

CANADA (HAMILTON MUNICIPAL
BONDS).

Copy of Correspondence between the Secretary
of State for the Colonies and the Governor
General of *Canada*, on the subject of the HAMIL-
TON MUNICIPAL BONDS.

(*Mr. Western Wood.*)

*Ordered, by The House of Commons, to be Printed,
29 May 1863.*

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CANADA (HAMILTON MUNICIPAL BONDS).

RETURN to an Address of the Honourable The House of Commons,
dated 21 April 1863;—for,

A “COPY of all the CORRESPONDENCE between the Secretary of State for
the Colonies and the Governor General of *Canada*, on the subject of the
HAMILTON MUNICIPAL BONDS.”

Colonial Office, }
19 May 1863. }

C. FORTESCUE.

(*Mr. Western Wood.*)

Ordered, by The House of Commons, to be Printed,
29 May 1863.

SCHEDULE.

No. in Series.	From whom.	Number and Date.	Subject.	Page.
1.	His Grace the Duke of Newcastle, K.G., to Governor General Viscount Monck.	21 February 1863 (No. 25.)	Transmits letter from the Solicitors to the holders of certain Bonds of the Municipality of Hamilton, together with a copy of the answer returned. Calls Lord Monck's attention to the subject, and requests that he will furnish the applicants with such reply as the circumstances of their claim may require. Requests information as to the nature and merits of the case.	3
2.	Governor General Viscount Monck to his Grace the Duke of Newcastle, K.G.	20 March 1863 (No. 30.)	In reply to the above. Encloses Minute of Executive Council on the original Memorial of Messrs. Dawes; and also, a statement by the Mayor of Hamilton, in reply to the allegations contained in the Memorial of Messrs. Dawes.	5

APPENDIX.

1.	Messrs. Dawes & Sons to C. Fortescue, Esq., M.P.	4 February 1862	Forwards the "Money Market Review" of the 18th January, containing a Circular from the Mayor, stating the circumstances under which payment had been refused; an advertisement setting forth the Resolutions passed at a meeting of Bondholders; and a form of Memorial. Requests that the Memorial may be forwarded by the Duke of Newcastle.	8
2.	Sir F. Rogers, Bart., to Messrs. Dawes & Sons.	10 February 1862	In reply to the above, stating that it is a subject upon which the Secretary of State cannot undertake to interfere, and regrets that he is unable to comply with the request of the Bondholders, and must leave them to make their own application to the Governor of Canada.	11
3.	T. Frederick Elliot, Esq., to Messrs. Dawes & Sons.	10 April 1863 -	Stating that a Despatch had been received from the Governor of Canada, in which he reports that he has sent a reply to their communication on the subject of their claims on the Municipality of Hamilton.	11
4.	Messrs. Dawes & Sons to his Grace the Duke of Newcastle, K.G.	14 April 1863 -	Forwards the "Money Market Review" of 11th April 1863, containing a letter received from the Governor General of Canada, acknowledging the receipt of the Memorial of 17th March 1862, and transmits the Report of the Executive Council, the Memorial of the Mayor and Deputation from the city of Hamilton, and also the Census. Requests the Duke of Newcastle to afford the Bondholders such assistance as his Grace may deem for their interests.	11
5.	T. Frederick Elliot, Esq., to Messrs. Dawes & Sons.	21 April 1863 -	In reply to the above, and stating that while the Duke of Newcastle regrets the loss and inconvenience to which the Bondholders have been exposed, the case is not one in which it is in the power of the Home Government to exercise further influence on their behalf.	12

COPY of all the CORRESPONDENCE between the Secretary of State for the Colonies and the Governor General of *Canada*, on the subject of the HAMILTON MUNICIPAL BONDS.

— No. 1. —

COPY of a DESPATCH from His Grace the Duke of *Newcastle*, K.G., to Governor General Viscount *Monck*.

(No. 25.)

My Lord,

Downing-street, 21 February 1863.

I HAVE the honour to transmit to you, for your information, the enclosed copy of a letter from the solicitors to the holders of certain bonds of the Municipality of Hamilton, together with a copy of the answer which has been returned to it by my direction.

You will see that I have informed the parties interested in this case that it is one on which Her Majesty's Government cannot exercise any interference. But, on their first application to me, I pointed out to them that it was open to them to address themselves to your Lordship, and as they state that they have done so without receiving any answer or acknowledgment, I think it right to call your Lordship's attention to the subject, and to request that you will furnish the applicants with such reply as may appear to you to be called for by the circumstances of their claim.

