

REPORT
OF THE
SELECT COMMITTEE,
APPOINTED TO
Inquire into the Issue and Sale
OF
CITY DEBENTURES,
In 1852,
WITH THE EVIDENCE.



Published by Order of the Corporation.

TORONTO:

GEO. E. THOMAS & CO., PRINTERS TO THE CORPORATION.

1853.

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APPOINTED TO INQUIRE INTO THE
ISSUE AND SALE OF CITY DEBENTURES IN 1852,
WITH THE EVIDENCE.

PROCEEDINGS IN COUNCIL.

Monday, February 7, 1852.

The Petition of DAVID PATERSON, Esquire, and others, praying for an investigation into the issue and sale of certain City Debentures was presented by Alderman Bell and read as follows :—

To the Worshipful the Mayor, Aldermen, and Commonalty of the City of Toronto.

The memorial of the undersigned inhabitants and rate payers of the city of Toronto,

Respectfully sheweth, that it appears from a discussion that took place at the last meeting of your worshipful body, as reported in the public press, that £50,000 of city Debentures, issued for the construction of the Northern Railroad, were disposed of for £40,000, and the last named sum alone received by the contractors. That a profit of £10,000 has been realised on the transaction, and that the matter appears to have been effected through or at the Bank of Upper Canada, and that very shortly afterwards £50,000 City Debentures, actually worth par were substituted therefor. That great difficulty seems to exist in ascertaining who reaped the benefit of the ten thousand pounds discount, or to whom the first £50,000 of Debentures were disposed of or by whom the £40,000 paid to the contractors were provided.

That charges of the gravest nature, materially affecting the character, credit, and respectability of the municipality of this city, are publicly made respecting the transaction in question.

That if the sum or £40,000 so paid for the first issue of debentures was in any way directly or indirectly advanced by the bank or others,

or procured on the faith or credit of the city or of any engagement by the city to replace the same by any fresh debentures to the amount of £50,000, your memorialists conceive that any profit realised by the transaction should be carried to the credit of the city. That your memorialists desire to make no charges against individuals, and are solely actuated in their proceeding by a desire to have the true facts of this case thoroughly investigated, and the interest of the city duly protected.

Your memorialists, therefore, most respectfully request that your worshipful body will cause the matter in question to be fully investigated, believing that such a proceeding is peremptorily called for, and that if necessary an application be made by the Corporation to the Court of Chancery to enforce discovery, or that such of the rate payers as may desire so to do may, at their private cost, be allowed to use the name of the municipality in taking such proceedings as counsel may devise.

And your memorialists, &c.

Toronto, 27th January, 1852.

D. Paterson,
John Harrington,
R. H. Brett,
James E. Ellis,
J. Lesslie,
David Maitland,
Hugh Miller,
Donald McLean,
Archibald Taylor,
Donald Campbell,
John Ewart,
Edward Beckett,
John Carter,
J. McMurrick,
Wm. McMaster,
John Ross,
Alex. Rennie, jun.
H. Jackson,
Samuel Heakes,
Chas. Robertson, jun.
Scott & Laidlaw,
Peter Freeland,
John Harper,
John Easson,
Thomas Plummer,
Wm. Langley,
James Henderson,
David Burns,
Robert James, jun.
F. W. Coate,
William Wakefield,
George Bilton,
Thomas Bilton,

George Walker,
John Russell,
J. R. Armstrong,
John Eastwood,
T. D. Harris,
Geo. H. Cheney & Co.
John H. Ritchy,
Wm. Henderson & Co.
William Bright,
W. Creighton,
M. Rossin & Brother,
William Mathews,
Henry Sproatt,
John Wightman,
Alex. Rennie,
Wm. M. Gorrie,
Walter McFarlane,
John Ritchey, jun.
George Ewart, jun.
Samuel Sleigh,
Thomas Lailey,
James Hutchinson,
John Mulholland & Co.
Edward Cooper,
William Atkinson,
Thomas Paterson,
Joseph Rogers,
John Crawford,
John H. Hazarty,
John Farr,
James Leask,
Anthony Blachford.
W. Hewitt,

Thomas Hutchinson,
 J. C. Collins,
 Geo. B. Wylie,
 A. & S. Nordheimer,
 Betley & Kay,
 Alex. Ogilvie & Co.
 J. W. Marling,
 J. Henderson,
 Riddell & McLean,
 John Ellis,
 J. Iredale,
 Matthew Persy,
 William Hall,
 Thomas Haworth,
 James Booth,
 William Stearn,
 J. G. Joseph,
 J. Charlesworth,
 J. Carmichael,
 Henry Cawthra,
 James Crowther,
 John Mead & Co.
 James Leishman,
 Thomas Burgess,
 Isaac Hutchinson,
 Jonathan Watson,
 Thomas Bell,
 R. B. Miller,
 J. A. Torrance,
 Alex. McPherson,
 J. W. Lee,
 J. M. Strange,
 Barrow & McDonell,
 Andrew Foulds,
 Fred. Perkins,
 John Mitchell,
 W. J. Macdonell,
 Robert Smith,
 J. Mitchell,
 John Plenderlieth,
 H. Fowler,
 W. H. Dow,
 R. P. Crooks,
 Champion Brown,
 Henry Sherwood,
 John Lander,
 John Haigh,
 William Cook,
 Robert Davis,
 E. Dack,
 D. W. Smith,
 John Griffith,
 John Thomas,
 W. B. Adams,
 Stewart Wells,
 Francis Thomas,
 G. Rennick,
 Charles Baker,

Thomas McLean,
 James Johnston,
 Angus Dallas,
 John Russell,
 James Carless,
 John McGee,
 E. D. Dauglas,
 Thomas Small,
 F. Draullard,
 John Buchan,
 James Cleland,
 Samuel Sims,
 Robert Taylor,
 Thomas Dexter,
 John Montgomery,
 Rufus Skinner,
 C. Davi,
 W. McCracken,
 George Cline,
 Alex. Henderson,
 A. K. Boomer,
 James Manning,
 John M. McKay,
 William Polley,
 J. Liddell,
 John Lawrie,
 John Wilson,
 P. H. Heward,
 Wm. Cawthra,
 W. Burke,
 P. Paterson,
 Donald Mathieson,
 Terence J. O'Neill,
 George Revill,
 Robert Simpson,
 James Murray,
 Robert Stewart,
 Robert Briggs,
 Alex. Stewart,
 Joseph Sheard,
 Thomas Nesbit,
 A. Hibbard & Co.
 Wm. Scholes,
 Matthew Walton,
 John McIntosh,
 B. McClosky,
 E. V. Wilson,
 John Clark,
 Robert D. Patterson,
 J. Litster,
 G. K. Burrows,
 Robert Bell Joy,
 H. B. Williams,
 J. C. Griffiths,
 Thomas Gibbs,
 Joseph Hodgson,
 John T. Shapter,
 And 305 others.

On the motion of Councillor Romain, seconded by Councillor Rogers, it was ordered,—That the petition of David Paterson, Esq. and others, be referred to a Select Committee, to consist of Aldermen Bell, Denison, Gooderham, and Gowan, and Councillors Ashfield, Green, and Macdonald; that the said committee be instructed to inquire into the sale of City Debentures for the past year, and to report to this council at its next meeting.

Monday, February 21, 1853.

The Select Committee to whom was referred the petition of David Paterson, Esq. and others, brought up a report, which was received and read, and is as follows:—

*To the Worshipful the Mayor, Aldermen and Commonalty of the
City of Toronto.*

The Select Committee to whom was referred the petition of David Paterson and others, beg leave to submit the following report, with accompanying evidence, viz.:—

Your committee find that the contractors of the Northern Railway received £50,000 of debentures from the city for stock in the road, which they sold at 20 per cent. discount, which appears to your committee to be the full value of the same, as evinced by the evidence of various parties before your committee.

It is further apparent that the city interests have not in the slightest degree suffered by the transaction, and that the contractors of the Northern Railroad are perfectly satisfied; and that the Mayor or Officers of the Corporation had nothing to do with the negotiation of the railway debentures—and further your committee recommend, that the whole, or so much of the evidence given before the committee as may be considered necessary for the information of the citizens, be published.

All which is respectfully submitted.

WM. GOODERHAM, Chairman.

Committee Room, February 21. 1853.

Alderman Gooderham, seconded by Councillor Lee, moves that the Council do now resolve itself into a committee of the whole on the report which was ordered.

The council resolved itself into a committee of the whole on the report, Alderman Carr in the chair.

The committee rose; Alderman Carr reported that the committee had adopted the report.

The report was received.

The report was adopted.

Alderman Gowan, seconded by Alderman Goodernam, moves that it be resolved:—

That the petition of David Paterson and others, and the statements of which the committee were instructed to inquire, contains six distinct averments:—

First—“That £50,000 worth of City Debentures, issued for the construction of the Northern Railroad, were disposed of for £40,000, and the last named sum alone received by the contractors.

Second—“That a profit of £10,000 has been realised by the transaction.”

Third—“That the matter appears to have been effected, through or at, the Bank of Upper Canada.”

Fourth—“That shortly afterward, £50,000 of City Debentures, actually worth par, were substituted therefor.”

Fifth—“That great difficulty seems to exist in ascertaining the parties who reaped the benefit of the £10,000 discount.”

Sixth and Lastly—“That charges of the gravest nature, materially affecting the character, credit and respectability of the municipality of this city, have been publicly made, respecting the transaction in question.”

That independent of these, however, in several newspapers of the city and elsewhere, as also in anonymous publications, and by verbal statements, reports have been put into circulation, giving to the transaction a colour of the basest malversation and corruption.

That in order to a full understanding of the whole question, it may be necessary for the information of the petitioners, who have called for and demanded this enquiry, to recite briefly but accurately, the circumstances out of which these transactions arose, so far as the city credit, or the city interests are concerned.

That it appears, that in the month of November, 1850, a deputation from the Directors of the “Ontario, Simcoe and Huron Union Railroad Company” (which for brevity sake may be termed the Northern Railroad,) waited upon the Finance Committee of the City Corporation, and strongly urged that a grant of £25,000 should be made from the public funds of the city, to aid in completing that work.

That no action was, at the time, taken upon this application; but in a few days afterwards the Board of Trade of the city, by a unanimous vote of that body, strongly urged upon the city council the propriety and necessity of making the required grant.

That the council, at a subsequent meeting, complied with the joint request of the directors and the Board of Trade; but in making the grant of £25,000, stipulated as conditions, that the terminus for passenger trains should be erected on a portion of the Market block property, then vacant; such portion to be leased to the company for 99 years, at a nominal rent; that the line of the road should be carried along Front and Palace streets, to the full extent of the city water lots; and that the debentures of the city were to be issued for the same, in proportions of one tenth, as the work progressed.

That in the month of August in the following year (1851) a public meeting of the citizens, presided over by John Arnold, Esq., requested the city council, in addition to the gift of £25,000 already alluded to, to grant a further aid to the company, to the extent of £35,000, which request, after having been first referred for consideration and report to the committee on finance and assessment, and to the city solicitor, was acceded to by the council.

That for this the corporation was to receive, by way of security, the bonds of the company, payable in ten years, with interest half-yearly.

These two sums, making together £60,000, in addition to the conditions attached to the previous grant of £25,000, were made further subject to the conditions of the road being completed from this city to Holland River, within two years from the first day of January then next ensuing; and that as long as the loan continued, either the mayor of the city, or one of the Aldermen, to be chosen by the council, should be a director in the company.

That on the 28th June 1852, the council passed a By-law, embodying these conditions, and authorising his worship the Mayor to cause Debentures to the extent of £60,000, to be made and issued.

In the month of July following, the contractors represented to the Mayor that they were unable to give security upon the road, which was required as one of the conditions for the loan for £35,000.

That after some negotiations between the directors, the contractors and the council, it was ultimately agreed between all three parties, that the former arrangements, so far as the amount in aid of the road were concerned should be cancelled; and that in lieu of the £25,000 gift, and the £35,000 loan, the city should take £50,000 of stock; this last to be subject to all the conditions in every respect, which applied to the two preceding grants of £25,000 and £35,000 respectively.

That on the 11th October the necessary voucher from Mr. Cumberland, the chief engineer of the company, was laid before the city council, certifying that the contractors, Messrs. M. C. Story & Co. had expended £253,170 currency on the work.

That by this certificate the contractors were legally entitled to receive, at that date, the full amount of £50,000, according to the original terms of agreement.

That immediately upon the receipt of this certificate, a By-law was passed by the city council, authorising his worship the mayor to subscribe for, take, hold and receive, the £50,000 stock in the company, and directing him to cause to be issued, and to appropriate the City Debentures for the payment thereof.

