, for an amount of Upper Canada Consolidated Loan Fund Bonds to cover the same. This I absolutely refused and pointed out that when he in accordance with his original agreement with me had paid two-thirds of the advances to Kinmonds' concern—the balance

would be in our favor. I also gave positive instructions to our book-keeper to have the accounts entered in our books precisely in the terms of my agreement with Mr. Evans. Notwithstanding my directions to him and my express determination not to allow such a transaction, advantage was taken of my continued illness, and inability to attend to business, to perpetuate this state of accounts, and to throw this charge on the firm of Sykes, De Bergue & Co.; although that firm had nothing whatever to do with the matter, and as a firm were not in existence at the time a majority of these drafts were made.

I am aware while Mr. Chamberlain (De Bergue's solicitor) was in Canada last summer, he professed to treat this as a debt of the firm, (but I distinctly deny his right to do so); I do not know his motives but think they were not such as would lead to obtaining either justice to our firm or to our legitimate creditors.

While he was in Montreal and in daily communication with several Directors of the Railway, a paragraph appeared in the Montreal Transcript, in which this and other misrepresentations were endeavoured to be palmed on the public. As my name was made use of in this article I deemed it nothing but an act of justice to the public to deny at that time the position there put forward, and shall always repudiate that debt.

If then my surmises are correct that this £9000 sterling has been paid out of the proceeds of the aforesaid Debentures, I deliberately declare it to be a misapplication of said funds.

The ascertainment of this fact I presume to be within the power of this Committee.

WILLIAM SYKES.

Questions submitted to W. C. Evans, Esquire, by the Committee:

1. Are you now, and how long have you been, a Director of the Montréal and Bytown Railway Company?

2. What was the amount of stock you subscribed in the said Company, whether individually or as a partner of Anderson, Auldjo and Company.

3. What was the amount of stock subscribed by private individuals in the said Company, when the contract was entered into for the construction of the road with Messrs. Sykes, De Bergue and Company?

4. What was the amount of stock subscribed by Municipalities?

5. Did you become a party to the contract with Sykes, De Bergue and Company, as agent for W. A. Matthews, who became security for the contractors?

6. Did you know, at the time of the contract the said W. A. Matthews; and what were his means?

7. Did you know the said firm of Sykes, De Bergue and Company, or the partners thereof, and did you know their means?

8. Had you any authority from the said W. A. Matthews to act on his behalf?

9. Was there any land purchased by the Company for the road, and was the same or any portion thereof paid for?

10. Was there any portion of the road made or begun, and when did the contractors discontinue the works on the road?

11. What was the financial position of the Company, that is, what were the available means of the Company to construct the road, and what the debts of the Company?

12. Had then the debentures of the County of Terrebonne and of the County of Ottawa passed into the hands of the contractors or not?

13. What amount of such debentures had then passed into the hands of the contractors?

14. Was the By-law of the Municipality of the County of Two Mountains, authorizing the taking of stock in the Montreal and Bytown Railway Company, and the issue of debentures for the payment of said stock, contested, and was the contestation pending when the works were discontinued, and has the By-law since been declared void?

15. Did the City Council for the City of Montreal refuse to issue debentures for the stock they had subscribed in the said Company, and on what grounds?

16. When were the Municipal debentures of the County of Terrebonne and Ottawa paid over to the contractors?

17. Was there any portion of the road completed?

18. Did you recommend Messrs. Sykes, DeBergue & Co. to the Directors of Montreal and Bytown Railway Company?

19. Was there any portion of the debentures issued by the Municipal Councils of Terrebonne and Ottawa transferred to you or to the firm of Anderson, Auldjo & Co. to which firm you were one of the partners, and if yea, what amount was so transferred to you or to said firm?

20. Do you know if any portion of said debentures were transferred to any other party or parties, and if yea, to whom and what was their amount?

21. Were you ever authorised by the Company of the Montreal and Bytown Railway Company to exchange the debentures issued by the Terrebonne and Ottawa Municipalities, or any part of them, for Provincial Debentures under the Municipal Loan Fund Act?

22. Were you also authorised by the holders of said debentures to make such an exchange, and state by whom?

23. When were you so authorised to make the exchange?

24. When was the exchange effected, to whom did you apply, to whom did you deliver the Municipal Debentures, and from whom did you receive the Provincial or Municipal Loan Fund Debentures?

25. Had you a written authority from the Council or from the Mayor of Terrebonne, to exchange the debentures issued by Municipal Council of said County, and was it under such authority that the exchange was made?

26. Was there any authority from the Municipality, or from the Mayor of Terrebonne, required when the exchange was made?

27. Was the exchange of the Municipal Debentures of the County of Ottawa made under and in virtue of an authority from the Mayor, or from the Municipality of the County of Ottawa?

28. Was not the exchange of the Municipal Debentures of the County of Terrebonne exchanged on the express condition that an authority from the Municipality or from the Mayor of Terrebonne, should be produced afterwards?