I should also be glad to receive, for my own information, any account which you may be able to give me of the true nature and merits of the case.

I have, &c.
(signed) *Newcastle*.

Enclosure 1, in No. 1.

Angel Court, Throgmorton-street, London, E.C.

4 February 1863.

My Lord Duke,

As solicitors to the Committee of Hamilton Bondholders, we beg to forward to your Grace a print of the "Money Market Review" of the 31st ultimo, which contains a copy of a Memorial transmitted for presentation to the Houses of Legislature of Canada.

The fact of the Municipality of Hamilton having refused payment of the interest due upon their bonds is one upon which we have already had the honour of addressing your Grace on behalf of the Committee, and the circumstances connected with it are, no doubt, officially known to you.

Your Grace will observe, on reading the Memorial, that a year-and-a-half's interest is now due from the municipality to the bondholders; and that the municipality not only refuse payment of the interest, but are raising every obstacle to the collection of a rate by the sheriffs under the proceedings instituted on behalf of the bondholders for recovery of their interest.

On a former occasion of presenting a Memorial to his Excellency the Governor General and the Houses of Legislature, the Memorial was forwarded direct, at your Grace's suggestion, to the Governor General, but the Committee were not honoured by an acknowledgment of it; and they have, therefore, on the present occasion to beg your Grace's interference, so that the Memorials about to be presented to the Houses of Legislature in Canada may receive that attention which the special circumstances of the case and the unjustifiable conduct of the municipality entitle the bondholders to expect.

His Grace the Duke of Newcastle, K.G.
&c. &c. &c.

We have, &c.
(signed) *Dawes & Sons*.

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No. 1.
His Grace the Duke of Newcastle, K.G., to Governor General Viscount Monck.
21 February 1863.

Extracted from the "Money Market Review" of 31 January 1863.

To the Honourable the Speaker and the Legislative Assembly of Canada.

The Memorial of Hamilton (Canada West) Debenture Holders, residing in Great Britain and Ireland,—

Humbly sheweth,

THAT your Memorialists being the committee appointed by holders of debentures of the amount of 100,000 £. and upwards, granted by the Municipality of the City of Hamilton (Canada West) for loans made to that municipality for the construction of railways and waterworks in, about, and in connexion with such municipality.

That the loans for which such debentures were given, are payable at the expiration of about 20 years from the dates of the debentures, and the interest thereon is payable on the 1st day of January and the 1st day of July in every year during the period from which such debentures were issued at the City Bank, London, England.

That for the payment of the debentures and the half-yearly interest thereon, it was provided that there should be levied and raised upon the whole rateable property, both real and personal, within the said city, a special rate in each year over and above, and in addition to all other rates whatever, and which provision was the chief inducement to your Memorialists to advance their money upon the security of the debentures.

That your Memorialists believe that no such rate has been levied and raised for the payment of the debentures, or that if it has been, the money so raised has been applied to other purposes than for the payment of the debentures.

That your Memorialists and the other debenture-holders presented their coupons for the interest on the debentures, which became due on the 1st day of January, and the 1st day of July 1862, for payment, and payment thereof was refused by the Bank.

That in consequence of such refusal to pay the interest, your Memorialists and the other debenture-holders have been put to considerable expense in causing the coupons to be sent out to Canada under notarial acts, for the purpose of commencing actions against the municipality to enforce payment of the same.

That several actions have been commenced against the Municipality of Hamilton by the instructions, and at the instance of your Memorialists and other debenture-holders, to enforce payment of such interest, and judgments have been obtained against the municipality, and writs of execution issued and placed in the hands of the sheriff, with directions to levy the amount by a rate for the payment of the same in due course of law.

That many of the coupons for payment of the interest on the debentures which became due on the 1st day of January 1863, have been presented at the City Bank for payment, and payment of such interest has again been refused, but no actions have, as your Memorialists believe, been brought to enforce payment of the same.

That your Memorialists are informed that great and serious difficulties were presented to the sheriff's proceedings in levying the rates by reason of the council of the municipal corporation withholding the assessment rolls from him, whereby it became necessary for him to obtain an order of the Court of Queen's Bench for the production of such rolls to him.

That such order of the said Court was served upon the Council of the Corporation, and they for a time set the Court at defiance by disobeying the order, with a view to prevent the levy and collection of the rate in payment of the just debts due to the respective debenture-holders, and it was not until after a rule for an attachment was directed to issue against the members of the Council by the Court of Queen's Bench, that the sheriff obtained access to the rolls.