That bonds releasing the city from all claim to the grant of £25,000, and the loan of £35,000, having been executed by the company; and the board of directors having also agreed to the proposed arrangement, without prejudice to the other parts of the existing agreement, which were not to be affected in any way, by the substitution proposed; debentures to the full extent of £50,000 were issued by the city chamberlain, and by that officer deposited in the Bank of Upper Canada, the contractors for the Northern Railroad (to whom the debentures had been assigned by the directors,) having verbally and by written order, directed they should be there deposited, subject to their order.

That in exchange for the debentures so deposited, the city chamberlain received from the contractors scrip, or paid up stock of the Northern Railroad Company, to the extent of £50,000, having the full amount expressed on the face of the debentures.

That when the debentures were first demanded by the contractors, some doubts arose touching the legality of their issue, and to remove such doubts, if possible, the committee on finance and assessment had recourse to the advice of counsel learned in the law. The result of the consultations, held with counsel, appears to have left the question pretty much as it had previously stood; the lawyers (Messrs. Mowat and Hagarty), referred to by the finance committee, being of one opinion, and those referred to by the directors of the Northern Railroad, being of another. Ultimately, upon the urgent request of the directors and the contractors, and with the sanction of their law agents, of their president, Charles Berczy, Esq., and of their present president, Joseph C. Morrison, Esq. M.P.P., the debentures were issued and delivered, as before stated; the directors and contractors, both verbally and in writing, assuming the entire responsibility of their issue.

That on the 7th October an act was passed by the Provincial Legislature authorising the consolidation of the city debt, and making various provisions for the redemption of all outstanding debentures. Some few days after this act received the royal assent, the city chamberlain first heard of its having passed, but was unacquainted with its provisions. At the request of the mayor, the chamberlain telegraphed Mr. W. H. Boulton, one of the city members, then attending his parliamentary

duties at Quebec, requesting that gentleman to forward to him a certified copy of the Act. This copy left Quebec on the 20th October, and was received by the chamberlain in the due course of the mail.

That after the introduction into parliament of the bill to consolidate the city debt, and before that measure received the royal assent, a letter was addressed by the cashier of the Bank of Upper Canada, to the city chamberlain, tendering on behalf of certain parties in England, to take the whole amount (£100,000) of debentures authorised by the bill, (should it become law,) at par; a condition being, that one half of the whole amount, or £50,000, should include the debentures issued to the Northern Railroad contractors. This offer was submitted to the committee on finance and assessment, and unanimously adopted by that body. It was subsequently laid before the city council, and there received a like unanimous concurrence.

That the *first* averment of the petitioners is contained in the following words:—"That £50,000 worth of City Debentures, issued for the construction of the Northern Railroad, were disposed of for £40,000, and the last-named sum alone received by the Contractors." This statement is not borne out by evidence. Instead of the Contractors receiving but £40,000, as alleged, they received from the City Chamberlain the whole of the Debentures, amounting in all to £50,000. After having passed out of the hands of the City, and become the sole property of the Contractors, they alone could exercise controul over them; and no officer of the Corporation could, as such officer, directly or indirectly, interfere with their disposal; whether they retained them in their own possession, or whether they disposed of them at a premium, at par, or at a discount, was altogether a matter for their own consideration. It is, however, believed that the Contractors had made arrangements for the disposal of the Debentures; such as is done in all ordinary cases, and such as, in this case, they had a perfect right to do. And the Contractors state, that "they are entirely satisfied with the operation;" and that as "they were the only parties having the least interest in them, they disposed of them at what they regarded as a fair price;" and that "no subsequent event has, as yet, satisfied them that the arrangement was an injudicious one."

That the *second* allegation of the petitioners is in these terms:—"That a profit of £10,000 has been realized by the transaction." Were this statement true, it would be a matter entirely between the Contractors, who were the owners of the property, and the parties to whom the property was sold; but the Committee have the best evidence for stating, that the fact is not as alleged by the petitioners.

That if the contractors, as stated, sold the debentures at a discount of one per cent. per annum, which would amount to twenty per cent, in twenty years (the period the debentures had to run,) instead of parting with

them at a depreciated rate, the Committee have ascertained that they brought the full market value, usual in the sale and transfer of such stocks. While every witness of respectability, acquainted with the monetary transactions of the city, bore willing testimony to the usual rate of discount being about one per cent. per annum, (the rate at which the contractors disposed of the Northern Railroad debentures,) no one was found to say, he would give more favourable terms for them. The nearest approach to a better disposition, than the sale made of them by the contractors, may be found in the evidence of William Cawthra, Esq. who states that he *thinks* he would have been willing to have given from £44 to £45,000, which is the highest he would be willing to have given for them, had they been offered to him." Taking this as the most favourable view, the parties who purchased, instead of realizing £10,000, as stated by the petitioners, could not have realised one half of that sum on the purchase, taking the article at its highest and best market value. In addition to this, the Committee had the evidence of T. G. Ridout, Esq. that the bank deducted commission and other ordinary charges; so that the profit—if any—could in no sense justify the extravagant statement made by the petitioners. Nor can the council refrain from observing, that one of the petitioners (J. H. Hagarty, Esq.) admitted before the committee that in December last, (two months after the negotiation and sale complained of,) he had, in concert with his partner, acted as the agent of a third party, in the negotiation and purchase of the city debentures, to the extent of £3000, having from eight to eighteen years to run, at the same average rate of discount, at which the Northern Railroad contractors disposed of theirs.

That the *third* statement of the petitioners is;—"That the matter appears to have been effected through the Bank of Upper Canada." This averment is found to be correct. But in making this avowal, the council feel it but just to add, that throughout, the conduct of Mr. Ridout, and of the institution with which he has been so long connected, was fair, honourable and business-like.

That the *fourth* allegation of the petitioners is couched in these words:—"That shortly afterwards £50,000 of city debentures, actually worth par, were substituted therefor." To state that the city debentures were, at that time "at par," is contrary to all evidence on that head. This council cannot account for the fact of many persons, who were themselves in the constant habit of purchasing and selling city debentures, and of being cognizant of others having purchased and sold them, in no case at par, and even in some cases at a higher rate of discount than the rate now complained of, attaching their signatures to a statement so entirely at variance with their every day knowledge. The evidence of the city chamberlain, Mr. Ridout's tender on behalf of the parties who purchased at par, and many other circumstances, go to satisfy this council

that the same parties who purchased the debentures from the contractors were those who treated with the city for the £100,000 loan, and that had the whole £100,000 of debentures to be paid for in money instead of one half only, par value could not have been procured for the debentures sold. That as regards the substitution of the debentures, that substitution was made under the authority of an act of the Provincial Legislature, that it was unanimously concurred in by the committee on finance and assessment, and by the council; that it entailed no additional expense or responsibility of any kind upon the city; and that moral honesty demanded such an exchange, if the original issue had been illegal.

That the *fifth* statement of the petitioners is,—“That great difficulty seems to exist in ascertaining the parties who reaped the benefit of the £10,000 discount.” This evidently goes to show that no parties “reaped a benefit” to the extent stated. In reference to the difficulty which existed in ascertaining the names of the parties, great reluctance was felt to indulge in a course so unusual, and probably so impertinent, as to demand the names of the parties who negotiated the sale, and who participated in the profit, if any; the committee yet so far yielded to the pressure of public curiosity, as to enquire if his worship the Mayor, or any officers of this corporation was the party. The committee received the distinct assurance, that neither his Worship nor any inhabitant of this city was concerned in the sale or participated in the purchase—a fact which, when given in the evidence of a gentleman so unimpeachable in character, and so well known as Thomas G. Ridout, Esq., ought to silence all further observation on that head.

That the *sixth* and last averment of the petitioners is contained in the following words:—“That charges of the gravest nature, materially affecting the character, credit and respectability of the municipality of this city, have been publicly made respecting the transaction in question.” This statement the council regret to know is but too true. Not only have those “grave charges” so “materially affecting the character, credit and respectability of the municipality,” found parties wicked enough to give them circulation and currency abroad, but even many resident in the city, whose property and position should have given them a direct interest in maintaining “the character, credit and respectability of the municipality,” have lent themselves, if not to the invention and propagation, certainly to the circulation of those “grave charges.” While the council cannot but express their deep regret that “the character, credit and respectability of the municipality” should be injured by the invention and propagation of such reports, they offer their hearty congratulation to the thoughtful and reflecting portion of their fellow-citizens in general, upon the fact that, the committee have been unable to discover fraud or guilt in any part of the transaction, and that every officer of the corporation, from the chief magistrate downwards, stand acquitted in their

opinion from the slightest taint of malversation or other improper conduct in the discharge of the onerous and responsible municipal duties assigned to them by their fellow-citizens.

That this Council, having thus disposed of the allegations of the petitioners, it now remains to notice their prayer ; which is, “ that the Council will cause the matter in question to be fully investigated ; and that, if necessary, an application be made by the Corporation, to the Court of Chancery, to enforce discovery ; or that such of the Rate-payers as may desire so to do, may, at their private cost, be allowed to use the name of the Municipality, in taking such proceedings as counsel may advise.” To the first part of the prayer, that of investigating the matter, this Council has already acceded. That investigation has “ fully satisfied” this Council, not only that it is not “ necessary that an application should be made, by the Corporation, to the Court of Chancery,” but that a heavy expense would be incurred thereby, and a deep injury inflicted upon the City.

Which was carried.

P R O C E E D I N G S
OF
S E L E C T C O M M I T T E E ,
AND
E V I D E N C E .

WEDNESDAY, 9th February, 1853.

The Select Committee, to whom was referred to Petition of David Paterson, Esquire, and others, praying for an investigation into the issuing of City Debentures, met.

P R E S E N T :

Aldermen BELL, DENISON, GOODERHAM, GOWAN.	Councilmen ASHFIELD, GREEN, MACDONALD.
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Alderman Denison, seconded by Councillor Macdonald, moves—That Alderman Gooderham be the Chairman of this Committee. Which was carried. Yeas—Aldermen Bell and Denison ; Councillors Ashfield and Macdonald.—3. Nays—Aldermen Gooderham and Gowan, and Councillor Green.—3.

Alderman GOODERHAM took the Chair.

Alderman Gowan, seconded by Councillor Macdonald, moves—That it be resolved that all the proceedings of this committee be taken down in writing, including the questions to and answers of witnesses, which was carried.

Alderman Gowan, seconded by Councillor Macdonald, moves—That the undermentioned witnesses be requested to attend, for the purpose of giving evidence, to-morrow (Thursday), at 3 o'clock p.m. namely:—

Samuel Thompson, Esquire, Chairman Finance Committee.

Joshua George Beard, Esquire, late Chairman Board of Works.

David Paterson, Esquire, first petitioner.

The Clerk of the Common Council.

The Chamberlan of the City.

Which was carried.

Alderman Denison, seconded by Councillor Green, moves—That the questions intended to be asked of witnesses be furnished them in writing. Yeas—Aldermen Denison and Gowan, and Councillor Green—3. Nays—Alderman Bell, and Councillors Ashfield and Macdonald—3. The votes being equally divided, the Chairman voted with the yeas. Carried.

JOHN BELL, Esquire, examined.

Question.—Have you, at any time, purchased, or offered to purchase, either for yourself or any other person, the Debentures of this City?

Answer.—I have.

Q. At what rate did you offer to purchase?

A. At various rates, from 15 per cent. downwards. Will answer more fully to-morrow.

Q. Are you the law agent of William Cawthra, Esquire, formerly an Alderman of this City; and did you, as such agent, advise him to purchase City Debentures?

A. Mr. Cawthra is a client of mine. I am not aware of having advised Mr. Cawthra to purchase City Debentures, beyond mere incidental conversations in the office.

Q. Are you aware at what rate the Debentures were purchased by Mr. Cawthra?

A. I am not aware of the rate at which Mr. Cawthra purchased all the Debentures. I know that he has purchased some at a discount of 15 per cent., downwards. I heard it remarked that Mr. Cawthra had purchased some at a much larger discount—as high, even, as 25 per cent.

Q. Did you, as Mr. Cawthra's agent, advise him to demand 2 per cent. from the City, for receiving the money due him upon the securities which he held against the City?

A. I decline answering; as I am not legally at liberty to disclose the advice given to clients.

Q. Do you know any matter connected with the issue of £50,000 City Debentures, in aid of the Ontario, Simcoe, and Huron Union Railroad; and if you do, please state to this Committee what?