29. When you asked to exchange the debentures, or at any time during the negotiations for said exchange of debentures, did you not produce a joint authority from the Mayor of Terrebonne and from the President of the Montreal and Bytown Railway Company, authorising the agent of the Bank of Montreal at Québec to receive the Provincial Debentures from the Government or from the Receiver General?

30. Was not some alterations made in the said joint order, and state in what particular?

31. Was it not in virtue of this joint order that you claimed the Provincial Debentures in exchange for the Municipal Debentures?

32. After the alteration had been made in the said joint order, did you apply to the Mayor of Terrebonne, Mr. Papineau, to sanction the alteration, and did he not refuse to do so?

33. Did he not then agree to go to a meeting of the Directors of the Company at Montreal, which was to be held on the 4th June, 1855, when he would give you a final answer?

34. Did he attend at the meeting in question, and was he then solicited to sign or sanction the alteration made in the joint order, and did he refuse to do so?

35. Were the debentures exchanged at the time of the said meeting, and at the time you went to the Mayor of Terrebonne to obtain his sanction to the joint order already mentioned?

36. At the time the exchange was made, was there any of the Municipal Debentures of the Counties of Terrebonne and Ottawa held by any of the following gentlemen; to wit:—C. J. H. Lacroix, Henry Judah, Norbert Dumas, R. H. Lemoine, Wm. Workman, A. M. Delisle, J. L. Beaudry, Dr. Wolfred Nelson, Lemuel Cushing, A. E. Montmarquet; or by the following firms and companies, to wit: Frothingham, Workman & Co., the City Bank, Montreal, the Trust and Loan Company, the Montreal Provident and Savings' Bank?

37. Was there, to your knowledge, any money paid or anything given to the officers of the Municipality, or to any of the officers of the Montreal and Bytown Railway Company, or to any of the public officers through whom the application for the exchange of these Municipal Debentures had to be examined on the exchange to be made either as a remuneration for services rendered, or as present for anything done in connection with the exchange of these Municipal Debentures of the County of Terrebonne or of Ottawa, and if yea, state to whom and in what these consisted?

38. What became of the Provincial Debentures you received in exchange for the Municipal Debentures of the Counties of Terrebonne and Ottawa, to whom were they delivered, and what was their amount?

39. Was the firm of Anderson, Auldjo & Co., a creditor of Sykes, DeBergue & Co, or of the Montreal and Bytown Railway Company when the debentures were exchanged?

40. Were any of the said Provincial Debentures or any part of proceeds thereof paid to any of the Directors or Officers of the Company of the Montreal and Bytown Railway Company, and what amount?

41. Was there any money paid by the Company or by the Directors for expenses in getting the By-laws of the Municipalities passed and sanctioned, what was the amount of said expenses?

42. Were the debentures issued by the County of Terrebonne exchanged for the benefit of Sykes, DeBergue & Co., and their creditors, or for that of the Company of the Montreal and Bytown Railway Company?

Mr. W. C. Evans answered as follows :

1. Yes, and I have been a Director since the first meeting of the shareholders that was called for the purpose of Election of Directors.

2. Five hundred pounds in my own individual name.

3. I have not access to the Books of the Company now, and therefore I cannot say exactly but they will shew.

4. Same as last.

5. I had a power of Attorney from W. A. Matthews, to sign for him as one of the secretaries to the contract, and did so.

6. I had done business for many years previously with the firm of which Mr. Matthews is the active partner, and found him honourable in the highest degree, and very easy in his circumstances. He was at that time Mayor of the borough of Sheffield, England, a position very seldom filled by men of slender means. The firm was, and is now one of the most extensive steel converters and edge tool manufacturers in England.

7. When in England, in the winter of 1853 and 1854, I was introduced to Mr. James Sykes by Mr. Matthews, who informed me that Mr. Sykes' firm which was then James Sykes & Co., could command, directly or indirectly, upwards of a quarter of a million of pounds sterling, and said, at same time, that I would be doing

Canada a great benefit if I could induce them to take up some of our railways. I was also shewn letters from the Hon. Joseph Howe, Provincial Secretary of the Province of Nova Scotia, who, when in England, had gone to some trouble to enquire about their means, and he wrote in similar terms of them, and I was also shewn letters from Earl Fitzwilliam, and from parties and Companies for whom James Sykes & Co. had entered upon, and fulfilled contracts with, which spoke highly of them, and I received a good report of them from all my friends of whom I made enquiries.

8. Yes, it is deposited by "*acte de dépôt*" with I. J. Gibb and colleague, and I will produce a copy if required as soon as possible.

9. Same as No. 3.

10. The road was begun in several places, and was not discontinued until some time after the death of Mr. James Sykes, say during the subsequent winter.

11. Same as No. 3.

12. Yes all of them in one payment.

13. Same as No. 3.

14. To the best of my knowledge and belief it was.

15. Yes, they refused upon the ground that the security was "not satisfactory" to them, because the parties resided out of Canada.

16. In the latter end of April or beginning of May, 1854.

17. The portion between Carillon and Grenville was nearly complete.

18. Before the Company was organised I did to the provisional directors, and up to the time that I myself was elected a director by the shareholders, I acted on behalf of James Sykes & Co. which was the firm until about October, 1853.