That your Memorialists have been informed that since the rule for an attachment was obtained, and the sheriff had access to the rolls, the Corporation of the City of Hamilton have most dishonourably obstructed the sheriff in the execution of his duty in levying the execution rate as far as is in their power, and have neglected and refused to appoint collectors of the rate, as they are required to do, so that it will be necessary for an application to be made at the instance of the debenture-holders to the Court of Queen's Bench for a mandamus to compel the appointment of collectors, thereby causing to your memorialists and the other debenture-holders great and unjustifiable delay in obtaining payment of the interest due to them.

That your Memorialists are advised that in the event of the interest which fell due on the 1st January 1863, and the future interest not being paid, and actions having to be brought for recovery thereof, it will be necessary that the debentures should be sent over to Canada for the purpose of being given in evidence in such actions.

That from the unjustifiable course recently adopted by the Municipal Corporation of the City of Hamilton, in opposing the sheriff in the discharge of his duties, and their disobedience in not obeying the order of the Court, and their refusal to appoint collectors, and unwillingness to raise the necessary rate for the purpose of paying such interest, your Memorialists are alarmed lest by the municipality pleading to such actions to be brought for the recovery of future interest, and to which the said municipality can have no valid defence, it may be rendered imperative for them to incur the risk of sending out their securities to be given in evidence in such actions.

That the securities of the debenture-holders have been greatly reduced in value by reason of no rate, as provided, having been especially levied and raised for payment of the

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the debentures, and of there being no powers given to the debenture-holders to enable them to foreclose their mortgages.

That the debenture-holders feel, from the facts of the interest not having been fully paid, and no special rate levied and raised for payment of the debentures, there has been such a breach of contract as to cause the principal money to become due, and that they are entitled to the consideration and assistance of your Honourable House to perfect their securities, and make them, so far as they can be made, available.

Your Memorialists therefore humbly pray that your Honourable House will be pleased to take into consideration the grievance of which they complain, and provide for some course being adopted to render unnecessary the useless expense of sending to Canada notarial acts of protest on each occasion of the interest not being paid, as well as to prevent the great risk which would be incurred in the transit of their securities between this country and Canada, and to amend the law as respects collecting debts from the defaulting municipality, and also to enable your Memorialists to foreclose their mortgages, and realise their securities, and to give to your Memorialists such other relief as the circumstances of the case imperatively demand.

Enclosure 2, in No. 1.

Encl. 2, in No. 1.

Gentlemen,

Downing-street, 21 February 1863.

I AM directed by the Duke of Newcastle, to acknowledge the receipt of your letter dated the 4th instant, in which you transmit a copy of a petition which the holders of certain bonds given by the Municipality of Hamilton, Canada, are about to present to both Houses of the Provincial Legislature, and you request his Grace's interference for the purpose of securing due attention to this petition.

I am directed to acquaint you in answer that the subject itself is one upon which, as you were before informed, Her Majesty's Government cannot exercise interference, and I am to state that still less can they interfere with the proceedings of the Houses of the Provincial Parliament of Canada.

But as you apprise the Duke of Newcastle that you have received no answer to the letter which you formerly addressed on this matter to the Governor of Canada, I am desired to acquaint you that his Grace will forward a copy of your present communication to Lord Monck, and will request his Lordship's attention to the subject.

Messrs. Dawes and Sons.

I am &c.
(signed) T. Fred. Elliot.

— No. 2. —

COPY of a DESPATCH from Governor General Viscount *Monck*, to his Grace the Duke of *Newcastle*, K.G.

(No. 30.)

My Lord Duke,

Quebec, 20 March 1863.

IN reply to your Grace's Despatch No. 25,* of February 21, in reference to the Memorial of Messrs. Dawes & Son, solicitors for some creditors of the city of Hamilton, I have the honour to enclose an approved Minute of my Executive Council, on the original Memorial of Messrs. Dawes, received last April by me.

I also have the honour to enclose a copy of a statement which, at my request, the mayor of Hamilton has made for your Grace's information, in reply to the allegations contained in the memorial of Messrs. Dawes.

I regret that, through inadvertence on my part, the receipt of the memorial in last April was not formally acknowledged to Messrs. Dawes, but no time was lost in referring it to the Provincial Secretary to whom it was sent on the 3d April, in order that he might bring the matter before the Executive Council.

Very shortly afterwards, the Ministry left office, and no report was made to me on the Memorial until a few days since.

The case of the clients of Messrs. Dawes appears to me precisely similar to that of a private creditor who has lent his money on a bad investment to a private debtor.