A. I do. I know that on the 21st of July £10,000 debentures were issued; on the 31st, £5,000; on the 3rd of August, £10,000; on the 31st of August, £13,000; on the 30th of September, £5,000; and a further sum of £7,000 were issued on the 19th or 20th of October. These Debentures, as they were issued, were placed in the Bank of

Upper Canada, for the Contractors. I find that the last sum, of £7,000, were issued contrary to law; as the Act of Parliament authorising the loan of £100,000 was passed on the 7th October; which Act required that those previously issued should be redeemed; and, in effect, that no further issue should be made. On the 11th October, I find that the Standing Committee on Finance and Assessment accepted the offer of the Cashier of the Bank of Upper Canada to provide the £100,000 loan. I got a Debenture on the 18th of January, delivered to me by Dr. Beatty, which I thought should have been a Railroad Debenture, but it was not. Mr. Orton, a Railroad Director, in August last, inquired of me if I would take 80 per cent. for the Debenture I was entitled to. He had previously complained of ill treatment, in not getting his Debentures. At the time he offered me 80 per cent., he stated that the Mayor had negotiated for them, and that that was all they could obtain for Debentures. Mr. Cooper importuned me for this Debenture. I frequently applied for it. Upon inquiring again of Dr. Beatty, he told me that the Mayor had arranged to furnish this Debenture, and had neglected to do so. This transaction was a matter between Mr. George Cooper and the Contractors, for right of way over his land, or for fencing, and with which the City was not concerned, or responsible to Mr. Cooper.

THURSDAY,

FEBRUARY 10, 1853.

The Committee met.

PRESENT:

Aldermen BELL,
DENISON.
GOWAN.

Councillors ASHFIELD,
GREEN,
MACDONALD.

The Chairman, Alderman Gooderham, being compelled to be absent at a meeting of the Directors of the Toronto and Guelph Railway Company, Alderman Denison was appointed Chairman *pro. tem.*

A communication from Samuel Thompson, Esquire, stating that he was unable to attend the committee this day in consequence of being obliged to attend a meeting of the Directors of the Toronto and Guelph Railway, was read.

DAVID PATERSON, Esquire, the first petitioner, examined.

Q. Are you the first signer upon the petition of David Paterson and others, complaining of some misappropriation of certain debentures of this city?

A. I am.

Q. Can you give the committee any information upon the subject of the said petition, and if so, be pleased to state it?

A. I have no knowledge of my own upon the subject, other than that contained in the petition.

Q. Are you a member of the Board of School Trustees of this city, and have you in that capacity sold the debentures of the city for the erection of school houses?

A. I am a School Trustee, and the board of which I am a member sold them.

Q. To whom were the debentures sold; what was their amount; and at what rate of discount were they sold?

A. About £700 were sold to the Rev. Anson Green, and first paid for by notes and otherwise, the arrangements were for cash, and the notes were redeemed within a month; the debentures were not surrendered until the notes were paid; the rate of discount was as $17\frac{1}{2}$ per cent. for twenty years, or $\frac{7}{8}$ ths per cent. per annum. Mr. Green got those at four, five, six, and seven years date: the longer dates were taken by Mr. Short, of the Bank of Upper Canada, at, I believe, a little less per cent. discount.

Q. If you purchased a city debenture would you be unwilling to state such fact, and at what rate of discount.

A. I should not.

Q. If you purchased any debentures with the money of another party, would you conceal the fact?

A. I should not with the person whose money I had invested, but I should not inform the public.

Q. To whom would you consider the profit on such a purchase to belong?

A. The person whose money I invested.

Q. Are you a member of the direction of the British North America Insurance Company?

A. I am.

Q. Has that company declined receiving the funds loaned to the city unless it is able to re-invest the same?

A. They have.

Q. What rate of interest is that company now receiving for the balance due to it by the corporation?

A. Six per cent.

CHARLES DALY, Clerk Common Council, examined.

Q. Are you the City Clerk, and how long have you held that office?

A. I am, and have held the office since February, 1835.

Q. Were loans or grants at any time made to or taken in the Ontario, Simcoe Huron Railroad Union Company, for or on behalf of the city?

A. There were.

Q. State the particulars of such grants, loans or stocks, when made, the amount granted or taken, and upon what condition?

A. On the 21st of November, 1850, a deputation from the board of directors of the Ontario, Simcoe and Huron Union Railroad Company waited on the Standing Committee on Finance and Assessment of the Corporation to know, "If the Corporation of the City of Toronto would grant the sum of £25,000, to assist in completing the Toronto and Lake Huron Railroad, parties now being found willing to contract for the completion of the same in two years and a half from the present time, provided the Corporation granted the above sum." On the 23rd of November the President of the Board of Trade of Toronto communicated the following resolution, unanimously adopted by the Council of the Board of Trade:—"Resolved,—That the construction of the Ontario, Simcoe and Huron Railroad would be of vast importance to this part of the province, and of immense advantage to the City of Toronto; and in order to maintain our present position in the commercial community, and to promote and extend our agricultural interests, it is the opinion of this Council that the Corporation of the City of Toronto should, with the least possible delay, co-operate with the Directors of the said company in carrying out and completing their present arrangements for the construction of the Road, by a gratuitous contribution of £25,000 in debentures, payable at twenty years date, with interest half-yearly, said debentures to be issued when so much of the Railroad shall have been completed as will justify such advance, and satisfactory security obtained for the completion of the Road." Upon the recommendation of the Standing Committee on Finance and Assessment of the council, as contained in their Report No. 21 for 1850. The Common Council of the City of Toronto, on the 25th of November, 1850, adopted the following resolution:—"Resolved,—That the sum of £25,000 in debentures, payable twenty years after date, with interest at six per cent. per annum, payable half-yearly, be granted in aid of the Ontario, Simcoe and Huron Railroad Union Company, on the conditions set forth in the second clause of the Report No. 21 of the Standing Committee on Finance and Assessment; and in order to extend the benefits of the said Railroad to all parts of the city, it be another condition of the above grant that the terminus for passenger trains shall be erected on a portion of the Market block property,

now vacant, such portion to be leased to the company at a nominal rent for 99 years, and that the line of Railroad shall be carried along Palace and Front streets, to the full extent of the City water lots." The condition in the 2nd clause of the report, referred to in the forgoing resolution was:—"In the proportion as the work progresses as one is to ten, viz. —£100,000 to be expended on the road before any advance is made by the Corporation; the debentures to be issued to the Contractors for £10,000, and that all future advances be made in the same proportion to an amount not exceeding in the whole £25,000."

On the 8th of August, 1851, the Manager of the Ontario, Simcoe and Huron Railroad Union Company, aided by certain resolutions adopted at a meeting over which John Arnold, Esquire, presided, applied for a loan of £35,000, upon certain conditions set forth in the said resolutions, which application and resolutions were referred to a select committee. The select committee on the 18th of August, 1851, reported:—"That upon the most attentive consideration given by your committee to the propositions signed by Mr. Arnold, as chairman, and after frequent interviews with the manager, as well as with one of the contractors of the company, your committee could recommend that in lieu of the propositions (or either of them), the council loan to the said company their debentures to an amount not exceeding £35,000, payable in twenty years, with interest on the same payable half yearly, issuable in the same ratio as the bonus of £25,000 taking as security for such debentures the bonds of the said company to the same amount, payable in ten years, with interest half-yearly, secured on the road, to the satisfaction of this corporation, upon the recommendation of the city solicitor.

"And further, that it be a condition to this loan, that the road from this city to Lake Simcoe, or the Holland River, be completed in two years from the 1st of January next.

"And further, that as long as the loan of £35,000 continues, the Mayor of this city, for the time being (if he be not a director in any other company) be a director in the above-mentioned company; if he be a director in any other company, then any alderman of the city for the time being to be nominated by this council to be a director in said company."

This report was adopted by the council on the said 18th of August, 1851.

On the 28th of June, 1852, the council passed a bye-law, authorising the issue of debentures to the extent of £60,000 in aid of the Ontario, Simcoe and Huron Union Railway, which provides:—

1st. That it shall and may be lawful for the Mayor of the City of Toronto to cause any number of Debentures to be made out, for any

sum not exceeding in the whole the sum of £60,000, and to cause such Debentures to be issued to the Ontario, Simcoe, and Huron Railway Union Company, in the proportion specified in the before-recited Resolution, as the work on the said Road progresses.

2nd. That of the said sum of £60,000, the sum of £25,000 shall be as a gift, to aid in the construction of the said Road ; and the remaining £35,000 shall be as a loan to the Ontario, Simcoe, and Huron Railroad Union Company ; and for the securing the repayment of the said loan, in ten years, with interest at the rate of 6 per cent. per annum, payable half-yearly, the said Company shall give to the City of Toronto their bonds, secured upon the said Road, to the amount of such Debentures from time to time issued to the said Company, on account of the said loan.

On the 29th of July, 1852, the Mayor communicated to the Council the expediency of confirming an offer which he had made to the Contractors of the Ontario, Simcoe, and Huron Union Railroad, in consequence of some difficulty which had presented itself, in the matter of the Directors giving the City security upon the Road, for the amount proposed to be advanced to the Directors, by way of loan ; and which offer the Mayor stated to have been, in substance, as follows :—

“ That the Contractors should agree to relinquish the grant of £25,000 made by the Council, in aid of the said Railroad ; which said grant has been transferred by the Directors to the Contractors ; and that the Directors should relieve the Council from the agreement to loan the Company the sum of £35,000, upon certain security, upon condition that the Council should take stock in the said Road to the extent of £50,000 paying therefor in Debentures, at the same times and in the same proportions, as the work progresses, as it was agreed the said grant and loan should be advanced, to which the said Contractors had assented.

Upon this Communication, the Council adopted the following Resolution :—

Whereas His Worship the Mayor has informed this Council that the Contractors of the Ontario Simcoe, and Huron, Railroad Union Company have accepted a proposition made by him, subject to the approbation of this Council, in view of the difficulties which have existed in the execution of a Mortgage Bond, by way of security for the loan of £35,000, formerly voted by this Council, to the effect that the Contractors shall surrender the grant of £25,000 made by the Council, and transferred to such Contractors, in part payment of their contract ; and also that the Directors shall waive the aforesaid loan of £35,000 altogether, on condition, that in lieu thereof, the Council will take Stock

to the amount of £50,000, to be paid by the issue of City Debentres, in the same proportions as the debentures for the above loan and grant, were authorized to be issued.

Be it therefore Resolved,—That the Standing Committee on Finance and Assessment be authorized to complete such arrangement: provided that no legal difficulty shall occur in carrying out this Resolution: and provided, also, that no alteration shall take place in the conditions upon which a portion of the Market Block was granted to the said Company, particularly with regard to carrying the Railroad to the eastern limits of the City Water Lots.

This Resolution was communicated to the Board of Directors of the Ontario, Simcoe, and Huron Railroad Union Company; and to which the following reply was received:

Office of the Ontario, Simcoe, and Huron Union Railroad
Company, Toronto, 30th July, 1852.

To the Worshipful the Mayor of Toronto.

Sir,—The Board of Directors have had under consideration a Resolution of the Council, passed on the 29th instant, relating to a proposed new arrangement for the issue of Debentures to the Contractors,—a minute of the Finance Committee thereon,—and a letter from M. C. Storey & Co., stating their willingness to accept the propositions embodied in the Resolution of the City Council first mentioned. I now beg to send you a copy of a minute made by the Directors of this Company, in relation to the documents referred to:

Resolved,—“That the board of directors agree to the proposed arrangement between the city council and M. C. Storey & Co. submitted in the resolution of the city council of the 29th instant, without prejudice to the existing agreements between the council and the board and the contractors, in the event of the one proposed not being accomplished. And further, without prejudice to the other parts of the said existing agreements, which are not to be affected in any way by the substitution proposed for certain parts of those agreements.

“ I have, &c. &c.

{{Signed) “WILLIAM SLADDEN, Secretary.”

On the 11th of October, 1852, the following certificate was laid before the council:—

“Engineer’s Office, Ontario, Simcoe & Huron Railroad Co.

“Toronto, October 5th, 1852.

“I hereby certify, that I have this day granted to M. C. Storey & Co. a certificate for £4923 currency, for work done, materials furnished, and

other expenditure under their contract for building the Ontario, Simcoe and Huron Railway, and that the total amount of similar certificates granted under said contract to this date, is £253,170 currency.

(Signed) "F. W. CUMBERLAND,
October 14, 1852." "Civil Engineer."

Bonds releasing the city from all claim to the grant of £25,000 and the loan of £35,000, were executed by the Ontario, Simcoe and Huron Union Railway Company and the contractors, with a view of carrying out the resolution of the council of the 29th of July.