19. No portion of the Debentures ever came to me or the firm of which I am a member from either the Montreal and Bytown Railway Company, or the Municipalities of Terrebonne or Ottawa, a portion were received by us from Messrs. Sykes, De Bergue, & Co., but as I have not the books of our firm here I cannot state the amount exactly. These were placed in our hands as collateral security for the due payment of William Sykes' drafts upon his brother and others in England, several of which maturing, after James Sykes' death, were not paid them and we had to pay them.

20. They were all paid over by the Montreal and Bytown Railway Company to Messrs. Sykes, De Bergue, & Co., who made disposition of them some through the Bank of British North America and some to the firm of Anderson, Evans & Co.

21. Yes to exchange them.

22. Yes, by Messrs. Sykes, De Bergue & Co.

23. In the end of April or beginning of May, 1855.

24. On the 16th May, 1855, and to the Deputy Receiver General, from whom I received the Provincial ones.

25. I had, but they were not exchanged in that authority.

26. I thought there was, but the Deputy Receiver General thought differently.

27. No, they were exchanged upon the same principle as those of Terrebonne.

28. No.

29. I did, but they were returned to me not being required or deemed necessary.

30. Yes, but it was put back into its original state upon Mr. Papineau refusing to agree to its alteration. Can produce it if required.

31. Yes, but the Deputy Receiver General did not think it necessary.

32. Yes, but he refused.

33. As well as my memory serves me, I think he did.

34. I believe he did, and that he refused. I was present at a meeting of the Directors about that time and he refused to sign.

35. Yes.

36. Not to my knowledge.

37. Same as No. 3.

38. They were the property of Messrs. Sykes, De Bergue & Co., and were delivered to the parties who held them as collateral security for the repayment of advances to them. Those parties were the Bank of British North America and Anderson, Evans & Co.

39. Of both Sykes, De Bergue & Co., and the Montreal and Bytown Railway Company, that is the firm of Anderson, Evans & Co., (not Anderson, Auldgo & Co.,) and are so now also.

40. To the best of my knowledge and belief, no.

41. Same as No. 3.

42. For the benefit of the creditors of Messrs. Sykes, De Bergue & Co., who were represented by the Bank of British North America and ourselves, and who held them as collateral security for advances made upon them.

W. C. EVANS.

Toronto, 7th May, 1856.

In further answer to question No. 42, I would say the Montreal and Bytown Railway Company had the indirect interest in them in so far as their contractors being benefitted by the exchange the road would be the sooner completed by them.

W. C. EVANS.

[No. 233.]

By-law of the Council of the City of Montreal to authorize the Corporation to take Stock in the Montreal and Bytown Railroad Company, and to issue Bonds therefor.

Whereas a Railroad from the City of Montreal to Bytown, in the Ottawa District of Canada West, which shall run across the Island of Montreal, in a line or direction north of the Mountain of Montreal, and have a terminus within the limits of the said City, north of St. Lawrence Street, in the St. Lawrence Ward of this City, will promote the trade and prosperity of the said City; and it is desirable and necessary to aid in the establishment and formation of such a road.

At a Special Meeting of the Council of the City of Montreal, held in the City Hall of the said City of Montreal, the first day of August, in the now year of Our Lord one thousand eight hundred and fifty-three, under and by virtue of the Act of the Provincial Legislature, 14 and 15 Vic., cap. 128, in the manner and after observance of all the formalities prescribed in and by the said Act; at which said meeting not less than two-thirds of the members of the Council to wit, the following members thereof, are present, viz:—His Worship the Mayor the Hon. Charles Wilson, Aldermen Whitlaw, Whitney, Trudeau, Valois, Larkin, Councillors Tiffin, Cuvillier, Starnes, Corse, Campbell, Marchand, Labelle, Bleau, Adams, Mussen, Homier, McCambridge, Bronsdon, Thompson, Coursol, and Papin.

It is ordained and enacted by the said Council, and the said Council do hereby ordain and enact, subject to the consent of a majority of the qualified electors of the City of Montreal first had and obtained, in the manner stipulated and provided for, in and by the Act 14 and 15 Vic., cap. 51.

Section 1. That upon the conditions and terms hereinafter stipulated and provided for, the Mayor of the said City shall be, and he is hereby authorized and required, for and on behalf of the Corporation of this City, to subscribe for and take

4000 shares in the stock of the Montreal and Bytown Railroad Company, chartered by Act of the Parliament of this Province.