Neither the Provincial Government nor the Provincial Legislature, are in any sense more responsible for the debts of the city of Hamilton, than they are for those of any individual living in Canada, nor are they under any obligation that

No. 2.
Governor General
Viscount Monck,
to His Grace the
Duke of New-
castle, K.G.
20 March 1863.
* Page 3.

that I can see, to use extraordinary interposition to assist the creditors of that city in the assertion of their rights, for which the law provides ample remedies.

I am assured that there is no disposition on the part of the authorities of the city of Hamilton to evade their legal liabilities, and that an arrangement has been made, or is in progress, with the creditors of the city, by means of which it is confidently expected that the interests of those parties will be ultimately secured.

The complaint made by the Memorialists with respect to the risk and expense of sending out their debentures, in order to enable them to prove their claims against the Municipality of the city of Hamilton, is one that applies to the laws of evidence which are common to England and Canada; and I can hardly think it would be proper to make, by legislative enactment, the case of the creditors of the city of Hamilton, an exception from the rule which prevails whenever it becomes necessary on the part of a creditor to enforce his claims.

I have caused Messrs. Dawes to be informed of the cause of the delay in answering their former communication, and I have sent them copies of the enclosures in this Despatch.

I have, &c.
(signed) *Monck.*

Encl. 1, in No. 2.

Enclosure 1, in No. 2.

Copy of a Report of a Committee of the Honourable the Executive Council, approved by his Excellency the Governor General, on the 19th March 1863.

On a Despatch, dated 21st February 1863, from his Grace the Secretary of State for the Colonies, transmitting copy of a letter from the solicitor to the holders of certain bonds of the city of Hamilton, C. W., respecting the non-payment of interest thereon; and requesting that the applicants may be furnished with a reply to a previous application on the same subject, and that an account of the true merits and nature of the case may be also forwarded for His Grace's information;—

The Honourable the Attorney General, U. C., reports, that with respect to the request contained in the letter of the solicitor, of the 17th March 1862, which craves the attention of your Excellency to the protection of the interests of the Memorialists in any steps that may be taken; that no movement has been made to alter or derange the existing legal claims or securities of the Memorialists, as against the City of Hamilton, and that therefore no interference on the part of the Government can be exercised.

That in regard to the letter of Messrs. Dawes and Sons, in which they allude to petitions being about to be presented to both Houses of the Legislature of Canada, in reference to the failure of the City of Hamilton to meet the interest due on the debentures mentioned, he, the Attorney General, whilst deeply regretting that any necessity should exist on the part of the debenture holders to submit any remonstrance, is unable to find that relief can be afforded by the Government.

That the law under which these debentures were authorised, and the mode of enforcing payment of both principal and interest, provides for the collection of arrears of interest and accruing sums, and remains unaltered; and that there is no provision under which the Government of Canada can come to the relief of the Memorialists.

That the usual supervision by the Government over any measures which may be introduced for legislative action, will no doubt be extended to any proceedings which may be brought forward during the present Session, having for their object an alteration of the laws affecting the rights and interests of the Memorialists.

The Committee concur in the view expressed by the Honourable Attorney General, and submit the same for your Excellency's approval.

(Certified.)

W. H. Lee, C. E. C.

Enclosure 2, in No. 2.

Encl. 2, in No. 2.

To accompany the Memorial from Hamilton, 27th February 1863.

“ Daily Spectator.”

Census of the City of Hamilton.

FROM the labours of the city assessors, just completed, we learn that there are now within the limits of Hamilton, 22,134 souls. These are distributed through the different wards, as follows, viz. :—

	MALES.	FEMALES.	TOTALS
St. Mary's Ward - - - -	2,825	2,682	5,507
St. George's Ward - - - -	1,985	2,147	4,132
St. Lawrence Ward - - - -	2,235	2,516	5,751
St. Andrew's Ward - - - -	2,262	2,028	4,290
St. Patrick's Ward - - - -	1,591	1,863	3,454
			22,134

This number shows an increase of 3,038 over that returned by the census of 1861. The military has, of course, made up a share of this increase; there being at present settled amongst us 1,200 souls, men, women, and children, all told. Thus we have a natural growth in two years of nearly 2,000 inhabitants. This is a sign of prosperity which augurs well for the future healthy rise and progress of Hamilton. On the removal of the incubus which has held her down for the past few years (and we expect soon to see it disappear), her motto, “I advance,” will be no empty boast, but the indication, as it once was, of a prosperity and growth hitherto unequalled by any other city in Western Canada.

Enclosure 3, in No. 2.

Encl. 3, in No. 2.