On the 18th October, 1852, a bill passed the council to authorise the mayor to subscribe for 10,000 shares in the Ontario, Simcoe and Huron Union Railway Company in lieu of the said grant and loan. This bill provides :—

"That it shall and may be lawful for the mayor of the said city of Toronto to subscribe for, take, receive and hold stock in the said Ontario, Simcoe and Huron Union Railroad Company to the amount of £50,000, for and on behalf of said city of Toronto, and for the payment of the same it shall and may be lawful, and it shall be the duty of the said mayor for the time being, of the said city, to appropriate so much and so many of the said debentures authorised to be issued under the provisions of the bye-law hereinbefore recited, as may be requisite and necessary for that purpose, and that the said Debenture shall be issued by him for that purpose, at the times and in the same proportions as is provided by the Bye-law hereinbefore recited, subject however to the same condition relative to the passenger terminus of the said railroad, and the continuance of the said Railroad along Front and Palace Streets, as are contained in the recital of the said Bye-law and the resolution of the Common Council of the 29th of July last."

"November 1, 1852."

The Council passed the Bill, entitled "An Act to provide for the issue of £100,000 Debentures to consolidate a part of the City debt."

Q. Can the Mayor or any Officer of the City use the credit of the City, or contract any debt on its behalf without the authority of a Bye-law of the Council and the Corporatic seal being attached thereto?

A. The credit of the city could not be used without the authority of the Council.

Q. Are you aware of any fraud or malversation, or other illegal or improper act in connection with the issue or negotiation of any Debentures belonging to this City, or within or under the control of any one or more of its officers or members, as such officers or members?

A. I am not.

Q. Can you inform the Committee whether the credit of the city has been at any time used by any person or party, except in the fulfilment of the honest and honorable obligations contracted by the city?

A. I cannot.

Q. Have you any order or minute of council directing the issue of the £7000 on the 20th of October?

A. I am not aware of any except the authority of the Bye-law, passed on the 18th of October.

Q. Is it necessary that the Mayor should have authority, either from the Council or Committee of Finance, to issue Debentures?

A. The authority of the Council is necessary.

Q. Did you conceive that the Bye-law, passed on the 18th of October, conferred that authority?

A. I did.

Q. Were you aware of the passage of the Act to authorise the consolidation of the loan for the city on the 18th of October.

A. I was not that I can recollect.

Q. Has the City subscribed for stock under the terms of the City Consolidated Loan Fund Act?

A. I believe the City has not subscribed stock, but that the Chamberlain has received scrip on paid up stock, in exchange for the Debentures from the contractors, in pursuance of the letter of consent of the Directors of the 30th of July, and the bonds to the City by the Directors and Contractors of the 14th of October.

The Clerk was directed to request the attendance of the Chamberlain; Joshua G. Beard, Esq. late Chairman Board of Works; Samuel Thompson, Esq. Chairman Standing Committee on Finance and Assessment; and Dr. Beatty of the Ontario, Simcoe and Huron Railway Contractors.

Adjourned until to-morrow, Friday, at seven p.m.

FRIDAY,

FEBRUARY 11, 1853.

PRESENT:

Alderman BELL,
GOWAN,

Counoillor GREEN,

The Committee adjourned for want of a quorum until to-morrow, Saturday, at three o'clock, p.m.

SATURDAY,

FEBRUARY 12, 1853.

The Committee met.

PRESENT :

ALDERHAM GOODERHAM, Chairman,
 Aldermen BELL, Councillors ASHFIED,
 DENISON, GREEN.
 GOWAN.

ANDREW TAYLOR McCORD, Chamberlain, examined.

Q. Are you the Chamberlain of the city, and how long have you held that office ?

A. Yes. I have held the office since the year 1834.

Q. What amount of City Debentures have been sold, or otherwise disposed of, during the last two years ?

A. £218,767 12s. 4d. The Corporation do not ordinarily sell their Debentures, in the common acceptation of that word. The Debentures are paid to Contractors and others at par, or for what is upon the face of the Debenture. In some cases, during the past year, this mode has been departed from ; and the late Chairman of the Board of Works, J. G. Beard, Esq., has disposed of Debentures for the Contractors of Public Works, the proceeds of which were deposited with me, and paid to the said Contractors, upon the order of the Board. The only other instance in which I can recollect of any departure from the usual mode of paying the Debentures at par was on account of the opening of Colborne Street, in 1851, when several of the Debentures for that purpose were sold, at a discount of one per cent. per annum.

Q. To whom were they sold, and for what work particularly.

A. The principal part of the sum issued was to the following parties :—

Ontario, Simcoe, and Huron Railroad Company.....	£50,000	0	0
Toronto and Guelph Railroad Company	40,000	0	0
Loan to consolidate the City debt, £82,000 sterling,			
making, in currency	99,766	13	4
		<hr/>	
	£189,766	13	4
		<hr/>	

Leaving a balance of £29,000 19s., which was issued for sundry Public Works, namely,—

Opening of Colborne Street, from Church Street to Yonge Street,	£4,000	0	0
Paid to the Trustees of the Western Market, when the Building was made over to the corporation.....	1,725	0	0
To discharge sundry claims for extra work at St. Lawrence Hall and Buildings,	600	0	0
For sundry Street improvements.....	4,000	0	0
On account of Bill for issue of £13,000 0 0 on account of improvement of Streets.....	8,000	0	0
J. G. Beard Esq. Chairman of the Board of School Trustees, towards building New School Houses.....	3,500	0	0
To sundry parties, being the balance of Debentures ordered to be issued for the construction of St. Lawrence Hall Market, &c. &c.....	7,175	19	0
	<hr/>		
Total Balance.....	£29,000	19	0
	<hr/>		

Q. What was the rate of discount in each case?

A. Whole amount issued in 1851 and 1852, £218767 12 4.

Ontario, Simcoe and Huron Railroad Company	£50,000	0	0	issued at par.
Toronto & Guelph Railroad Company	40,000	0	0	issued at par.
Loan to Consolidate City Debt.....	99,766	13	4	issued at par.
Opening Colborne Street.....	4,000	0	0	part issued at par, & part 1 per cent. per annum allowed.
Trustees Western Market	1,725	0	0	issued at par.
Extra Work at St. Lawrence Hall and Market	600	0	0	
Sundry Street Improvements £4000				
On account of 13150l. Bill for ditto	8000			
	—	12,000	0	0 about 8000l. of this sum 1 per cent. per ann. allowed.
J. G. Beard, on account of Building School Houses	3,500	0	0	issued at par.
Sundry parties, balance of Debentures, for building St. Lawrence Hall Market, &c.....	7,175	19	0	issued at par.
	<hr/>			
Total amount issued 1851-2.....	£218,767	12	4	
	<hr/>			

Q. By whom are the Debentures signed?

A. By the Mayor and Chamberlain.

Q. Had the Mayor any control over the Debentures issued to the Contractors of the Northern Railroad, or over any other City Debentures after signing them?

A. If the Mayor, as the head of the Corporation, chose to suspend the issue of Debentures temporarily after signing them, I would not issue them; but in the issue of Debentures to the contractors of the Northern Railroad, or any other Debentures, the Mayor exercised no such control.

Q. In the negotiation, sale or purchase of Debentures, does the Mayor of the city, in his capacity as Mayor, enjoy any advantage over any other citizen who may have the means, and who may feel disposed to purchase Debentures?

A. No advantage.

Q. At the time of the delivery of the Debentures in aid of the Northern Railroad, were the finances of the city in such a position as to enable the City to purchase the Debentures?

A. They were not.

Q. Could the credit of the City be used by any person or persons for any purpose without your knowledge?

A. The credit of the City could not be used without the Seal of the City, which is in my keeping, and therefore could not be used without my knowledge.

Q. Was it used, or were the moneys of the City used to purchase the Debentures issued to the Northern Railroad?

A. It was not so used; nor were the moneys of the City so used; nor had the City any money to use for such a purpose.

Q. Is the Upper Canada Bank the depository for the City funds?

A. Yes.

Q. Who is responsible for the moneys therein deposited, and upon whose check or order can they be drawn out.

A. I am alone responsible, and upon my check alone can the money be drawn out.

Q. Does the Mayor of the City sign the checks, or is it in his power to use or draw out the money?

A. The Mayor does not sign the checks, nor is it in his power to draw out the money.

Q. Has the management of the City finances during the incumbency

of the present Mayor, tended to enhance the City credit or to depreciate and injure it?

A. The City finances during the incumbency of the present Mayor have been so managed as to improve the credit of the city, and the additional security afforded by the new Municipal Act has likewise had an advantageous influence. Previously to that time, I believe the City Debentures were often sold at a discount of 25 to 30 per cent. discount.

Q. Did Mr. Cawthra ask two per cent. for receiving the money which he had advanced upon the security of the City property?

A. Mr. Cawthra holds £20,000 City Debentures, which will not fall due till January, 1854. With the approval of the Mayor, I offered Mr. Cawthra first one and then one and one and a half per cent. premium, to allow the City to retire the Debentures at once. Mr. C. asked two per cent., the Bank of Upper Canada offered to allow $4\frac{1}{2}$ per cent. upon the said £20,000, and the Finance Committee directed the money to remain there at that rate of interest, thereby saving the City one-half per cent. on that sum.

Q. What has been the average rate of discount upon the City Debentures for the last two years?

A. The average rate of discount upon Debentures disposed of by the Board of Works was 1 per cent. for each year the Debentures had to run—that is 20 per cent. for 20 years: the Debentures, as issued, were paid over to the Contractors for the Public Works by the City at par; I have not any knowledge of how they were sold in the market, but believe it to be a similar rate to the above. The Debentures issued for the erection of School Houses in the city were disposed of by the Trustees after having been advertised at from seven-eighths to one per cent. per annum. The loan of £100,000 lately effected through the Bank of Upper Canada was at par and considered to be the most favourable operation for the city credit that could be effected in this country.

Q. When did you first issue Debentures for the Northern Railway?

A. On the 21st July, 1852.

Q. What did you do with them?

A. Lodged them in the Bank of Upper Canada.

Q. Before taking these Debentures to the Bank had you previously been in the habit of taking Debentures there for parties to whom they belonged?

A. I was not in the habit of lodging Debentures in the Bank for parties to whom they belonged; those entitled to receive City Debentures generally were Contractors for Public Works, who called for them at the

office ; in this case, the sum being a large one, and having been particularly requested both in writing and verbally by the Contractor to lodge them in the Bank, I could see no objection in doing so.

Q. After these Debentures were left by you at the Bank, could not the Mayor or any other party have made use of them with the consent of the Contractors, for the purpose of raising money thereon ?

A. That entirely depends upon the arrangement made by the Contractors with the Bank ; if they were *bona fide* sold to the Bank, or if the Bank had made a large advance upon them, such could not have been done ; if they were merely lodged for safe keeping, the Contractors or any other party acting under their authority could do what they pleased with them.

Q. Would the leaving of the Debentures in the Bank be inconsistent with a preconcerted arrangement to raise money upon the same through the agency of the Mayor ?

A. The Debentures were solely the property of the Contractors, and if they were merely lodged at the Bank there could be no inconsistency on their part in disposing of them through any agency they pleased to employ ; there was no preconcerted or any other kind of arrangement between the Contractors and the Mayor, that I am aware of.

Q. Did you ever deliver to the Contractors any Debentures, or were they invariably placed in the Bank ?

A. To the best of my recollection they were all left in the Bank.

Q. It is said that some person has discounted these Debentures at the rate of 20 per cent. from the principal, has anything transpired within your knowledge that will enable you to say who it was that owned the Debentures after the Contractors sold them ?

A. Nothing.

Q. Did you, or were you ever instructed by the Mayor to offer to the City Creditors the Debentures issued under the Act of the Province passed October, 1852, in liquidation of their respective claims ?

A. The Debentures referred to were not offered to the City Creditors, the Corporation having had an offer to take them at par ; such an idea did not occur to any one, that I am aware of ; that the City Creditors would prefer debentures to cash.

Q. When did you issue Debentures under the act to consolidate the City loan, and to what amount !

A. On the 26th of November, 1852, amounting £to 99,766 13s. 4d.

Q. Was this last £7000, of the Northern Railway Debentures issued under that law?

A. No.

Q. When did you first obtain a knowledge of the existence of that law?

A. On the 11th of October last I understood that the law had passed, but was unacquainted with its provisions, except in a general way; in a day or two afterwards I telegraphed to Wm. H. Boulton, Esq. at Quebec, I think by the advice of the Mayor or Finance Committee (certainly with the concurrence of the Mayor) for a certified copy of the bill, which left Quebec by post on the 20th of October, and was received here on the 22nd October, so that the provisions of the bill were not authentically known here until the latter date.