Sec. 2. That the Mayor and Council of the said City are hereby authorized and empowered to borrow such sum or sums of money as may and will be required to pay the subscription for the said 4000 shares so required by the preceding Section of this By-law, to be taken in the chartered stock of the said Montreal and Bytown Railroad Company, and the interest thereon, as the same may be required to be paid, from time to time, by instalments or otherwise, as the construction of the said Railroad shall be proceeded with to completion; and for the purpose of borrowing the said sum or sums of money to pay the said subscription and the interest thereon as aforesaid, or for the payment or satisfaction of the same directly, if desirable, the said Mayor and Council of the said City, shall be and they are hereby authorized and required, from time to time, and as often as may be necessary, to issue, sell and dispose of Bonds or Debentures of the said Corporation of the said City of Montreal, signed by the Mayor of the said City and countersigned by the City Clerk thereof, for a sum or sums not exceeding in all, the sum of one hundred and twenty-five thousand pounds currency, the said bonds to bear interest at six per cent. per annum, payable semi-annually; to be payable not less than twenty-five years after date; and not to be issued for sums of not less than one hundred pounds each.

Sec. 3. That the said Mayor shall not be authorized to subscribe for the said stock, nor the said Mayor and Council to borrow money or issue bonds or debentures of the said Corporation therefor, in the manner provided for in and by the two preceding Sections of this By-law, except upon the following express terms and conditions, to wit:

1stly. That the whole amount of the chartered stock shall be first subscribed for, and taken up, by *bona fide* and responsible stockholders.

2ndly. That a *bona fide* contract or contracts shall be made for the construction of the whole of the road from Montreal to Bytown, and good and sufficient security shall be given to the satisfaction of the Council of the said City, for the fulfilment and execution of the said contract or contracts.

3rdly. That the line of the said road shall run north of the Mountain of Montreal, and that the said road shall have a terminus within the said City, north of St. Lawrence Street, and below or east of the Côte à Baron therein.

4thly. That the Council of this City shall not be called upon to pay or contribute, for, or on account of the stock to be subscribed for, under this By-law, except in proportion *pro rata*, with all other stockholders; and that the stock to be subscribed for, under this By-law, shall be payable at the option of the said Council of this said City, either in money or in bonds or debentures of the Corporation, to be issued under the authority of this By-law, which bonds or debentures, if offered in payment of the said stock, shall in all cases be taken at a par value.

5thly. That neither in the event of its being necessary at any time hereafter to augment the capital stock of the said Montreal and Bytown Railroad Company, or of any other contingency or event whatsoever, shall any privilege, preference, or advantage, attach, or be given to, any new or additional stock, over the stock subscribed for, or held by the said Corporation; nor shall any privilege preference or advantage be allowed or given to the subscribers to, or holders of the said new or additional stock, in preference, or to the prejudice, of the said Corporation.

6thly. That the said Montreal and Bytown Railroad Company, bind and oblige themselves, that if ever they form a junction with the North Shore Railroad from Quebec, or with any other Railroad from Quebec, or any other place north of the Island of Montreal, such junction shall be made within the limits of the City of Montreal, and no where else.

And lastly. That, according to the requirements of the said Act 14 and 15 Vic., cap. 51, this By-law be submitted to the qualified electors of the City of Montreal,

after public advertisement thereof, in the manner and for the number of times provided for, in the said Act, and that it be adopted with the consent of a majority of the said electors, to be ascertained by the votes of the said electors, to be taken in the same manner as is provided in the Act of Incorporation of the said City for the election of Mayor and Councillors, in the City Hall of the said City of Montreal, between the hours of ten o'clock in the forenoon and four o'clock in the afternoon, each day, from Thursday the first, to Thursday the fifteenth day of September next, both days inclusive.

(Signed) CHARLES WILSON, Mayor.

[L. S.] (True Copy,) HENRY STARNES, Mayor.
J. P. SEXTON, City Clerk.

Public Notice

Is hereby given that, in accordance with the provisions of the Act 14th and 15th Vict., cap. 51, the By-law of the Council of the City of Montreal, intituled No. 233, "To authorise the Corporation to take stock in the Montreal and Bytown Railway Company, and to issue debentures for the same," read at the sitting of the Council held at the City Hall on Monday the First day of August, 1853, will be submitted to the qualified voters of the City of Montreal, for their approval and the adoption thereof by a majority of the said Electors, by their vote upon the said By-law, at the City Hall of the said City of Montreal, between Ten of the clock in the forenoon and Four of the afternoon, each day, from Thursday the First until Thursday the Fifteen day of September next, both days inclusive, and all the qualified voters of the said City of Montreal are hereby notified that certificates of their qualification to vote for the adoption and rejection of the said Bylaw will be ready and can be procured by applying at the office of the undersigned at the City Hall, between Ten of the clock in the forenoon and Four in the afternoon, each day, from Thursday the First until Thursday the Fifteenth day of September, both days inclusive.

J. P. SEXTON.
City Clerk.

Office of the City Clerk,
City Hall,
Montreal, 6th August, 1853.

[No. 237.]

By-law of the Council of the City of Montreal, to authorize the Corporation of this City to take Stock in the Montreal and Bytown Railroad Company, and to issue bonds therefor, in conformity with the consent to that effect, given by a majority of the qualified Electors of this City, in the manner prescribed by the Act 14 and 15 Vict., cap. 51.