To his Excellency the Right Honourable *Charles Stanley Viscount Monck, Baron Monck of Ballytranmon*, in the county of Wexford, Governor General of British North America, &c. &c. &c.

The Memorial of the Mayor and Deputation from the City of Hamilton,—

Humbly sheweth,

THAT the present deputation was sent to the seat of Government by the City Council of Hamilton, to satisfy your Excellency and the other branches of the Legislature, that Hamilton has always been and is now willing and anxious to do all in its power for its creditors, and to solicit the aid of the Provincial Executive, as well as the Legislature, to this great end, upon the double plea that the financial distresses of Hamilton have arisen from faith not being kept with our city, by former Legislatures having violated the original agreement that the Main Trunk Line of Railway should pass through Hamilton; and that the financial distresses of Hamilton are now (from being misunderstood in England) inflicting most serious disgrace and discredit on the Province generally, as well as the city of Hamilton.

That on being to-day honoured with an interview with your Excellency, we explained the position and views of the city of Hamilton in detail, and were requested by your Excellency to put the same on paper, which we now do as follows :—

1st. The city of Hamilton is wrongfully accused of throwing impediments in the way of justice. It was impossible for the city, in the interest of its general creditors, not to prevent unnecessary sacrifice of property; nor is it in the city's power to alter (as was insisted on) the law, which required primary instead of secondary evidence by distant claimants, although we can have no objection to this if the Legislature sees fit.

2d. No difficulty has been intentionally thrown in the way of the sheriff in levying rates. The assessment for the interest proposed by the Hon. J. H. Cameron for the present year was regularly made by the City Council; but the day for legally appointing collectors was inadvertently allowed to pass by, during a most anxious discussion on the subject of whether it was not the duty of the City Council in the interest of the general creditors (as opposed to the few judgment creditors), to avoid for the moment actually collecting the

revenue,

revenue, a course which would have put the money for the payment of this year's interest into a position to be garnished by creditors who had got judgment for principal which fell due last year.

3d. Though the Court of Queen's Bench was applied to for a mandamus, none such was issued, the City Council's explanation being satisfactory to the judges of that court.

4th. The reduction of the value of the Hamilton debentures has not been caused by the action of the City Council, and would have been far greater had the Council followed the advice of its distant creditors, to levy a rate to pay its whole arrears, as in such case the city, which had already lost more than a fourth of its inhabitants, would have been depopulated irretrievably.

5th. The good policy and good intentions of the City Council are now corroborated by the fact of the city having already actually got back much of the population it had lost, thus giving increased security to its creditors.

6th. The City Council has felt justified by the improving prospects of the city, to accept the terms offered on behalf of the city's creditors by the Honourable John H. Cameron, and will support the legislation required to secure the creditors what Mr. Cameron demands; although it is the general opinion in Hamilton that the settlement is more favourable to our creditors than ought to have been demanded, and than can be paid without threatening a rate of taxation which would continue to prevent all building and improvement, as has been the case for the last five years, no capitalist being willing to lay out money on property with the certainty that at least half the interest or rental of its increased value will be required for taxes per annum.

7th. The City Council has also felt it due to its creditors to apply to the Executive Government of the Province for the Burlington Bay Canal (a public work which the city has hitherto refused to take over with the condition of keeping it up), so as to be able to levy tolls, and give the same in security to its creditors for their arrears, if money cannot be raised on these for that purpose.

And your Memorialists, as in duty bound, will ever pray.

(On behalf of the deputation,)

(signed)

Robert M'Elvoy,
Mayor.

Quebec, 17 March 1863.

A P P E N D I X.

Appendix, No. 1.

Messrs. Dawes &
Sons, to C. Fortescue, Esq., M.P.
4 February 1862.

COPY of a LETTER from Messrs. *Dawes & Sons*, to *C. Fortescue*, Esq., M.P.,

9, Angel Court, Throgmorton-street, London, E. C.

4 February 1862.

Sir,

WE are desired by the committee appointed by the holders of bonds of the city of Hamilton (Canada West) to inform you, that it is the desire of many of them to memorialize the Governor and Houses of Legislature of Canada on the subject of the step taken by the municipality of Hamilton in refusing payment of the interest which became due on their bonds on the 1st day of January last.

As it will probably be more convenient to you to read a report of what has taken place from print, we beg to hand you a copy of the "Money Market Review" of the 18th ult., which contains a printed circular from the Mayor, stating the circumstances under which payment has been refused; and an advertisement setting forth the resolutions passed at a meeting of bondholders in this country, and giving the names of the gentlemen appointed to act as the committee; and in an article in that paper on the subject of the refusal, will be found the form of memorial proposed to be presented: these we have marked conspicuously with red ink.