Q. Have you any directions from the Committee of Finance to issue the £7000 alluded to?

A. On reference to the minute book of that committee I do not find any directions to that effect, but am clearly of opinion that several of the Committee were aware of their issue. The City Council passed Bye-laws severally on the 28th June and on the 18th of October, 1852, which authorised the Mayor to issue those Debentures.

Q. Have you any direction from that Committee to issue any of the said Debentures?

A. I think that the Finance Committee have made minutes approving of the issue of all those Debentures except the £7000 previously alluded to, and do not know any reason why it was not done in this case further than that the Bye-law of the Council, passed on the day previously to their issue, viz. the 18th October, authorized the Mayor to issue the balance of the £50,000 Debentures.

Q. If you had been made aware of the law of 7th October and its provisions, would you have continued to issue the Debentures which were considered illegal under the City law?

A. I would not issue any City Debentures if I knew it to be illegal to do so.

Q. How much money belonging to the City is now in the Bank; what interest is the City receiving therefor, and from what date did the Bank agree to pay interest on the £20,000?

A. About £36,000; the City receives interest only on £20,000 of this sum from the first of January, 1853, at 4½ per cent. per annum.

Q. What sum is the City now losing daily in consequence of extra interest necessary to be paid on the money in the Bank idle?

A. The City has in the Bank about £36,000, £20,000 of this sum is

to remain there until January, 1854, in consequence of the holder of that amount of Debentures not being willing to give up his debentures except at a premium of 2 per cent. The City, as already stated, receives from the Bank for this sum $4\frac{1}{2}$ per cent. ; the remaining £16,000 is lying in the Bank for the purpose of paying Debentures and City Notes which are called in, and which are daily being presented at the counter. The greatest part, if not the whole of this balance will be drawn out five months from this date. I do not know that any banking institution would be willing to give interest on this fluctuating balance for so short a period. I am therefore of opinion, that all that the city can be said to lose at present is one and a half per cent. on the £20,000, which could not be avoided; it will be about 16s. 4d. $\frac{3}{4}$ per day.

Q. What rate will have to be levied upon the citizens to make up a sum sufficient to pay the interest upon the whole £100,000, and what will be required to make up the interest upon that sum that will be lost to the city?

A. To pay the interest on £100,000 will require an assessed rate of 7d. in the pound; to pay the loss of interest on the £20,000, will require about $\frac{3}{4}$ of a penny in the pound.

Q. Have you read the section of the act of the 7th October, which gives the Mayor power to issue Debentures in such sums as the Council shall direct; have you read the 5th section? after reading this section will you state what you consider was your duty thereunder?

A. I have read those clauses, in the 5th section I was directed, with the consent of the holders thereof, "to call in such Debentures of the said City of Toronto as may have heretofore been issued under any Bye-law of the Common Council of the said city, and taken in payment of such stock, and to substitute therefor so much of the funds on account of the Debentures to be issued under the act as may be necessary for that purpose."

Q. Do you consider the £7000 as legally issued or exchanged?

A. I am rather doubtful as to their strict legality, but there is no doubt as to the liability of the Corporation for their payment, having received value therefor; I am not sufficiently learned in the law to give a legal opinion thereon; the issue of £7000 has since been paid.

Q. Do you know who it was that received the discount of £10,000, said to have been realised by some persons in the charge of the Debentures?

A. I do not.

Q. After the City Debentures left your hands, could not the Mayor or

any other person, with the consent of the Contractors, have used them to raise money thereon?

A. See my answer to question No. 20.

Q. If an arrangement had previously been made between the Mayor and the Contractors, that the illegal Debentures should be deposited in the Bank in order to raise the money the Contractors agreed to take, has anything inconsistent with such agreement taken place?

A. I do not know of any such arrangement.

Q. Do you know what sum the Contractors did receive?

A. No.

Q. Has the City ever yet taken stock or purchased stock from the Northern Railroad Company?

Q. The City has purchased 10,000 in the stock of the Northern Railroad Company.

Q. Do you know who it was that first started the question of the illegality of such Debentures?

A. I do not.

Q. If legal Debentures could have been sold in New York at par at the time the illegal issue was made, has that issue had the effect of depreciating the City credit if they were sold, as stated, at 20 per cent. discount?

A. I am not aware that any of the City Debentures were offered in the New York market. I know that the Contractors were so anxious to receive those Debentures, that they were willing to assume all the responsibility as to any irregularity or informality attending their issue; if they were sold at par in New York instead of 20 per cent. discount in Toronto, the effect would rather have been to have raised the City credit, as up to that period the ordinary discount was 20 per cent. hers.

Q. If it be true that some person obtained the £50,000 illegal Debentures for £40,000, when by issuing legal debentures you could have disposed of them at par, how do you make it appear that the credit of the City has been enhanced by such transaction?

A. I am of opinion that the same party who purchased the Debentures from the Contractors was the same who treated with the City for the £100,000 loan, the Corporation was bound to use £50,000 of said loan to take up the £50,000 bonds issued to the Contractors, and if the Corporation, after issuing £50,000 of new Debentures, to replace those paid to the Contractors, had to treat with other capitalists for the remaining £50,000, I feel satisfied it would not have been done at par.

Q. Is it or not, true that the City is now paying 12 per cent, on a portion of its debt, and if so, has it not been caused by the issue of the £100,000 Debenture, coupled with the refusal of the City Creditors to take their debts before due?

A. See my answer to question No. 32.

Q. Before said £100,000 were issued, were said creditors ever consulted whether they would receive their pay or not?

A. See my answer to question No. 24.

Q. Did you know that the Mayor on that occasion became obligated or agreed to furnish the Contractors for the Northern Railroad, seven or any other number of Debentures if they should thereafter be required?

A. I do not; all I know is, that M. C. Storey and Co. wrote a note to me on the 27th September, to lodge all the Debentures in the Bank of Upper Canada, excepting ten of £250 each, amounting to £2,500.

Q. Can you inform the Committee what interest the Mayor had, that caused him to make this arrangement, and why it was necessary that these Debentures should be left in the Bank instead of being delivered to the Contractors, if it were doubtful whether they would be required or not?

A. I do not know what interest the Mayor had, nor do I know of any such arrangement.

Q. What amount of Debentures have been issued to the Guelph Railroad, under what authority, and what has been done with them; to whom were they delivered, and how has that road become entitled thereto?

A. £40,000; an act of the Council, passed 1st December, 1851;—paid and delivered to the Secretary of the Company. The Corporation are in the same position as any other municipality, entitled to pay for their stock when called for.

Q. Were you ever made aware that the Contractors of the Northern Road had agreed to dispose of the debentures of the City of Toronto to a capitalist in the City of New York at par?

A. No.

Q. Had you any conversation, or did you have any conversation with a professional gentleman who came from New York to examine the Debentures and the legality thereof?

A. No.

Q. Did you offer the British America Insurance Company any of the Debentures for the claim of that Company on the City?

A. No.

Q. Has the company refused to receive the cash these Debentures produced?

A. Upon the first application the company refused: they have since agreed to receive payment, and I have paid the greater part of the Debentures held by the company.

Q. Were you aware when you issued the last £7,000 of Debentures to the Contractors that you were not obeying the Act of the Province of 7th October, or did or had the Mayor informed you that such act had been passed?

A. I was informed by the Mayor that the Act had passed, but did not receive a certified copy of the bill, so as to be made acquainted with its provisions until some days after the said £7,000 Debentures were issued, and was not aware that their issue was inconsistent with the said act.

Q. When did the Committee of Finance accept the offer of Mr. Ridout to loan the £100,000; was that loan taken at par. or did the City pay a discount therefor?

A. On October the 11th the subject was brought under the notice of the committee, and the committee decided to recommend it favourably to the Council. The loan was taken at par.

Q. Did you issue the Debentures to the Contractors for the Northern Road in one sum, or in various sums, and at what times; and state the amount at each time?

A. The Debentures were issued as follows, 1852:—

July 21, Paid.....	£10,000
“ 31, “	5,000
Aug. 3, “	10,000
“ 31, “	13,000
Sept. 30, “	5,000
Oct. 19, “	7,000
	£50,000

Q. Did you invariably deposit these Debentures in the Bank, and was the Mayor always a party to the issue, by signing the Debentures, and being aware that they would be left in the bank?

A. So far as I can recollect, they were all deposited in the Bank. The Mayor signed all Debentures, and I believe was aware that they would be left in the Bank. I believe I asked him the question if he saw any objection to my doing so.

Q. Do you know that the last issue of Debentures referred to in your last answer took place on the 20 October; and are you aware that these were left at the Bank?

A. The Debentures were dated the 19th of October, and deposited either on that or the following day.

Q. Did the British America Insurance Company at any time purchase Debentures of this city, and if so to what amount?

A. On the 1st of January, 1844. the British America Insurance Company purchased Debentures to the amount of £10,000.

Q. Have the Debentures so purchased by the said Company been since redeemed and taken up by the corporation?

A. £7,600 have been paid. The balance, I understand, the company will take up within a few days.

Alderman J. HUTCHINSON, examined.

Q. Have you obtained any knowledge that the Contractors of the Ontario, Simcoe and Huron Union Railroad received only £40,000 for the Railroad Shares they handed over to the City; and can you tell who received the £10,000 difference?

A. I have it from the best authority that the Contractors only received £40,000 for the £50,000 of Debentures; and I know and can name some of the parties who got the difference.

Q. Can you prove to this Committee whether the Mayor is a party who benefitted by that transaction?

A. I can prove to this Committee that the Mayor has benefitted by the transaction, and has received or will receive a portion of the difference.

Q. Are you aware that there are other persons in this city who, if upon oath, would have to state the whole transaction?

A. I am.

Q. To whom do you consider the £10,000 to belong?

A. Ultimately to the city.

Q. Will you state who were the other parties concerned in the discount?

A. I object to name parties until a court is constituted, with power to summon persons and examine them upon oath.

Q. Will you name the parties referred to in your answer to the third question?

A. I decline, for the same reason as given to question No. 5.

Q. Please name the authorities from whom you received your information, and also the parties who received the difference, as mentioned in your answer to question No. 1.

A. I decline for the same reason as given to question No. 5.

Q. Please give the proofs of the Mayor having received or will receive the profit referred to in your answer to question No. 2.

A. I decline for the same reason as given to question No. 5.

Q. Have you been legally advised by any person what questions you should answer before this Committee?

A. I have not.

Q. For what reason do you state, in answer to question No. 4, that the City is entitled to receive the discount at which the Contractors sold the Debentures.

A. Because I think that there was more paid for the stock than it was worth.

Q. If the stock was at a nominal value, above its real worth, how would that circumstance secure to the City the difference, if any?

A. Because the City bought from the Contractors instead of from the Directors.

Q. Then you are of opinion that the purchase of this stock from the Contractors instead of from the Directors, made the difference in the value of the stock itself.

A. I am, so far as the City's claim to the difference is concerned.

Q. How could the City have a claim to a difference, if any, to which it was no party.

A. The City bought the stock from the Contractors, and I believe the City was so far a party as that its credit was used to raise the £40,000.

Q. What reason have you for saying that the City credit was used to raise to £40,000 by which the Debentures were purchased?

A. If the Mayor used his influence as Mayor with the Bank, then the credit of the City was employed.

Q. Do you know that he so used it?

A. I have been told so.

Q. By whom were you told so.

A. I decline stating for the same reason as given to question No. 5.

Q. If the City credit or illegal Debentures, either directly or indirectly

produced the funds to purchase the Railroad Stock, to whom, in your opinion would the £10,000 belong.

A. I should think that it belonged to the City, if negotiated by the Mayor.

Q. Was it not in lieu of £25,000 grant and £35,000 loan that the £50,000 stock was taken by the City, and was not the City Council accessory to the exchange?

A. I think it was.

Q. Were you a member of the Standing Committee on Finance and Assessment, and did you approve of the change by which the £50,000 stock was to be taken from the Contractors.

A. I was a member and was present and approved, but I thought that it was a purchase from the Company with whom the original arrangement was made.

Q. Could the exchange have been made without the consent of the Directors?

A. I do not know.

The Clerk was directed to request the attendance of William Cawthra, Esquire, Thomas G. Ridout, Esquire, and James Cotton, Esquire, on Tuesday next, at three o'clock.

Adjourned till Tuesday the 15th, at 3 o'clock.

TUESDAY,

FEBRUARY 15, 1853.

The Committee met.

PRESENT :

	Alderman GOODERHAM, Chairman	
Aldermen BELL,		Councillors ASHFIELD,
DENISON,		GREEN,
GOWAN,		MACDONALD.

THOMAS G. RIDOUT, Esquire, Cashier, Bank of Upper Canada, examined.