Whereas this Council, by a By-law thereof, made on the 1st day of August last past, ordained and enacted, that upon the conditions and terms in the said By-law stipulated, the Mayor of the said City should be authorized and required, for and on behalf of the Corporation of the said City, to subscribe for and take 4,000 shares in the stock of the Montreal and Bytown Railroad Company, chartered by Act of the

Parliament of this Province; and whereas it was especially stipulated in the said By-law, amongst other terms and conditions therein set forth, that according to the requirements of the Act 14 and 15 Vict., cap. 51, the said By-law should be submitted to the qualified Electors of the City of Montreal, after public advertisement thereof, in the manner and for the number of times provided for in the said Act, and that it should be adopted with the consent of the majority of the said Electors, to be ascertained by the votes of the said Electors, to be taken in the manner provided for by law, and in the said By-law more especially detailed; and whereas, after public advertisement thereof, in the manner and for the number of times provided for in the said Act, 14 and 15 Vict., cap. 51, the said By-law was submitted to the qualified Electors of the City of Montreal for their votes thereon, from the 1st to the 15th days of September last past, both days inclusive; and whereas it appears by the return and report of the Board of Revisers, appointed by law to take and receive the said votes of the said qualified Electors aforesaid, that a majority of the qualified Electors have, by their said votes, consented to the adoption of the said By-law, and that the said majority have thereby consented, that upon the conditions and terms in the said By-law enumerated, and hereinafter also stipulated and set forth, the Mayor of the said City shall, for and on behalf of the said Corporation, subscribe for and take 4,000 shares in the stock of the said Montreal and Bytown Railroad Company: and that the said Mayor and Council of the said City shall be authorized to borrow such sums of money as may be necessary to pay the said subscription for the said 4,000 shares of the said Railroad stock and the interest thereon, as the same may be required to be paid; and that for the purpose of borrowing the said sum or sums of money to pay the said subscription and interest thereon, the said Mayor and Council shall moreover be authorized to issue, sell and dispose of bonds or debentures of the said Corporation, for a sum or sums not exceeding in all the sum of £125,000 cy., payable in not less than 25 years after the date thereof respectively, and bearing interest at six per cent. per annum, payable semi-annually, and whereas all the conditions, stipulations and requirements of law, and especially of the said Act 14 and 15 Vict., cap. 51, in regard to the said By-law, have been in the preceding, and in every other respect, fulfilled, complied with and executed.

At a Special Meeting of the Council of the City of Montreal, held in the City Hall of the said City of Montreal, this fifth day of October, in the now year of Our Lord One Thousand Eight Hundred and fifty-three, under and by virtue of the Act of the Provincial Legislature, 14 and 15 Vict., cap. 128, in the manner and after observance of all the formalities prescribed in and by the said Act; at which said meeting not less than two-thirds of the members of the Council to wit, the following members thereof, are present, viz:—His Worship the Mayor; Aldermen Grenier, Whitlaw, Leclaire, Trudeau, Valois, Councillors Tiffin, Cuvillier, Starnes, Marchand, Labelle, Bleau, Adams, Goyette, Mussen, Homier, M'Cambridge, Bronsdon, Thompson, Coursol, and Papin.

It is ordained and enacted by the said Council, and the said Council do hereby ordain and enact:—

Section 1. That the said By-law of the Council, No. 233, made on the said 1st day of August, last past, and intituled, "By-law of the Council of the City of Montreal, to authorize the Corporation to take Stock in the Montreal and Bytown Railroad Company, and to issue Bonds therefor," shall be, and the same is hereby adopted and confirmed by this Council—all the requirements of law, and especially of the said Act 14 and 15 Vict., cap. 51, in relation to the said By-law, having been in every respect, complied with and fulfilled.

Sec. 2. That in consequence, the Mayor of this said City shall be, and he is hereby authorized and required, upon the terms and conditions hereinafter enumerated, to subscribe for and take 4,000 shares in the stock of the Montreal and Bytown Railroad Company, chartered by Act of the Parliament of this Province.

Sec. 3. That the Mayor and Council of the said City, are hereby authorized and empowered to borrow such sum or sums of money as may and will be required to pay the subscription for the said 4000 shares so required to be taken in the Chartered Stock of the said Montreal and Bytown Railroad Company, and the interest thereon, as the same may be required to be paid, from time to time, by instalments or otherwise, as the construction of the said Railroad shall be proceeded with to completion; and for the purpose of borrowing the said sum or sums of money to pay the said subscription and the interest thereon as aforesaid, or for the payment or satisfaction of the same directly, if desirable, the said Mayor and Council of the said City, shall be, and they are hereby authorized and required, from time to time, and as often as may be necessary, to issue, sell and dispose of Bonds or Debentures of the said Corporation of the said City of Montreal, signed by the Mayor of the said City and counter-signed by the City Clerk thereof, for a sum or sums, not exceeding in all, the sum of one hundred and twenty-five thousand pounds currency, the said bonds to bear interest at six per cent. per annum, payable semi-annually; to be payable not less than twenty-five years after date; and not to be issued for sums of less than one hundred pounds each.