At the meeting there appeared to be a feeling with some of the bondholders that the memorial might interfere with the proceedings at law against the municipality, but since then much of that feeling has been removed, and many have
signed,

signed, the object of the memorial not being to pray the Legislature to interfere to enforce payment, but simply to bring a question, which seems to the memorialists to reflect upon the credit of Canada generally, before the highest authorities of the land.

Under these circumstances, we are desired to beg the favour of your informing us whether, in the event of the committee waiting, through a proper introduction, upon his Grace the Duke of Newcastle, he may be induced to allow the memorial to be forwarded with his own Despatches to his Excellency the Governor of Canada.

The committee, in asking this favour of his Grace, deem it but right that any communication from them to his Excellency, should pass through the proper official channel, and the bondholders feel that if this facility be granted, their interests are less likely to suffer

Waiting the favour of your early reply,

We have, &c.
(signed) *Dawes & Son.*

Enclosure 1, in No. 1.

Encl. 1, in No. 1.

EXTRACTED from "The Money Market Review," 18 January 1862.

To the Holders of the Debentures of the City of Hamilton.

Gentlemen,

City Hall, Hamilton, Canada West, 6 December 1861.

I AM directed by the Corporation of this city, over which I have the honour to preside, to inform you that its affairs are in a very embarrassed position, and that it will be unable to meet the interest falling due on its debentures on the 1st January next, or the principal of those debentures now maturing. It is with very great reluctance that the Corporation has come to this conclusion, but the suspension of payment is unavoidable, as the liabilities of the city for the current financial year are so large, that it would require a tax of 10 s. 6d. in the pound on its assessed annual value to meet them, a rate which would cause people to remove from the city, and thus destroy the value of the property which forms the security of the creditor. This suspension of payment, apparently sudden, arises in part from the circumstance that the Corporation is called upon this year, for the first time, to meet the interest on the heavy expenditure of the city for waterworks, the water commissioners having previously paid it (necessarily out of capital), during the construction of the works, and further the disappointment in not receiving from the Hamilton and Port Dover Railway the interest on the city debentures issued for that work, which the city should have received during the period of construction. It is proper to state the origin of these difficulties. The growth of this city from 1851 to 1856 was very rapid, with every prospect of continuing to improve, which induced its inhabitants to assist in the construction of four lines of railway leading to the city; and to add to their safety, health, and comfort, waterworks were determined upon. These undertakings caused the large expenditure of 1,666,000 dollars (342,328 l. sterling); but it was confidently believed that the railways would be beneficial, both directly and indirectly, and that the waterworks would probably pay the interest on their cost. Unfortunately, however, two of the railways are unfinished, and the other two pay no dividend at present, while the waterworks yield only a small proportion of the interest on their cost. In addition to these causes of embarrassment, the commercial crisis of 1857-58 was so severely felt, that the population of the city greatly diminished, the annual value of real estate became depreciated, and the resources of the municipality seriously curtailed. Every exertion has been made to maintain the credit of the city, but it is found impossible to continue to do so under existing engagements, and it is with extreme regret that the Corporation has to suspend payment. Under these circumstances the city Corporation appeal to their creditors to give them time to apply to the Provincial Parliament for some measure of relief, to accomplish which they have taken active measures by communicating with other embarrassed municipalities to advocate a combined plan of action. I enclose a copy of a report on the subject. The Corporation obtained from the Legislature, at its last session, an Act, enabling them to consolidate their debt by the issue of debentures at a longer date, for the redemption of those now in the hands of their creditors, and (in the event of no adequate relief being obtained from the provincial Legislature), should the bondholders consent to accept a much lower rate of interest, and defer the payment of the principal until such a time as a reasonable sinking fund would accumulate to meet it, the Corporation would consider any proposal emanating from them. A full statement of the financial affairs of the Corporation, together with certain other statistical information calculated to throw light upon the present embarrassed condition of the city, will be forwarded to you at as early a day as possible.

I have, &c.
(signed) *H. M'Kinstry, Mayor.*

Encl. 2, in No. 1.

Enclosure 2, in No. 1.

Extracted from the "Money Market Review" of 18 January 1862.

HAMILTON (CANADA WEST) BONDHOLDERS.