Q. Did you make a tender on behalf of any person or persons for the purchase of £100,000 of the Debentures of this City?

A. Yes.

Q. Did that purchase include the £50,000 issued to the Contractors of the Ontario, Simcoe and Lake Huron Union Railroad?

A. The Bank in offering for the £100,000 understood that the City

should take back the £50,000 issued to the Contractors of the Ontario, Simcoe and Huron Union Railroad, in part payment of the new loan of £100,000, and receive cash for the balance.

Q. Was the Mayor or any other member of the Council the party or parties who purchased the said Debentures ?

A. No, they were not.

Q. Had the Mayor of the city any other connection with the purchase of the said Debentures than what properly belonged to him in his official capacity as Mayor ?

A. No more than that he was the person who introduced M. C. Storey and Co. to the Bank, and said that the Debentures would be issued as fast as they could be got ready. I think this was in July last.

Q. Are you aware of the rate of discount at which the Debentures of the City have usually been sold ; and if so, please state it ?

A. I think from 20 to 25 per cent. discount.

Q. Do you consider the arrangement made by the Mayor, in pursuance of your tender to take the £100,000 at par, was beneficial or otherwise to the city ?

A. I think it was very beneficial ; it surprised me that such an amount could be raised at par.

Q. Will you please to inform the committee whether the party on whose behalf you made the tender was the same that purchased the £50,000, the property of the Ontario, Simcoe and Huron Union Railroad Contractors ; and if so, whether the profit realised on the £50,000 Debentures was an inducement to the purchase of the £100,000 at par.

A. It was parties in England who transacted the business, and I do not know if they were the same.

Q. At what rate were the Debentures for the £50,000 purchased, and by whom ?

A. 20 per cent. discount, by the Bank as agents for other parties

Q. Who was the party who purchased the Debentures ; and who realised the £10,000 thereon ?

A. I decline to state who were the parties ; I do not know who realised the profit.

Q. Did the Bank realise anything beyond the ordinary charge for commission on the £50,000.

A. The Bank got commission and other ordinary charges.

Q. Who owned the Debentures that were in the Bank before the issue

under the Consolidated Act, that is to say, the £50,000 old issue. On whose behalf did the Bank advance the £40,000; to whom was the £40,000 charged.

A. The Bank gave to M. C. Storey and Co. credit for the 80 per cent. as the Debentures were lodged in the bank; and as the Bank advanced the money, bills were drawn on London for the amount.

Q. By whom were the bills drawn on London?

A. I decline to tell. It was not the Mayor at any rate.

Q. When were you instructed to offer a loan of £100,000 to the City at par, and by whom; you say in your letter you have been authorised by a friend, on behalf of parties in England; who was the person you alluded to as your friend?

A. I decline to answer. Certainly no one in this city.

Q. To whom did you send the Debentures you received from the Chamberlain under the Consolidated Loan Act?

A. To a Banker in London.

Q. Was the Mayor one of the parties whom you declined to name, and to whom you referred in your reply to question No. 8?

A. No, he was not.

Q. Was the £40,000 which you paid to the Contractors of the Ontario, Simcoe and Huron Union Railroad charged by you against Messieurs Masterman and Co. of London?

A. No, it was not.

Q. Did you advance the money (£40,000) in pursuance of a previous arrangement entered into between the Contractors of the Ontario, Simcoe and Huron Union Railroad and the party on whose behalf the Bank acted as agents?

A. I understood so.

Q. Can you tell this Committee with whom the previous arrangement was made.

A. I cannot; you had better ask the Contractors.

WILLIAM CAWTHRA, Esquire, examined.

Q. Have you at any time, either on your own account or on the part of others, purchased Debentures of this City?

A. Yes.

Q. What was the amount you purchased, and what was the rate of discount in each case?

A. I could not tell the amount; I think that the highest rate of discount was as high as 30 per cent.; some I have bought at one-half per cent. for a short period.

Q. Had the Contractors not sold the £50,000 Debentures, what would be the highest amount you would be willing now to give for them?

A. I think I would have been willing to have given £44,000 or £45,000, which is the highest sum I would have been willing to give for them had they been offered to me.

Q. If the Ontario, Simcoe and Huron Union Railroad Contractors sold the Debentures of the city, having 20 years to run, at an average rate of one per cent. per annum, or 20 per cent. on the full period, would you consider such sale below the ordinary market value?

A. Yes. I should, as I think the School Debentures were sold at a less discount.

Q. Is Alderman John Bell your law agent?

A. Yes; he is my solicitor.

Q. Did Alderman John Bell, as your solicitor, advise you to demand from the city 2 per cent. for receiving your money due to you upon the City securities which you held?

A. I consider this an improper question, and will not answer it.

Q. Did you state to any person he had so advised you?

A. I decline to state.

Q. Did you propose to renew your loan to the City at par; and to whom did you make that proposal?

A. I did; I think to Alderman Thompson and to Councillor Romain. I meant on the same security.

Q. Were you solicited to take Consolidated Debentures of this City for the amount due to you, and by whom, and when were you so advised?

A. I was recommended to do so by Mr. Hincks, I think in the fall of last year, and I understood that they were Debentures of this City, issued under the Act to establish a consolidated Municipal Loan Fund for Upper Canada, guaranteed by the government. The Debentures Mr. Hincks recommended me to take were not the ordinary Debentures of the city; and not the Railroad Debentures certainly.

Q. Did Mr. Hincks tell you at whose request he made the recommendation?

A. I cannot say; but the Chamberlain tells me it was at the request of the Mayor, and that he had written to the Inspector General on the subject; and I am inclined to think that Mr. Hincks made use of the Mayor's name, which goes to confirm the Chamberlain's statement.

Q. Were the Debentures referred to in your reply to the question No. 9, or any one of them shown to you by Mr. Hincks?

A. They were not.

Alderman THOMPSON, Chairman Standing Committee on Finance and Assessment, examined.

Q. Are you the Chairman of the Standing Committee on Finance and Assessment, and how long have you held that office?

A. I am Chairman of that Committee, and have held that office during the past thirteen months.

Q. Were the members of the Finance Committee consulted upon the subject of the issue of the £50,000 Debentures to the Contractors of the Ontario, Simcoe and Huron Union Railroad?

A. The members of the Committee were regularly notified of the meetings of the Committee. Nothing was done without the presence of a quorum, and the consent of a majority of the Committee. The proceedings of the Committee were regularly entered upon the minutes, which were always read over to the members present before being signed by me.

Q. Did the Contractors urge upon the members of the Committee the immediate issue of the Debentures; and was it at their instance and request they were so issued?

A. A doubt having been suggested by a member of the Council, (I think the Hon. J. H. Cameron,) of the right of the Council under the act specially passed to enable the City to aid the Ontario, Simcoe and Huron Union Railroad by the issue of Debentures, to issue those Debentures without three months' previous advertisement of the Bye-law, according to the requirements of the Municipal Corporations Amendment Act. I was authorised by minute of the Finance Committee of June 23rd, 1852, to obtain the opinion of Messieurs Mowatt and Hagarty upon the point. They agreed in opinion that the Special Act was so far overridden by the General Act, that not only was three months' advertisement required, but that the Bye-law would be invalid without the provision of a sinking fund of five per cent. to redeem the Debentures within 20 years. Pursuant to minute of the Committee of June 28, and at the urgent request of the

President of the Ontario, Simcoe and Huron Union Railroad I had an interview with the Directors at their Board-room, where I found one or more of the Contractors, and a gentleman, who was introduced to me as their solicitor from New York. The Directors and Contractors begged me to urge upon the Finance Committee and the City Council to consent to the immediate passage of a Bye-law for the issue of the Debentures under the Special Act, in order to save the Contractors from serious loss, which they would be entitled to recover from the Railroad Company. I stated plainly the legal difficulty that had arisen unexpectedly; and my own opinion, that as such difficulty was entirely owing to the contradictory wording of two Acts of Parliament, it was a matter which the Parliament itself would speedily rectify; that the City Council was not to blame, and would not be likely to consent to bear any risk in consequence, that if they (the Directors and Contractors) were willing to bear the risk of any loss which might arise from the depreciation of the Debentures in consequence of their being issued under a Bye-law passed under such circumstances, I would represent their wishes to the Finance Committee and the City Council. The Directors present stated that they were advised by (as I think) Joseph C. Morrison, Esquire, who I believe was then present, that the Bye-law would be perfectly good if passed under the Special Act. One of the Contractors and their solicitor stated their perfect satisfaction with such a Bye-law, and their readiness to assume the whole risk; the Contractor further stated, that he believed the Debentures to be "worth the face of them," and he would take no less; and that he was entirely assured that if the Debentures were illegal, the City would never refuse to replace them with good securities. The president, Charles Berczy, Esquire, furnished me with a written statement of the willingness of the Directors to assume the whole risk of the Debentures being issued illegally, a copy of which I beg to hand in, the original being in the Chamberlain's office.

(COPY.)

Toronto, June 28, 1852.

Mr. Alderman Thompson, Chairman Finance Committee,

Sir,

On the part of the Directors of the Ontario, Simcoe and Huron Railroad Union Company and the Contractors of the said company, I beg to intimate to you that we are prepared to take the Debentures of the Corporation under a Bye-law, without the form of advertising for three months, and to assume the entire responsibility of so receiving them.

The Contractors, acting under legal advice, agree to this course, as the

best that can be adopted under the peculiar circumstance, in which they are placed.

Should the above mode not be adopted, I submit as the next best course, that a Resolution should be passed by the Council, similar to the draft enclosed.

I am, &c.

(Signed) CHARLES BERCZY, President.

I reported all these circumstances to the City Council, and in consequence the Bye-law was passed.

The subject of the discount of those Debentures was never mentioned, to my knowledge, at any meeting of the Finance Committee held during the year 1852, nor did I know or imagine that they were discounted by parties within this city, until I heard it publicly rumoured during the period of the city elections in December and January last. I was not aware until the day of the election of Mayor, that the Chamberlain had acted on the order of the Contractors by paying the Debentures into the Bank of Upper Canada. On one occasion I remember hearing the Mayor mention in the Finance Committee, that he would endeavour to obtain for the Contractors an advance of some £5000 or £6000 from the Bank of Upper Canada, in anticipation of the issue of a portion of the Debentures. I have several times mentioned to his Worship and others my opinion, that in order to satisfy the public, it was desirable that all the particulars of the Debenture transaction should be made known; but I have not felt it my duty to enquire of any person what funds (if any) were used for the discount of the Debentures, believing it to be quite impossible for the credit of the City to be employed for such a purpose, or that the interests of the citizens could be in any way involved in the matter.

Q. Please state to the Committee any other circumstances which came under your notice connected with the issue, negotiation, or sale of the said Debentures ?

A. Of the £50,000 City Debentures, originally issued to the Contractors of the Ontario, Simcoe and Huron Union Railroad, £25,000 were issued on account of the grant by the City of £25,000, under the Resolution of the Council of November 25th, 1850. For those issues the orders will be found entered on the minutes of the Council and the Finance Committee. When application was made for a further issue, on account of the loan of £35,000, a new difficulty arose; the Directors being apparently unwilling to grant the required security of a second mortgage, and the Finance Committee refusing to recommend the Council to waive that condition. This led to more interviews and discussions; when the matter was dis-

posed of, as I understood, on the suggestion of the Mayor, by the Contractors agreeing to exchange the loan of £35,000, and the grant of £25,000, for stock to the amount of £50,000, which was done under Bye-law of the Council, adopted 18th October last. In the meantime, and to prevent the loss which it was represented by the Contractors would accrue to them if they were kept waiting for the passage of the Bye-law, the Finance Committee by minute of September 6, (present Messrs. J. G. Beard, Sheard, Bowes, and myself,) consented to issue the Debentures in the proportions to which they were entitled according to certificate of the engineer, accepted by government, on the temporary security of a like amount of stock deposited by the Contractors, which was restored to them so soon as the transaction was finally completed. This will prove, I think, that every facility was freely offered by the Finance Committee to the Contractors, whenever it could be prudently done.

I recollect no other circumstance of importance relative to the issue of Debentures for the £50,000, but it may be desirable for me to state what was done by the Finance Committee relative to the loan of £100,000, one half of which was applied to the redemption of those Debentures. The present Mayor, so long ago as the 28th of April, 1851, as appears by minute of that date, declared his opinion in the Finance Committee, of which G. P. Ridout, Esq. M.P.P. was then chairman, that the City Debentures if properly negotiated, ought to command as high a price, or nearly so, as the Provincial Debentures; and volunteered to write to capitalists in England upon the subject. On the 1st April, 1852, having received a message of enquiry from T. G. Ridout Esq, cashier of the Bank of Upper Canada, the Committee discussed the subject, and authorised the Mayor to address a written communication to that gentleman, with a view to the negotiation of a loan of £50,000 or £60,000, to redeem the Debentures falling due on the 1st of January, 1844, amounting to 30,000, as well as the small notes in circulation, and some other accruing liabilities of the same kind. A draft of an Act of Parliament for that purpose was prepared by the solicitor pursuant to minute of Finance Committee of June 9th, was approved by the City Council, and transmitted by the City Clerk to W. H. Boulton, Esq. M.P.P. with a request to take charge of its passage through the legislature. On the 23rd of August some proceedings took place in the City Council on the subject; of which I beg leave to hand in the report extracted from the "Patriot" newspaper, published a day or two subsequently.