Sec 4. That the said Mayor shall not be authorized to subscribe for the said stock, nor the said Mayor and Council to borrow money or issue Bonds or Debentures of the said Corporation therefor, in the manner above provided for, except upon the following express terms and conditions, to wit :

1stly. That the whole amount of the Chartered Stock shall be first subscribed for, and taken up, by *bona fide* and responsible stockholders.

2ndly. That a *bona fide* contract or contracts shall be made for the construction of the whole of the Road from Montreal to Bytown, and good and sufficient security shall be given to the satisfaction of the Council of the said City, for the fulfilment and execution of the said contract or contracts.

3rdly. That the line of the said Road shall run North of the Mountain of Montreal, and that the said Road shall have a terminus within the said City, North of St. Lawrence Street, and below or East of the Côte à Baron therein.

4thly. That the Council of this City shall not be called upon to pay or contribute, for, or on account of the Stock to be subscribed for, under this By-law, except in proportion, *pro rata*, with all other Stockholders; and that the Stock to be subscribed for, under this By-law, shall be payable, at the option of the said Council of this said City, either in money or in Bonds or Debentures of the Corporation, to be issued under the authority of this By-Law, which bonds or debentures, if offered in payment of the said Stock, shall in all cases be taken at a par value.

5thly. That neither in the event of its being necessary at any time hereafter to augment the Capital Stock of the said Montreal and Bytown Railroad Company, or of any other contingency or event whatsoever, shall any privilege, preference or advantage, attach, or be given to, any new or additional Stock, over the Stock subscribed for, or held by the said Corporation; nor shall any privilege, preference or advantage be allowed or given to the subscribers to, or holders of the said new or additional Stock, in preference, or to the prejudice, of the said Corporation.

6thly. That the said Montreal and Bytown Railroad Company, bind and oblige themselves, that if ever they form a junction with the North Shore Railroad from Quebec, or with any other Railroad from Quebec, or any other place

north of the Island of Montreal, such junction shall be made within the limits of the City of Montreal, and no where else.

(Signed,)

CHARLES WILSON, Mayor.

[L. S.]

(True Copy,)

HENRY STARNES, Mayor.

J. P. SEXTON, City Clerk.

Extract from the Minutes of a Quarterly Meeting of the Council of the City of Montreal, held on Monday, the Eleventh day of December, 1854.

Present :—His Worship the Mayor; Aldermen Grenier, Whitlaw, Atwater, Leclaire, Whitney, Larkin, Trudeau, Homier, Bronsdon; Councillors Cuvillier, Starnes, Adams, McCambridge, Lynch, Montreuil, Thompson, Coursol, Valois, Campbell, Day, Lyman, Ricard, and Hibbard.

A report was brought up and read, from the Finance Committee, on the demand made to pay the amount of a call on shares of stock in the Montreal and Bytown Railway Company.

Alderman Whitney moved, seconded by Alderman Leclaire :

That the said Report be received and adopted.

Councillor Starnes moved in amendment, seconded by Councillor Valois :

That the consideration of the said Report be postponed until the Montreal and Bytown Railroad Company shall lay before this Council the stock-book, to enable the members thereof to ascertain if the whole amount of the chartered stock has been subscribed for and taken up by *bona fide* and responsible stockholders, in accordance with the first condition imposed by the By-law authorising the Corporation to take stock in the said road.

And the question being put on the motion in amendment,

The Council divided thereon :

Yeas :—Councillors Lyman, Campbell, Valois, Starnes,—Aldermen Homier, Trudeau, Larkin, Atwater, and Grenier,—9;

Nays :—Councillors Hibbard, Ricard, Day, Coursol, Thompson, Montreuil, McCambridge, Lynch, Adams, Cuvillier,—Aldermen Bronsdon, Whitney, Leclaire, and Whitlaw,—14.

So it passed in the negative.

Councillor Ricard moved in amendment, seconded by Councillor Thompson :

That the said Report be amended by adding the following words thereto,

viz. :
 “That the Company shall bind themselves not to extend the delay given to the Contractors for the construction of the road, which delay is of four years from the date of the contract between the parties.”

Which was carried unanimously, and resolved accordingly.

The question being put on the main motion as amended,

The Council divided thereon :

Yeas :—Councillors Hibbard, Ricard, Day, Coursol, Thompson, Montreuil, McCambridge, Lynch, Adams, Cuvillier; Aldermen Bronsdon, Whitney, Leclaire, and Whitlaw,—14;

Nays :—Councillors Lyman, Campbell, Valois, Starnes,—Aldermen Homier, Trudeau, Larkin, Atwater, and Grenier,—9.

So it was carried in the affirmative, and resolved accordingly.

REPORT.

To His Worship the Mayor, Aldermen and Citizens of the City of Montreal, the Finance Committee respectfully report:

In reference to the demand made by the Montreal and Bytown Railway Company, upon the Corporation of the City, to pay the amount of a call upon shares of stock, alleged by the Railway Company to have been subscribed for by the Corporation of this City.