At a meeting of the above bondholders, held at the London Tavern, on Tuesday, the 14th instant (*Edgar Garland*, Esq., in the chair), to take into consideration the withholding of payment by the city of Hamilton of the dividend due on the 1st instant, the following Resolutions were submitted to the meeting, and carried unanimously:

Moved by *J. R. Morrison*, Esq., and seconded by *W. Stobart*, Esq., and carried:

Resolved—1. That the printed circular, dated the 6th December 1861, signed by *H. M. Kinstry*, the Mayor of the city of Hamilton, and addressed to the bondholders of that city, having been read to the meeting, this meeting view with surprise and indignation the purport and tenor thereof, in which it is pleaded as a reason for discontinuing the payment of interest on the bonds, that it would necessitate the levying of a tax of 10 s. 6 d. in the pound on the assessed annual value of rateable value within the municipality, and suggesting that in the event of no relief being obtained from the provincial Legislature, the bondholders should consent to accept a much lower rate of interest than is payable on the bonds, and that payment of the principal should be deferred until a reasonable sinking fund should have been accumulated to meet it.

Moved by *David Aitchison*, Esq., and seconded by *Peter Hardie*, Esq., and carried:

2. That this meeting unanimously deprecate the idea of compromise both as regards principal and interest, and will take every step the bondholders may be advised for immediate recovery of what is due under the bonds.

Moved by *A. Morrison*, Esq., seconded by *W. Stobart*, Esq., and carried:

3. That it is the opinion of this meeting that all the holders of bonds of the city of Hamilton should unite for protecting and enforcing their legal rights.

Moved by the Rev. *F. P. Sprowle*, and seconded by Captain *Hutchinson*, and carried:

4. That Messrs. Dawes & Sons be instructed to act in England for the bondholders, and to take such steps as they think proper, and that the thanks of this meeting are due to the Canada Agency Association (Limited) for kindly agreeing to be their channel of communication with the colony.

Moved by *Dr. Drake*, and seconded by *Peter Hardie*, Esq., and carried:

5. That a Committee be appointed to confer with Messrs. Dawes & Sons, and take such action as may seem advisable, and that Mr. Edgar Garland, Mr. W. Stobart, Mr. J. R. Morrison, and Mr. D. Aitcheson be requested to form such committee, with power to add to their number.

Moved by *Mr. Alex. Morrison*, and seconded by *Mr. Malcolm Haldane*, and carried:

6. That the expenses incurred up to the time of calling this meeting, and all future expenses in connexion with the object of it, be borne rateably by the bondholders signing these resolutions; but it is the intention of the Committee not to exceed 100 l. without communicating with them, and taking their opinion as to the further proceedings.

Several of the bondholders then signed the resolutions.

Bondholders desirous of communicating with the Committee will please address

Dawes & Sons,
Angel Court, Throgmorton-street, London, E. C.

14 January 1862.

Encl. 3, in No. 1.

Enclosure 3, in No. 1.

Extracted from the "Money Market Review" of 18 January 1862.

To the Honourable the Speaker and Legislative Council of Canada.

The Memorial of Hamilton (Canada West) Bondholders, residing in Great Britain and Ireland,

Humbly sheweth,

THAT your Memorialists, whose names are hereunto subscribed, are holders of debentures of the city of Hamilton (Canada West), now in default for interest due in London on the 1st of January 1862.

That

That your Memorialists have received from his worship the Mayor of Hamilton a circular, bearing date the 6th of December 1861, setting forth as the reason for non-payment of such half-yearly dividends, that it would necessitate the levying of a tax of 10 s. 6 d. in the pound on its assessed annual value to meet them, and suggesting "that in the event of no adequate relief being obtained from the Provincial Legislature, the bondholders should consent to accept a much lower rate of interest, and defer the payment of the principal until such a time as a reasonable sinking fund would accumulate to meet it."

That, besides being disappointed that no sinking fund already exists, your Memorialists are indignant at any proposition of compromise being even hinted at, because of an alleged inconvenience, not inability, to meet your Memorialists' just and legal demands; and your Memorialists cannot help contrasting the Municipality of Hamilton with the State of Virginia, which, despite the horrors of civil war now concentrated on its soil, advertises payment of its dividends, due in London, the same time as the Hamilton dividends now in default.

That while suffering as holders of City of Hamilton Bonds, your Memorialists are thus threatened with a consequent distrust and depreciation in all colonial securities.

Your Memorialists therefore, in the interest of the Crown of Great Britain, the British Colonies generally, and the Province of Canada in particular, respectfully but most earnestly appeal to your Honourable House: That Canada may be rescued from initiating a course of repudiation, as suicidal to the Colony as it would be disastrous to its creditors, as derogatory to as it would be subversive of British rule, and reminding your Memorialists that in a neighbouring country the very facts of kindred and indebtedness have been considered as giving a license towards England, such as no other power would tolerate, and all Christendom condemns.