"Certificate No. 5, from the Engineer of the Ontario, Simcoe and Huron Union Railroad, certifying that M. C. Storey & Co. had under their contract, done work to the amount of £165,000.

"CITY DEBENTURES.

"The Mayor stated that when in Montreal he had had an interview with the Solicitor-General, and he was led to believe that the government

would sanction any bill submitted by this council to parliament, for issuing £100,000 Debentures to provide for the payment of £50,000 to be taken in the Ontario, Simcoe and Huron Union Railroad, as well as for the sum of £50,000 required to pay off the outstanding City Notes and the Debentures falling due within the next few years. He recommended that immediate steps should be taken to prepare a Petition and Bill accordingly.

“Alderman Thompson moved, that the communication of the Engineer of the Ontario, Simcoe and Huron Union Railroad, certifying to the expenditure of £165,000 for the railroad, be referred to the Finance Committee, with power to order a further issue of Debentures in proportion thereto.

“Alderman Sheard opposed the resolution.

“The Resolution was then put and carried by a majority of 7.

“Alderman Thompson then moved, seconded by Alderman Dempsey—That the Finance Committee be authorised to prepare a petition and draft of a Bill to be submitted to Parliament legalising the issue of £100,000 Debentures, one half for the purchase of stock in the Ontario, Simcoe and Huron Union Railway, according to agreement, and the other half to form a fund for consolidating the city debt.

“After a few remarks from his worship the Mayor in explanation of the object of the Resolution it was carried unanimously.”

More than one letter was received by the Cashier of the Bank of Upper Canada on the subject of the Toronto Debentures. In reply to one received, as I understood, from the house of Glyn & Co. of which the Finance Committee were verbally notified, asking what commission and discount the corporation would allow; the committee consented to a charge of one per cent. commission, but declined to make any arrangement recognising a discount. This was not accepted, as the committee understood. On the 29th of September a letter was received by the Committee from T. G. Ridout, Esquire, stating that he was empowered by parties in London to offer the City a loan of £100,000 currency, free of commission, on condition that the £50,000 Debentures issued to the Ontario, Simcoe and Huron Union Railroad contractors should be taken in part payment thereof; this offer the Committee, by minute of 11th October (present, Messrs. J. G. Beard, Sheard, Bowes, and myself,) recommended to the Council for acceptance: on the same day an offer received through Messrs. Crawford and Hagarty of £25,000 was declined. The Mayor, on his return from Quebec, had stated to the Committee that Mr. Hincks or Mr. Ross on behalf of the Executive Government, had refused to sanction a Bill to legalise the £50,000 Debentures already issued for the

Ontario, Simcoe and Huron Railroad, unless accompanied by a sinking fund; but had offered to incorporate the amount in the bill already before the House; and at his (the Mayor's) urgent entreaty had consented to reduce the sinking fund from 5 to 2 per cent. per annum, being a less annual charge upon the ratepayers of the city, for the whole £100,000, than was previously included in the bill as approved by the Council for £50,000 only.

The Finance Committee conceiving that the city finances were in every way benefitted by these arrangements gladly assented. The offer made through the Cashier of the Bank of Upper Canada was considered and approved in full council on the same evening, and the arrangements closed.

Q. Has the management of the City Finances, during the incumbency of the present Mayor, tended to enhance or depreciate the city credit?

A. That the financial position of the city has immensely improved during the present Mayor's tenure of office is undeniable; how far his Worship has contributed to its improvement is of course a matter of opinion. For the last three years the Finance Committee has been unanimous in their determination to redeem the city credit from the disgraceful condition in which they found it—Debentures overdue, interest unprovided for, credit obtained at 25 or 30 per cent. sacrifice, were matters of weekly occurrence: the Banks would scarcely afford the Council the ordinary accommodation granted to merchants. All this is changed. Doubtless the improved state of our provincial credit, and the prudent restraints imposed upon municipalities, have done much towards this change; but in my opinion, the city of Toronto owes much of its financial superiority over other municipalities in Canada to his worship the present Mayor.

For obtaining a recognition of the principle of a reduction of the sinking fund on municipal loans from 5 to 2 per cent.—an inestimable advantage—the whole province is his debtor. The city of Toronto is solely indebted to him for persevering drawing the attention of London capitalists to the intrinsic value of our municipal securities. To his personal interference, as I believe, the city was also indebted for large money accommodation from the Bank of Upper Canada on many important occasions. I might mention numerous instances where, to my own knowledge, the Mayor has laboured for the establishment of our civic credit; and if three years efficient, and zealous exertions for the financial prosperity of the city can be appreciated, then, in my opinion at least, no man is better entitled to claim honor in that behalf than the present Mayor of the city.

Q. Did you submit Mr. Cawthra's offer to renew his loan to the council?

A. It was not submitted to the council. I did to the Finance Committee; it was not a formal offer but a mere conversation, unaccompanied by any conditions; I add, that it was not considered as favourable as the offer for another loan, which the committee had had under consideration for some months.

Q. After the legal opinions received did you, as chairman of the Standing Committee of Finance and Assessment, continue to recommend the issue of the Debentures said to be illegal?

A. The Bill authorising the issue was passed after the opinions were given. In my individual capacity I made no recommendation on the subject, as the organ of the committee I did.

Q. Were the Debentures issued after the opinions had been received?

A. Yes.

Q. Do you know who got the amount of £10,000, or any part thereof, realized by the sale of the £50,000 Debentures issued illegally?

A. I have stated already that I did not know anything publicly or privately of any discount having been received by any one.

The Clerk was directed to ask the attendance of J. H. Hagarty, C. E. Romain, James Beatty, James Crowther, Wm. Sladden, M. Courtright, Jas. Cotton, and George Beatty, Esquires, and of John Brown, Tompson M'Cleary, and Robert Dodds, Builders.

Adjourned till Thursday, at three o'clock.

THURSDAY,

FEBRUARY 17, 1853.

The Committee met.

PRESENT:

ALDERHAM GOODERHAM, Chairman,	
Aldermen BELL,	Councillors ASHFIELD,
GOWAN.	MACDONALD,
	GREEN.

J. H. HAGARTY, Esquire, examined.

Q. Are you one of the petitioners complaining of the negotiation and sale of the £50,000 City Debentures to the Contractors of the Ontario,

Simcoe and Huron Railroad, and praying the Corporation to enquire into the same?

A. I am.

Q. Do you know any matter or thing connected with the said negotiation and sale which in your judgment is wrong; and if so, state it?

A. I signed the petition for information, not that I could give any. I observed a discussion on the point in the papers, which I thought called for explanation.

Q. Have you at any time, for yourself or others, purchased Debentures of this City, or tendered for their purchase?

A. Mr. Crawford and I purchased some about December last. These were not Railway Debentures and no part of the £50,000.

Q. What amount did you purchase, and what was the rate of discount in each case?

A. About £3,000 at one per cent. per annum for the years they had to run, which was from eight to eighteen years; so far as I myself am concerned, and I believe the same of Mr. Crawford, we never have purchased Debentures for ourselves or in whom we any personal interest.

Q. If you purchased a Debenture would you hesitate to state such fact, if it were all correct?

A. Certainly not.

JAMES COTTON, ESQUIRE, examined.

Q. Do you know that the £50,000 issued to the Ontario, Simcoe, and Huron Railroad Contractors were discounted at 20 per cent.

A. I have heard so. My position is such, that I do not wish to say anything on the subject.

Q. Has the Mayor ever stated to you, or to others in your hearing, whether he was interested in the £10,000 discount, from the Debentures issued to the Ontario, Simcoe, and Huron Railroad.

A. Any conversation I had with him was in confidence, and I do not wish to answer.

Q. Have you had any conversation with the Mayor relating to this sum of £10,000, the discount on the £50,000 issued to the Ontario, Simcoe, and Huron Railroad?

A. I refer you to my answer to the last question.

Q. Can you give this Committee any information touching the inquiry they were appointed to make ; and if so, please to state it ?

A. I decline to answer this question.

Alderman Denison joined the Committee.

JAMES BEATTY, Esquire, examined.

Q. Have you at any time, either for yourself or for others, purchased Debentures of this City ?

A. I have for others, but not for myself.

Q. What amount did you purchase, and what was the rate of discount in each case ?

A. I do not know the amount. Persons, about December last, called upon me, and offered them at one per cent. per annum discount, for the time they had to run.

Q. Can you inform the Committee what has been the usual rate of discount upon City Debentures for some years past ?

A. One per cent. per annum I believe the average lately ; but I have known them to be sold at 25 per cent. discount.

Q. Can you communicate to this Committee any information tending to elucidate the subject of their present inquiry ?

A. I cannot. I know nothing of it, directly or indirectly.

CHARLES EDWARD ROMAIN, Esquire, examined.

Q. Have you at any time, either for yourself or for others, purchased Debentures of this City ?

A. Yes.

Q. What amount did you purchase ; and what was the rate of discount in each case ?

A. I do not remember the amount ; but the discount was one per cent. per annum.

Q. Can you state what has been the usual rate of discount on the Debentures of the City in the month of October last, and since ?

A. One per cent. per annum.

Q. Do you know who it was that realised the £10,000, as discount of the £50,000 to the Ontario, Simcoe, and Huron Union Railroad ?

A. No. The Debentures I bought were no portion of the Debentures issued to Contractors of Ontario, Simcoe, and Huron Union Railroad.

HUGH MILLER, Esquire, examined.

Q. Are you one of the petitioners complaining of the negotiation and sale of £50,000 City Debentures issued to Contractors of the Ontario, Simcoe, and Huron Railroad, and praying the Corporation to inquire into the same ?

A. Yes.

Q. Can you communicate to this Committee any information which may tend to elucidate the subject of the inquiry which this Committee was appointed to institute ?

A. I was told by a Director of the Ontario, Simcoe, and Huron Railroad that of the sum of £10,000, the Mayor got £2,500; Mr. Cotton £2,500, Mr. Hincks £2500. He could not account for the other £2,500.

Q. Who was that Director who so informed you ?

A. Mr. Duncan Macdonald. And Mr. Hancock told Mr. David Paterson and myself that the Mayor had not got the whole amount, but only a part of it.

Q. Do you know any matter or thing connected with the said negotiation and sale which in your judgment was wrong ; and if so, please state it ?

A. I know nothing directly, but merely from public talk.

Q. Are you aware at what rate of discount the Debentures of this City have been sold ?

A. They have been sold at par, and at a premium.

Q. To whom were they sold at par ?

A. I bought at par myself.

Q. To whom were they sold at a premium ?

A. They were sold at a premium in London.

Q. To whom were they sold in London, and when ?

A. I am unable to tell ; but refer the Committee to the *Globe* newspaper, which is as true a paper, I believe, as any in town.

Q. When you stated that the City Debentures were sold, some at par and some at a premium, did you know that such was the fact ; or does your information rest solely on newspaper report ?

A. I had it from the newspapers—the *Globe* in particular, and public talk.

Q. Did you purchase any Debentures of the City yourself ; and if so, at what rate ?

A. I purchased some at par.

Q. When did you so purchase them ; what was the amount ; how long had they to run ; and from whom ?

A. In 1850, £100 or £125 : four years : from John Brown, the builder : in cash.

Q. Are you aware that the Debentures of the City, in the case referred to—the Ontario, Simcoe, and Huron Union Railroad—were sold below the usual rates of discount in other cases ?

A. I am not aware of it.

Q. Have you stated that this Committee refused to examine His Worship the Mayor of the City ; and if so, what authority had you for making such statement ?

A. I understood, from Mr. Cawthra, that a motion was made in Committee that the Mayor should be examined ; and that it was decided, by the casting-vote of the Chairman, that he should not be examined.

Q. Are you now satisfied that your information from Mr. Cawthra was incorrect ?

A. I have been so informed, by the Committee.

His Worship the Mayor having, by direction of the Committee, been asked to attend the Committee, for the purpose of furnishing the Committee with any information he could give on the subject under investigation,—

The following REPLY was read :—

The Mayor presents his compliments to the Chairman of the Select Committee appointed to inquire into the issue to, and sale of Debentures by, the Contractors of the Oshawa, Simcoe, and Huron Railroad, begs to state that he has no information to give the Committee on the subject, but what will be found in the books of the Chamberlain, or got from the Chairman of the Standing Committee on Finance and Assessment, or the Contractors of the Ontario, Simcoe, and Huron Railroad, or the Cashier of the Bank of Upper Canada.