That at the written request of the President of the Montreal and Bytown Railway Company, Your Committee had a conference with the President and Directors of the Company, that the result of the conference has been the accompanying letter from the President of the Company, communicating that with a view of affording every possible guarantee for the performance of the works, the Company offered to observe and fulfill the following conditions, viz.:

1. That the Company shall deposit, as collateral security to the Corporation, the sum of £25,000 currency, (say twenty-five thousand pounds, currency,) of the Company's debentures, which shall be returned to the Company after the railway shall be opened to passengers and traffic, between the City of Montreal and Grenville.

2. That the Corporation shall only be called upon to pay, as the works progress, between Montreal and Carillon, at the rate of twenty-five per cent. on work done, and money expended; the amount due to be ascertained by a competent Engineer, named by the Corporation and paid by the Company.

3. That the works and railway shall be first commenced and prosecuted in the City of Montreal, and continued outwards towards Carillon.

4. That the interest on any payment to be made by the Corporation, shall only date and be reckoned from and after the day the issue of the debentures to the Company shall be ordered by the Council.

Your Committee are of opinion that, taken in connexion with the sureties in England, (which they recommend the Council not to forego,) the above enumerated terms and conditions will afford to the Council, that good and sufficient security, which is required by the By-law of this Council, No. 237, to be given to the satisfaction of the Council for the fulfillment and execution of the contract, for the making and completion of the said Montreal and Bytown Railway; and they recommend that it be so declared by this Council: and further, that as the work of the said Railroad will be proceeded with, from Montreal outwards towards Carillon, progressively, this Council do issue bonds on account thereof, in favor of the said Company, in the proportions and manner and at the periods stipulated for in the terms and conditions embodied in Mr. Delisle's letter and hereinbefore enumerated.

The whole nevertheless respectfully submitted.

(Signed,)

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H. H. WHITNEY, Chairman,
JOHN J. DAY,
ROLLO CAMPBELL,
FRS. LECLAIRE,
MAURICE CUVILLIER.

Committee Room, City Hall,
Montreal, 7th December, 1854.