And your Memorialists will ever pray, &c.

Appendix, No. 2.

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to Messrs. *Dawes & Sons*.

Sir Frederic
Rogers, Bart., to
Messrs. Dawes &
Sons.

10 February 1862.

* Page 8.

Gentlemen,

Downing-street, 10 February 1862.

I AM directed by the Duke of Newcastle to acknowledge the receipt of your letter, dated the 4th instant,* on behalf of the holders of bonds of the City of Hamilton, Canada West. I am to acquaint you in reply, that as the subject of your letter purely regards the management of local affairs in Canada, it is one upon which the Secretary of State cannot undertake to interfere, and that his Grace regrets therefore that he is unable to comply with the request of the bondholders, and can only leave them to make their own application to the Governor of the Province.

I have, &c.

(signed) *Frederic Rogers*.

Appendix, No. 3.

COPY of a LETTER from *T. Frederick Elliot*, Esq., to Messrs. *Dawes & Sons*.

T. F. Elliot, Esq.,
to Messrs. Dawes
& Sons.

10 April 1863.

† Page 3.

‡ Page 5.

Gentlemen,

Downing-street, 10 April 1863.

WITH reference to your letter of the 4th,† and to the answer from this office of the 21st of February last,‡ I am directed by the Duke of Newcastle to acquaint you that a Despatch has been received from the Governor of Canada, in which he reports that he has sent direct to you a reply to your communication on the subject of your claims on the Municipality of Hamilton.

I have, &c.

(signed) *T. Fred. Elliot*.

Appendix, No. 4.

COPY of a LETTER from Messrs. *Dawes & Sons*, to his Grace* the Duke of
Newcastle, K.G.

Messrs. Dawes &
Sons to his Grace
the Duke of New-
castle, K.G.

14 April 1863.

9, Angel Court, Throgmorton-street, London, E. C.

14 April 1863.

My Lord Duke,

WE have the honour to forward to your Grace a print of "The Money Market Review" of the 11th instant, containing an article headed "What will the Government of Canada do with the Bondholders of Hamilton?" to which we beg to invite the favour of your Grace's attention.

Your Grace will observe, on perusal of the article, that the grievances of the bondholders arise in a great measure out of a breach of faith on the part of the Canadian Government with the Municipality of Hamilton; and as the matter is one of most serious importance to many of the bondholders, whose limited means are greatly crippled by the conduct of the Municipality, it is hoped that your Grace will take the case into consideration, and afford the bondholders such assistance, and in such manner as your Grace may deem for their best interests.

We have, &c.
(signed) *Dawes and Sons,*
Solicitors to the Committee of Bondholders.

To His Grace the Duke of Newcastle, K. G.

Enclosure in No. 4.

Encl. 1 in No. 1.

Extracted from "The Money Market Review" of 11 April 1863.

Government House, Quebec,
20 March 1863.

Gentlemen,

I AM directed by the Governor General of Canada to acknowledge the receipt of your Memorial of 17th March 1862, and to regret that, through inadvertence, you were not at the time apprised of his having received it.

The Memorial was referred, on the 3d of April, to the Provincial Secretary for the consideration of the Provincial Government.

The Administration then in office resigned soon after, and the matter appears to have been overlooked by their successors.

I now have the honour to transmit to you a copy of a Minute of Council on the subject, together with a statement of the Mayor of Hamilton.

Messrs. Dawes & Sons.

I have, &c.
(signed) *Denis Godley.*

Note.—The documents transmitted in this letter are already printed.
For the Report of the Executive Council, *vide* page 6.
For the Memorial of the Mayor and Deputation, *vide* page 7.
For the Census of the City of Hamilton, *vide* page 7.

Appendix, No. 5.

COPY of a LETTER from *T. Frederick Elliot, Esq.*, to Messrs. *Dawes & Sons.*

Gentlemen,

Downing-street, 21 April 1863.

I AM directed by the Duke of Newcastle to acknowledge the receipt of your letter of the 14th instant, in which you request that his Grace will afford the bondholders of the City of Hamilton such assistance, and in such manner as he may deem for their best interests.

In reply, I am to acquaint you that while the Duke of Newcastle regrets the loss and inconvenience to which the bondholders have been exposed, the case is not one in which it is in the power of the Home Government to exercise further influence in their behalf.

I am, &c.
(signed) *T. Frederick Elliot.*

To Messrs. Dawes & Sons.

T. Frederick
Elliot, Esq., to
Messrs. Dawes &
Sons.
21 April 1863