Mayor's Office, 17th February, 1853.

M. Courtright, Esquire, acting member of the firm of M. C. Storey & Co., having been requested to attend and give information to this Committee, the following letter was received in reply :—

Toronto, February 17, 1853.

To the Select Committee of the Council of Toronto, appointed to enquire into certain matters connected with the sale of City Debentures.

Gentlemen,—Your note of yesterday's date, requesting me to furnish such information as I may possess on the subject under investigation, is received.

In connection with this subject, and in order to proper understanding of it by parties not conversant with the whole matter, allow me state briefly the transaction throughout, so far as the City has been concerned.

The Committee are doubtless aware that the City of Toronto, by a resolution of the Council, agreed upon certain conditions to issue to us £60,000 of their Debentures on account of the Ontario, Simcoe, and Huron Railroad Union Company, £35,000 of which were to be in exchange for an equal amount of Company's bonds, and the balance of £25,000 as a bonus, being an inducement offered to take the work, subsequently by a mutual arrangement between the City, the Railroad Company, and ourselves, the City was released from the above obligation, together with the bonus, the City through their Council, then purchased from us £50,000 of stock, for which we took £50,000 of their Debentures.

These Debentures, after being passed to us and paid for, were considered entirely at our disposal, we being the only parties having the

least interest in them; we therefore dispose of them at what we regarded as a fair price, and no subsequent event has yet satisfied us that the arrangement was injudicious.

It is taken for granted that the Committee do not desire to enquire into our private business transactions, and trust therefore that the above statement will prove satisfactory in shewing that no undue official interference had any influence with us in the disposition of the Debentures alluded to, and to relieve the City from any anxiety on our account. I beg leave to state that we are entirely satisfied with the operation.

Respectfully yours,

(Signed)

M. COURTRIGHT,

Acting Member of the firm of M. C. Storey & Co.

The Clerk was directed to request the attendance of Duncan Macdonald, and E. Chads Hancock, Esquires.

FRIDAY,

FEBRUARY 12, 1853.

The Committee met.

PRESENT:

Alderman GOODERHAM, Chairman.

Aldermen BELL,

DENISON,

GOWAN.

Councillors ASHFIED,

GREEN,

MACDONALD.

DUNCAN MACDONALD, Esquire, examined.

Q. Are you a Director of the Ontario, Simcoe, and Huron Railroad Union Company?

A. I am.

Q. Did you tell Mr. Hugh Miller, of this City, that in the negotiation, sale, or disposal of the City Debentures issued to the Contractors of the said Railroad, the Mayor of this City had participated in a profit to the extent of £2,500, or to any other amount?

A. I did not mention it to Mr. Miller as of my own knowledge. I may have repeated it to Mr. Miller as a matter of common rumour; and I have no knowledge of such a matter as a Director.

Q. In point of fact, do you know that the Mayor did participate in any profit on such sale or negotiation ?

A. I do not.

Q. Do you know that a legal gentleman came on from New York to purchase or inquire about the City Debentures issued to the Contractors of the Ontario, Simcoe, and Huron Union Railroad.

A. I heard so.

Q. Do you know that those Debentures were sold, or agreed to be sold in New York at par ?

A. I do not know of my own knowledge. I heard so.

Q. Can you give any information to the Committee tending to elucidate the subject which the Committee was appointed to inquire into.

A, I cannot.

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Alderman DENISON, seconded by Alderman GOWAN. moved that the following three questions be submitted to His Worship the Mayor, through the Clerk, respectfully requesting that he will answer the same, either verbally or in writing, to the Committee :—

Q. 1. Have you in any manner taken part, for yourself, or as agent for any other person, in the negotiation or sale of the £50,000 City Debentures, by the Contractors of the Ontario, Simcoe, and Huron Railroad, which it is said were sold at a discount of 20 per cent., or thereabouts ? If so, state how, and in what manner.

Q. 2. Have you, directly or indirectly, received, or are you in expectation of receiving, directly or indirectly, any portion of the profits on the said transaction mentioned in the last question, or any sum of money for aiding and assisting in the promotion of the said negotiation or sale of the said Debentures ? If so, state the amount.

This third question not to be put, if the two preceding are answered in the negative.

Q. 3. Did you assist in the promotion of the said negotiation, in your position or capacity as Mayor of Toronto ? or did you exercise the influence of your civic position to aid you in promoting such negotia-

tion? or did you act entirely in your private capacity, as Mr. Bowes, a merchant, of Toronto?

W. SLADDEN, Esquire, examined.

Q. Are you the Secretary to the Directors of the Ontario, Simcoe, and Huron Railroad Union Company.

A. I am.

Q. Can you inform the Committee whether the Directors approved of the exchange of the stock to the extent of £50,000 being taken from the Contractors, in lieu of the original loan of £35,000, and the grant of £35,000.

A. I refer you to the written communication given by me, as Secretary to the Board of Directors, dated July 30th, 1853; and any other communication in writing I may have made on the same subject.

Q. Did you, as the Secretary of the Board, transfer the stock given to the City by the Contractors.

A. I did.

Q. Has the city ever taken or purchased any stock in your company in accordance with the provisions of the law or otherwise?

A. Not directly of the company.

Q. How does the city stand on the books of your company as representing stock?

A. As the holders of 10,000 shares by transfer from certain parties; and also as holders of original certificates, which certificates were issued to them at the instance of the Contractors, and charged to the account of the Contractors.

Q. Do you recognize the city in your company as having complied with the law in respect to taking stock in the company?

A. I only consider the City in the light of transferees.

Q. Do you know, either from the Contractors or any other person, who it was that retained the £10,000 from the Contractors of the Ontario, Simcoe and Huron Union Railroad on the sale of the £50,000.

A. I do not know anything at all about it.

Q. Are you aware from the Contractors or any other party, that the £50,000 Debentures issued by the City to the Contractors, had been sold or agreed for in New York at par?

A. I am not.

Q. Does it make any difference whether the City subscribed for stock as the original holders, or as the assignees of others, and if so be pleased to state the difference?

A. I am not prepared to give my opinion as to whether it makes any difference in any shape or way; this I did not expect to be examined on.

MR. THOMPSON M'CLEARY, examined.

Q. Have you been a contractor for Public Works ordered to be made by the City?

A. I have been.

Q. Did you in that capacity receive the Debentures of the city in payment?

A. I did.

Q. Have you any objection to state at what rate of discount you disposed of the said Debentures?

A. With the exception of the two first, which were at a higher rate, the whole were disposed of at one per cent. per annum for the time they had to run?

HUGH MILLER, Esquire, re-examined.

Q. You stated on your examination yesterday that the Debentures of this city had been sold some at par, and some at a premium, and that you had yourself purchased at par; did you intend to convey by such answer the meaning that the Debentures of the City were at the time actually worth par; or if not, what meaning did you intend to convey?

A. I traded in the article at this period to a limited extent. I took it at par, because I could not get it at less, you may understand what you like; I paid par, I do not think they were worth par at the time.

Q. Was it not in consideration of the new Market being built in the vicinity of your residence that you gave par for the Debentures; and was

it not in fact in pursuance of such consideration you had previously bound yourself to take such Debentures?

A. Certainly.

Mr. ROBERT DODDS, examined.

Q. Have you been a Contractor for certain Public Works, and were you paid for their performance in the Debentures of the City.

A. I have, and was so paid, about a year ago.

Q. Have you any objection to inform the Committee the usual rate of discount on the Debentures of the city?

A. Something over one per cent. per annum for the time they had to run, this was in the year 1851 in the fall.

The Clerk was directed to address the following letter to M. Court-right, Esq. acting Manager of the firm of M. C. Storey and Co.

Committee Room, February 19, 1853.

Sir,—It having been asserted by Mr. Alderman Bell in his place in the council, that he had been informed the Contractors of the Ontario, Simcoe and Huron Union Railroad had agreed to sell the Debentures of the city in New York at par, that a legal gentleman had come on here to enquire after them, and that in consequence of the manner in which they had been issued they had been pronounced illegal; no doubt he would say “you have issued your Debentures in a clumsy manner, and that in consequence the Contractors sold them at a discount of 20 per cent.”

1st. Had you or any of your firm made arrangements for the sale of those Debentures or any portion of them at par in New York; or if not, at what rate could you have disposed of them there.

2nd. Did ever Major Lawman tell you he had sold or arranged to sell those Debentures at par in New York?

3rd. Are you aware that he told any other person that your Company had agreed to sell them at par in New York?

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The favour of your answer to the foregoing questions is requested for the information of the Committee at your earliest convenience.

I am, &c.

(Signed) CHARLES DALY,
C.C.C.

MONDAY,

FEBRUARY 21, 1853.

The Committee met.

PRESENT :

Alderman GOODERHAM, Chairman.

Aldermen BELL,	Councillors ASHFIELD,
DENISON,	GREEN,
GOWAN,	MACDONALD.

E. CHADS HANCOCK, Esquire, examined.

Q. Are you a Director of the Ontario, Simcoe and Huron Railway Union Company?

A. I am.

Q. Did you inform Mr. Hugh Miller that to the negotiation sale or disposal of the Debentures issued to the Contractors of the Ontario, Simcoe and Huron Union Railroad the Mayor of this City was a party, or that he participated in any profit or advantage thereby?

A. I never said a word about it.

Q. In point of fact do you know who did negotiate the said Debentures, or who participated in the profit thereof?

A. No.

The Clerk informed the Committee that he had not received any reply to the letters addressed to Joshua G. Beard, Esq., the Mayor, or M. Courtright, Esq.

Alderman Gowan submitted certain memoranda to form the ground work of the Report of the Committee, which was declined.

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Alderman Denison submitted the draft of a Report to be adopted by the Committee, which was adopted.

Adjourned.

The Committee having been notified that a letter in reply to the questions put by the Committee had been received from his worship the Mayor,—

The Committee reassembled at half-past six o'clock, p.m.

PRESENT :

Alderman GOODERHAM, Chairman.

Alderman GOWAN,

Councillors GREEN,

MACDONALD.

The following letter was read from his Worship the Mayor :—

To William Gooderham, Esquire.

Sir,—I had the honor, in reply to your communication of the 17th instant, to refer you to the City Chamberlain, the Chairman of the Standing Committee on Finance and Assessment, the Contractors of the Ontario, Simcoe and Huron Union Railroad, and the Cashier of the Bank of Upper Canada for information on the subject of the Debentures issued to the Contractors of the Ontario, Simcoe and Huron Union Railroad, as capable of giving much more satisfactory information than any I might give.

But as the Committee seem anxious that I should answer their questions, I cheerfully do so.

I introduced the Contractors to the Bank of Upper Canada and rendered them any assistance in my power in the negotiation of the £50,000 Debentures, but received no remuneration present or prospective therefor.

Yours obediently,

(Signed) J. G. BOWES,

Mayor.

Councillor Macdonald, seconded by Councillor Green, moves,—That in consequence of the communication just read having been received from His Worship the Mayor, the following report be substituted for the one previously adopted,—which was carried.

(See Report, page 6.)

The proceedings of the Committee closed here.

The following letter was received by the Chairman of the Committee, on Tuesday, the 22nd instant :—

[COPY.]

Buffalo, 21st February, 1853.

To the Select Committee, appointed by the Council of Toronto to inquire into the sale of certain City Debentures.

GENTLEMEN,—

Your note of the 19th instant, requesting my answer to certain interrogations therein contained, is received.

In reply to the first question, I can only say, that neither myself, or any of our firm, ever made arrangements, to my knowledge, for the sale of the Debentures alluded to, or any portion of them, at par, in the City of New York ; and that the disposition that *was* made of them answered our purpose better, so far as my knowledge goes, than any we could then, or any time previously, have made.

In answer to the second and third enquiry, I say, No!

Very respectfully yours,

(Signed) M. COURTRIGHT,

Of the firm of M. C. Storey & Co.

TORONTO:
PRINTED BY ORDER OF THE COUNCIL,
BY GEO. E. THOMAS & CO., PRINTERS TO THE CORPORATION.
1852.

I CERTIFY that this is a correct Copy of the Proceedings in Council, and Minutes of Evidence taken by the Committee, relative to the Issue and Sale of City Debentures, in 1852.

CHARLES DALY,
C.C.C.

CLERK'S OFFICE,
Toronto, 8th March, 1853. }