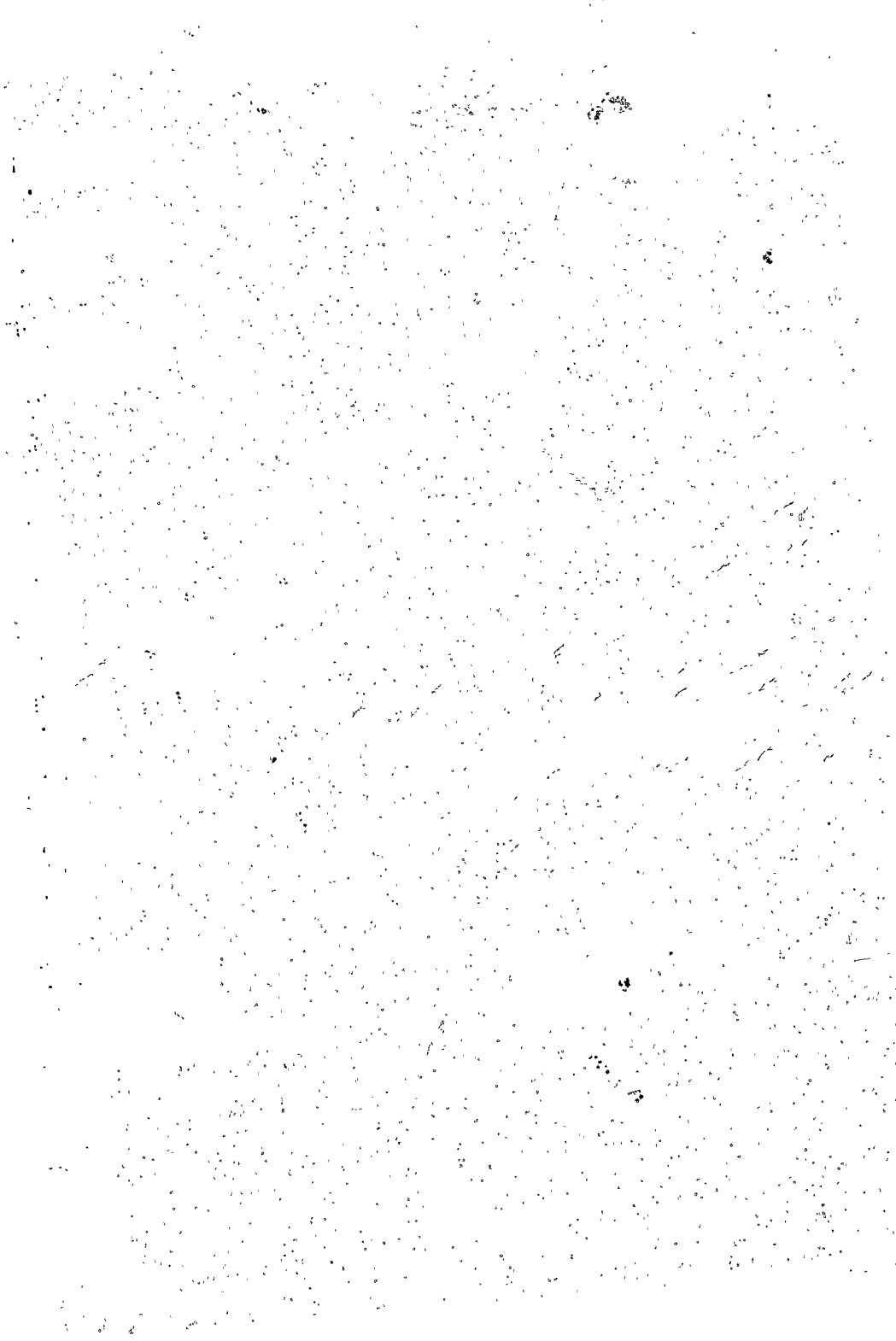
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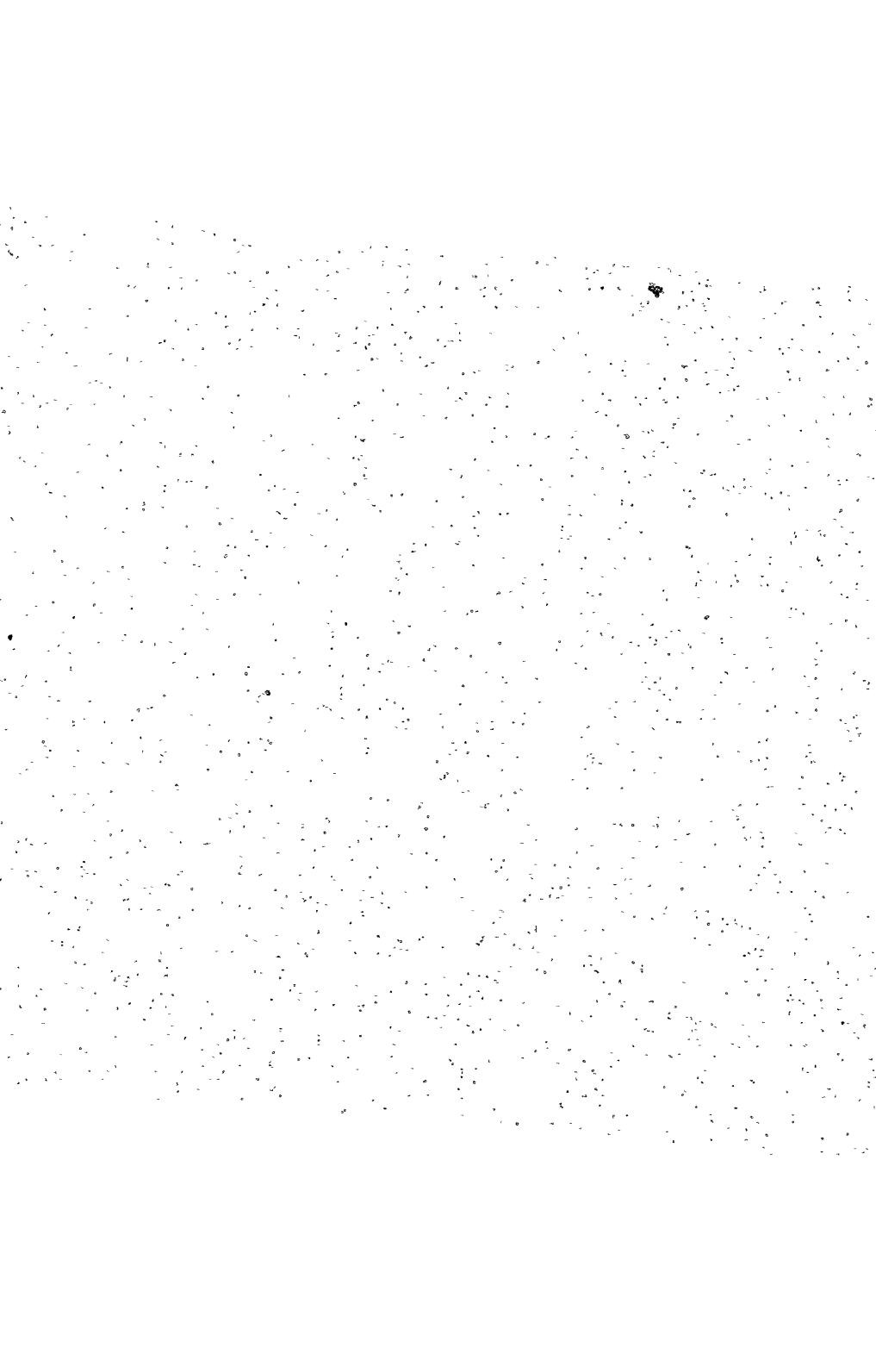
J. P. SEXTON, City Clerk.

H. STARNES, Mayor.

The Company having failed to fulfill the conditions stipulated in the foregoing report, no bonds were issued.

J. P. SEXTON, City Clerk.





TORONTO:

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